

# CLIENT SERVICES:

## Business Succession Planning

Dear Client:

If you own a family business, retirement isn't simply a matter of deciding not to go into the office anymore. You've got some critical questions to answer, such as:

**“What happens to the business when you're no longer running it?”** and

**“Will you have enough money to retire?”**

The family dynamic complicates the whole transition because of the relationships and emotions involved. Most people are not comfortable discussing topics such as aging, death, and financial affairs.

Comfortable or not, succession planning should be a priority for any family business considering that more than seven out of ten family-owned businesses fail to survive the transition from founder to second generation, typically falling prey either to estate taxes or family discord – or both.

Developing and implementing a well-designed succession plan is essential to the survival of a family business from one generation to the next.

We help you with these key issues:

- **Keeping it in the family** – Are you going to pass the business on to your family or sell it to a third party? We help you weigh the advantages and disadvantages of each of these options.
- **Who's going to run the business when you're gone?** – Management and ownership are not one and the same. You may decide to transfer management of your business to just one of your children but transfer equal shares of business ownership to all your children, whether they're actively involved in the business or not.
- **Minimizing the tax bite** – The tax burden when transitioning a family business can be significant. The challenge is that a family business is not generally a liquid asset, but taxes are typically due when ownership is transferred.
- **Making it fair** – Transferring family ownership often adds a tremendous amount of stress to individual family members. We talk with each of the family members to ensure that they feel they are getting an equitable and fair share of the pie.

Once we understand how you feel about the key issues above, we begin constructing your succession plan focusing on these 5 issues:

- 1) Business Valuation
- 2) Business Restructuring
- 3) Tax Consequences
- 4) Retirement Projections
- 5) Tax Projections

Let us help you pass on what's taken a lifetime to build.

Sincerely yours,

**TICE ASSOCIATES, P.C.**

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