

# THE IMMEDIATE BENEFITS OF LONG-TERM PLANNING

**W**hen business owners think about planning for a successful future, they sometimes believe that it will take years to reap what they sow. This can make it tempting to push such planning off to an indeterminate future date.

However, strong planning can help you achieve success both later in your business career and right now. Here are a few strategies that may help strengthen your business right now in addition to allowing you to plan for your eventual business exit.

## **Knowing Your Financial Independence Number**

The amount of money it will take to allow you to achieve financial independence is something that you can begin determining right now. Knowing this number can help guide you toward the most effective strategies to achieving your business and personal goals.

To determine this number, you'll likely need the help of several different advisors.

A financial advisor can help you determine how much money you'll

need after you leave your business and how to best invest your funds to allow for a comfortable life after you leave. Often, business owners will underestimate how long they think they'll live, which can put them in a financial bind later in life.

Beginning this kind of planning now gives you more opportunities to invest and reach that goal successfully. The earlier you invest, the more you can potentially make.

You may also seek the advice of a tax professional. Minimizing your tax burdens is another important element of reaching financial independence.

Another advisor to consider is legal counsel. Your lawyers can help you plan your estate and implement business continuity strategies if something unexpected happens to you before your planned exit. Facing these difficult conversations head on may help you understand where the strengths and weaknesses lie in your business, giving you more opportunities to enhance your strengths and shore up the weaknesses.

## **Finding Next-Level Management**

In many cases, a next-level management team is the key to positioning

business owners for success both now and in the future.

No matter when you intend to exit, whether by choice, death, or otherwise, a business that can run well without you tends to be the most valuable kind of business. This is generally true whether you decide to sell to a third party or transfer the business to an insider.

That's because next-level managers make the business less reliant on just one person (in this case, you) for success. When a business doesn't live or die based on one person, potential buyers usually find value in that business.

Spreading responsibilities among highly qualified managers could give you more time to focus on what you're best at and what you want to focus on most. This, in turn, could give you more clarity about what a successful future looks like for you while still achieving your short-term goals.

But how do you find next level managers? Your Advisor Team may be able to help you. A business consultant or coach may have the skills to identify internal employees who can act as next-level managers or outsiders who can step into the role.

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## Business Owner Newsletter

Upon finding next-level managers, your financial advisors and accounting team could help you craft plans that ensure that these next-level managers have ambitious but achievable goals that allow you to pursue your goals. They will likely create plans that include vesting bonuses, written guidelines for what success looks like, and golden handcuffs that keep these managers on board as and after you leave your business.

### Creating a Business Continuity Plan

Sometimes, even the best laid plans can go awry. Having a set of business continuity instructions could help you uncover hidden weaknesses in your business, which can allow you to pursue strategies to turn those weaknesses into strengths.

A common example is to consider who would run the business if you were forced to suddenly leave it before you were ready. Many business owners realize that if this were

to happen, they may not have anyone who can run the business. This can lead to a domino effect, where both your family and the business itself struggle to survive.

Business continuity instructions can help address these weaknesses proactively. Doing so has short-term benefits in addition to the more obvious long-term benefits.

For instance, business continuity instructions can reduce the chaos that comes with the unexpected exit of a business owner, especially for family members who may inherit the business without any training or desire to run it. This can help keep the business running smoothly even in your absence while putting family members at ease.

With help from your financial advisors, lawyers, accountants, and dedicated Exit Planning Advisor, it's possible to create a Plan B if unexpected events derail Plan A.

We strive to help business owners identify and prioritize their ob-

jectives with respect to their businesses, their employees, and their families. If you have questions on this topic, we can help with more information or a referral to another experienced professional.

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