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# The Crossbridge Courier

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## BY FAILING TO PLAN FOR YOUR BUSINESS, ARE YOU PLANNING TO FAIL IT?

As an owner or executive of a successful small business, you are constantly engaged in the day-to-day tasks necessary to drive revenue. But as your business grows, so do your responsibilities and the demands to keep up with maintaining a larger company. The truth is, you may be so busy working *in* your business that you might be failing to work *on* it.

It's obvious that you want your enterprise to be successful. We know the desire first-hand, being small business owners ourselves. It's sad to say, but we've found that too many business owners focus less on building their own wealth for retirement and more on their company's ultimate value when they retire.

In other words, they assume that selling their business, or cashing out of it, will provide them with their retirement nest egg in one lump sum. And this is a dangerous assumption. You cannot guarantee the continued prosperity of your business, or even that you'll be healthy enough to run it. You cannot predict what the market will be for your business. You may face an economic downturn. You may be selling during a period of high interest rates. Or maybe you'll face broadened global and national competition, increasing supply costs, regulatory hurdles, insurance burdens, or labor shortages.

That's why it's important to set up the most appropriate wealth structure, or retirement plan, for your company before you need it. Most people do not properly save for retirement. And as you get older, you minimize the opportunity to build wealth due to the time value of money. Money that has been working for you longer is money that works better for you: the magic of compound interest, for example, is a wonderful thing. Having a longer time frame also allows you to ride out ups and downs in the market without panicking over every bump in the road.

***“By setting up a plan, you not only lessen the risk of receiving a less-optimal sale and purchase price for your company, but, depending on your company structure and plan, you may also gain some corporate tax relief.”***

The first step is to envision where you want to be. Exactly how much income will you need to support your lifestyle, post-retirement? In addition to income needs, you need to account for travel, purchases, planned events, and possible financial care for you or your spouse.

Next, evaluate and design the most appropriate pension/benefit plan. You need to consider a multitude of factors, including your desired funding levels, number of employees, current tax status, retirement and compensation objectives, and desired tax benefits, as well as administration and service costs.

On the other hand, some employers are quick to implement a basic 401(k) or SIMPLE IRA plan because it's the easiest option available. While that may be, these plan designs may or may not be best suited for your company in light of the above factors. Defined contribution and defined benefit plans have many different designs and ultimate tax benefits. You should properly investigate your options with a financial professional who has expertise in this area.

The key is to start now. All your financial assets—including your investments, insurance, and exit plan from your business—should be evaluated today in order to build your blueprint for wealth and to best target your desired financial result at retirement.

Tune in to the

## **CROSSBRIDGE FINANCIAL HOUR!**

Every Sunday morning from 7-8:00 a.m. on  
radio 1180 WHAM and live on the web at  
[www.WHAM1180.com](http://www.WHAM1180.com).

Listen and call with questions as the partners  
of Crossbridge Financial Group host this  
weekly financial program.

**SAVE THE DATE!**



**A Chocolate & Wine Tasting Event  
to benefit the Alzheimer's  
Association of Rochester, NY**

**Friday, October 13, 2006  
6:30—9:00 p.m.  
RIT Inn & Conference Center**

**Call 292-0430 for details**

For more information on Crossbridge Financial Group and the services we offer, visit us on the web at:  
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