



## BUSINESS PLANNING OVERVIEW

Whether you spent half your life building your own company or worked extraordinary hours to bring an established firm to the next level, we understand that your business may be your most significant asset. The financial success of your business has an immediate impact on the economic security of your family. For this reason, it is imperative that we work together to compose a strategic business plan.

Business planning focuses on wealth management issues specific to business owners and shareholders. Without proper planning, all of your effort may not work to your benefit—you may have difficulty tapping the value of your business to support your retirement, or your family may lose the value of your business at your death.

The wealth management process coordinates the management of your business throughout its life cycle. Business development can be divided into four different kinds of planning:

- Operations Planning
- Risk Management Planning
- Executive Planning
- Succession Planning

### **Operations Planning**

Operations planning focuses on critical components of managing a business in the various stages of its life cycle. Ultimately, many variables impact the financial performance of a business, and only some of these variables are in your control. Common and controllable management issues include sales and marketing, cost/benefits analysis, controls, human resources, tax issues, asset management, and product development.

### **Risk Management Planning**

Starting and running a business carries its own set of risk exposures. The type of business entity you choose can have a huge impact on how safe from risk your personal and business assets are. The state you choose to do business in is another factor. Additional factors that expose you to risk include how you manage your business, your human resources, and your taxes. Business risk management identifies your options for handling these risks.

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## **Business Planning Overview** *continued*

### **Executive Planning**

Executive compensation focuses on both cash and non-cash approaches. The size and structure of the business significantly influences your compensation systems. Large businesses tend to provide owners with sophisticated and sometimes complex compensation formulas. Small businesses tend to adopt a more straightforward compensation approach. Examples of compensation include insurance benefits, qualified retirement plans, stock options, personal performance, initiatives, and other tax-advantaged nonqualified plans.

### **Succession Planning**

Succession planning focuses on the transition of a business from an existing owner to a new owner. While key factors vary extensively with business type and industry, there are some factors common to all business transitions, including the creation of a sellable business and the formulation of specific transition mechanics at time of sale. Additional succession planning issues include positioning a business for sale, determining valuation and terms, grooming senior management, and creating strategic alliances.

When it comes to valuable assets, having a financial plan is particularly important. Having the proper plans in place will help ensure that you and/or your family can reap the benefits of the business you worked so hard to develop. Through operations guidance, risk management, executive planning, and succession planning, we will help you position your business so your mind is at ease about the future of your business.