



"SUCCESSION PLANNING" - A Misnomer?



Martin J. Satinsky,
CPA/PFS, J.D., LL.M., AEP

Principal

Family owned businesses play a large role in the U.S. economy. 99% of U.S. businesses are family owned, from the corner store to mega-companies such as Mars, Inc. and L.L.Bean, Inc.

Most family owned businesses sooner or later focus on what is referred to as "succession planning". The focus of succession planning is the continuity of a business from one group of owners or management to the next in line. The primary goal is the financially viable continuation of the business.

The usual successors of the business are family members or internal management who may or may not have financial interest in the company. However, with either of these

groups there are often difficult issues to address. If there is a desire for family succession, what happens if the next generation isn't interested in running the company?

A broader strategy for a closely held business owner is to focus on how to "Cash Out" of the business. Maybe it is one of the common succession plans mentioned above. Alternatively, it may be better to sell to a third party, merge the business, or plan to go public.

Whatever strategy seems appropriate, planning and structuring businesses with that objective in mind is never easy.

Not sure what direction is best for you? Let our experts at Crosslin & Associates assist you in your plans to "Cash Out."

(615) 320-5500

www.crosslinpc.com
info@crosslinpc.com