

Business Continuity Planning

Is Your Business Prepared to Continue Without You?

OVERVIEW

Successful owners are usually optimistic people, somewhat averse to dwelling on the more unpleasant aspects of business. Contemplating one's demise certainly qualifies as an unpleasant aspect. However, it is important that you, the business owner prepare well in advance to take care of business now – for it to continue successfully without you

BUSINESS CONTINUITY ISSUES

Ownership succession is the most obvious problem facing a company but it is one of four vital issues:

- Continuity of business ownership
- Company's loss of financial resources
- Loss of key talent – You
- Loss of employees and customers

BENEFITS

The Seven Step Exit Planning Process™ is comprehensive enough to address all of the elements required to create a successful Exit Plan, and flexible enough to work with your planning style. You can choose to develop this as part of one multifaceted process or work through it in stages:

POSSIBLE RECOMMENDATIONS

- Business insurance for continuity planning
- Stay bonus plan for key employees
- Business continuity guidelines
- Buy-sell (shareholder) agreement
- Wage (salary) continuation plan
- Retaining key employees after death or disability of owner
- Plan for financial independence of company

Business Continuity Planning Process

3 KEY QUESTIONS	<p>ANSWER YES TO THESE QUESTIONS – CONSIDER BUSINESS CONTINUITY</p> <ol style="list-style-type: none"> 1. Are you no longer comfortable with the “understanding” you have with your partner(s) about what you would do if one of you dies? 2. Do you believe that your spouse or other family member would be incapable of running the business if you were to die or become incapacitated? 3. You wish to protect the income stream that supports your family should something happen to you?
WHY FUNDING?	<p>ADEQUATE FUNDING IS NECESSARY FOR BUSINESS CONTINUITY</p> <p>The loss of an owner usually dries up the company's financial wellsprings. It is highly unlikely that successor management or ownership can replace your balance sheet with theirs for the following</p> <ul style="list-style-type: none"> • Bank financing, usually guaranteed by you • Equipment and other financing, guaranteed by you • Bonding capability, guaranteed by you the owner • Adequate capitalization supplied by you

<p>WHAT NEEDS FUNDING?</p>	<p>AREAS TO BE FUNDED FOR BUSINESS CONTINUITY</p> <p>In the short run, the money is required to fund the following areas:</p> <ul style="list-style-type: none"> • Effect a buy-out • Provide capitalization • Replace your balance sheet with respect to lenders - pay off debts • Provide cash incentives to entice your employees to stay
<p>WHAT SOLUTION?</p>	<p>LONG-TERM FINANCIAL SOLUTION FOR BUSINESS CONTINUITY</p> <p>In order to survive your demise, your company must have adequate cash (almost always subsidized by insurance on your life) to survive. Insurance provides and prevents:</p> <ul style="list-style-type: none"> • Continuity of business ownership • Company's loss of financial resources • Loss of key talent -You • Loss of employees and customers
<p>STEP 1</p>	<p>IDENTIFY YOUR BUSINESS EXIT OBJECTIVES</p> <p>Owners often want to be sure that they will receive full value for their ownership interest if certain events occur (such as death, disability or retirement). At the same time, owners also want assurance they will pay fair value if they are the ones required to purchase the ownership of a co-owner. Other owners want to put in place the structures necessary so that the business can stand on its own, be financially independent from the owner and continue.</p>
<p>STEP 2</p>	<p>IDENTIFY YOUR BUSINESS AND PERSONAL FINANCIAL RESOURCES</p> <p>Once we identify your objectives, it is critical to determine current business value, a method for calculating future business value, projected future cash flow from the business and the amount of your non-business financial resources. We use this financial information to set expectations in business continuity planning and to verify that an Exit Plan is reasonable for all parties.</p>

Call Us to Learn More About Business Continuity Planning

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