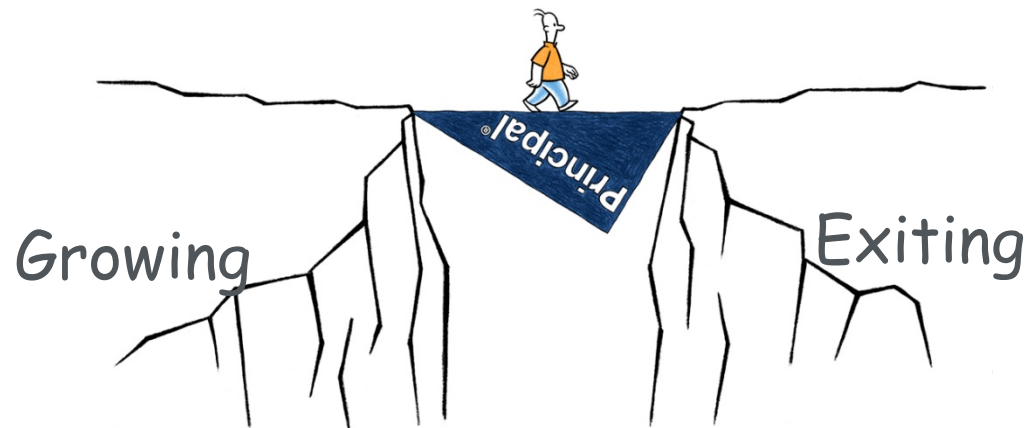


Big Challenges for Growing Businesses



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Business Owner and Executive Solutions



Three Challenges for the Business Owner

1. Business succession planning
2. Recruiting, retaining and incenting key employees
3. Converting profits to wealth

Challenge 1: Business Succession Plans

Implementing a well-crafted and funded buy-sell agreement and/or various other exit planning strategies are the foundation of a healthy business.

Challenge 1: Agreements Between Owners

What happens if:

- The relationship between owners sours?
- An owner dies?
- An owner becomes disabled?
- 5 additional “triggers”?

Challenge 1: Agreements Between Owners

Common pitfalls

- No formal agreement
- Poorly structured agreement
- No funding
- Antiquated agreements

Challenge 1: Agreements Between Owners

Questions to ask

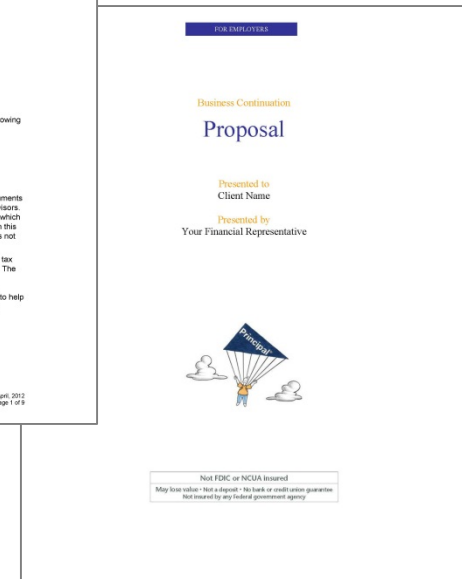
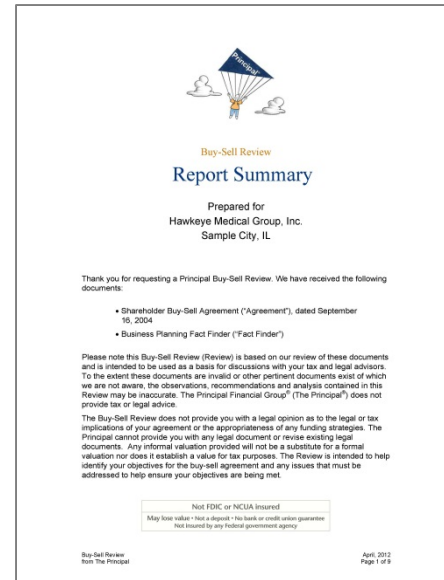
- Are all possible “triggers” included?
- Is business valuation clear, specific, appropriate, continuous?
- Is a “mandatory buy-out” required upon death and/or disability?
- Is “disability” defined and consistent?

Challenge 1: Agreements Between Owners

- Clarity
- Timing
- A financial bridge

Solution 1: Buy-Sell Review or Implement a Business Continuation Plan

- Request a complimentary buy-sell review
- Implement a business continuation plan



Challenge 2: Hiring, Retaining and Incenting Key Employees

Who is the difference maker in your company?

- Immediately change operations, customer relations, profitability
- Significant recovery time

Challenge 2: Hiring, Retaining and Incenting Key Employees

Hiring the difference maker

- Compete with compensation and benefits
- Consider customized benefits
- Align commitment with vesting

Challenge 2: Hiring, Retaining and Incenting Key Employees

Retaining and incenting the difference maker

- Love what they do
- Tie performance to reward
- Futures in-sync

Challenge 2: Hiring, Retaining and Incenting Key Employees

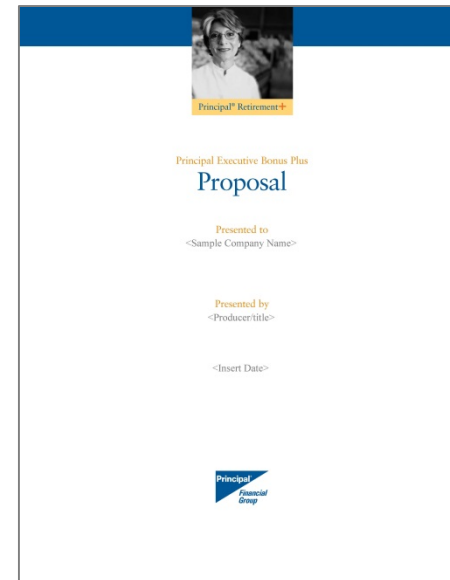
Retaining and incenting the difference maker

- Money is a tool
- Significance and durability
- Reward commitment by “growing” the bonus

Challenge 2: Hiring, Retaining and Incenting Key Employees

Executive Bonus Plans

- Nonqualified executive benefit plans
- Flexible vesting
- Tax advantages
- Market, or company-based growth



Challenge 3: Converting Profits to Wealth


Why are you in the business?

Challenge 3: Converting Profits to Wealth

A business owner's financial priorities

- Financial protection
- Income protection
- Wealth preservation

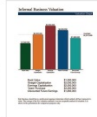
Solution 3: Converting Profits to Wealth



Business Planning Services

Know the Value of Your Business

There is a variety of valuation methodologies that can be used to determine the value of your business, and no one method will satisfy every need. Determining the value of your business is necessary and may affect you in a variety of ways, such as retirement income planning, buy-sell agreement funding, business protection and wealth transfer.




Internal Business Valuation Proposal

- **Survivor Income** – Given the amount of business income used to support your spouse and/or other beneficiaries, would they be able to maintain their desired standard of living after your death?
- **Income Protection** – Upon an accident or severe illness, would you be able to meet present financial obligations (business and personal) during that stressful time?

Sale-to-income challenge

Whether you need to create a market for the sale of your business or provide protection in the event of your death, creating a solid financial plan for your business may be critical to your future. The chart below illustrates the sale-to-income challenge for business owners.



Sales Price	Income Goal
\$2M	\$50,000
\$4M	\$75,000
\$6M	\$100,000
\$8M	\$125,000
	\$150,000
	\$175,000
	\$200,000

Sale price (\$3 million) needed to support income goal (\$200,000)

Common questions to consider

- **Retirement Income** – Do you anticipate your business will be the primary source of your retirement income?
- **Exit Planning** – Have you identified who will buy your business and for how much?
- **Business Protection** – Have you considered the effect to business earnings and the resulting value of your company if you were to lose a key employee?
- **Wealth Transfer** – Are you confident in the value your heirs would receive if you died without a buy-sell agreement in place?

Complimentary informal business valuation

Working with a team of CPAs, attorneys and consultants, I can provide you with a complimentary informal valuation using five commonly used valuation methods. Then we'll determine a plan of action to help meet your business objectives and goals.

Complete and submit the information on the other side of this form to receive your report.


FOR EMPLOYERS

Business Valuation Proposal

Presented to
Sample Company

Presented by
<Producer Name>

Based on financials from
2009 - 2011



Not FDIC or NCUA insured
May lose value • Not a deposit • No bank or credit union guarantee
Not insured by any Federal government agency

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Summary

- Overcoming three key challenges
 - Implement & fund a buy-sell agreement
 - Implementing plans to help hire, retain and incent key employees
 - Effectively converting business profits to personal wealth

Q & A

Thank You!