

## **SUCCESSION STRATEGIES: Building Business Value for Long-Term Wealth**

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Business transitions rarely occur in a vacuum. For most owners, cash flow from the business powers your lifestyle, so reliably replacing that income stream is critical to your post-transition life and family legacy. With so much riding on the outcome, smart business owners carefully examine these important themes:

### **Creating value: The starting point**

- What is the current value of the business?
- How was that value determined? Were professional advisors involved? If not, why?
- How is the fair market value of the business distinguished from its investment value?

### **Driving value: Business attractiveness**

- Have you made yourself obsolete? How would the business perform if you were completely absent for six months?
- What have you done to lock in future earning streams? Can you do more?
- How have you insulated the business from the actions of customers, suppliers, competitors, new entrants, and substitutes?

### **Demonstrating value: The market test**

- What are your transition goals? Which transition avenues will best help you achieve those goals?
- How would you tell an investor or financing source your business story? Can you fully support it with data?
- Have you identified an appropriate transaction advisor to execute your vision? If not, why?

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## Realizing value: Sealing the deal

- Closing a business transition is often the most challenging thing a business owner will ever do. How have you prepared?
- Have you leveraged an integrated, multidisciplinary professional team in the process? If not, why?
- Business transitions are frequently once-in-a-lifetime experiences. Do you know what you don't know?

**Building a great business and realizing value for it in a business transition are different sports with unique rules and specific skill sets. Honestly assessing your company's strengths and weaknesses, executing with discipline, involving the right professionals, and doing the hard work can help position you to win both games.**

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