



Trinity Strategic Wealth

BUSINESS SUCCESSION PLANNING

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Business Succession Planning

Most successful entrepreneurs have achieved significant goals, but they often lack confidence when it comes to the aspects involved in selling or transferring their businesses. Statistically, 50% of exits won't be on the owner's terms. Trinity Strategic Wealth will help you develop a comprehensive business continuation plan and/or transition plan, while you still manage the daily demands of your business. We will work with you and a team to help you understand the current value of your business and ways you may be able to increase that value before pursuing a sale or transfer.

Business Owner Assessment

- Question 1:** Have you set clear goals and built a vision for your business?
- Question 2:** Have you engaged in any exit planning or succession planning strategies?
- Question 3:** Have you conducted a formal business valuation?
- Question 4:** Do you have a written agreement that protects you & your business in the event of death, disability, divorce, distress or disagreement?
- Question 5:** Do you meet regularly with your advisory team to ensure your strategies are current given changes to your business, family or industry rules?

Succession Planning is a Business Strategy

Five Stages of Value Maturity

Owning a business comes with more than its fair share of risks. To increase value and minimize risks in your business, we recommend you follow the 5 Stages of Value Maturity.



IDENTIFY

Conduct a formal business valuation to help determine what factors to focus on to accelerate the value of your business.

PROTECT

Protect the value of your business by mitigating risks associated with it.

BUILD

Focus on building value by increasing cash flow and improving your multiple.

HARVEST

Harvest the fruits of your labor by building a team of professionals to help you get the most value out of your exit/sale.

MANAGE

Manage your business windfall to align with your personal financial goals and lifestyle.

Succession Planning is a Business Strategy

The Four Intangible Capitals



Human Capital



Structural Capital



Customer Capital



Social Capital

A Successful Exit Strategy Has Three Elements

#1

Maximizes Transferrable Business Value

#2

Ensures Owner is Financially Prepared

#3

Ensures There Is a Plan for “What Next?”

Succession Planning is a Business Strategy

Two Concurrent Paths in Your Succession Plan

In order to have a prosperous exit, an owner should consider spending as much time working on their personal life as they do their business.

If your business is too owner-dependent, it could fail after you exit. Instead of working **IN** your business, work **ON** the business. The best way to grow value in your business is for it to run independently from the owner.

It is also crucial to have a vision for what you are going to do with the next 20-30 years after you exit your business.



One Goal for a Successful Plan – Create a Significant Company!

How attractive is your business and who is your buyer? A family member? An employee? A third-party buyer?

A business is not valuable based on profits alone, but on the ability to sell to the right buyer at any amount.

Gaps In Your Succession Plan

Many business owners wonder how much their business is worth and how they stack up against their competitors.

GAP QUESTIONS

- What are the best-in-class businesses in my industry worth?
- How far is my business from that profit?
- How valuable would my business be if I sold it today?
- Would I get a high multiple if I took it to market right now?



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Trinity Strategic Wealth | Raymond James 1375 E. 71st Street, Tulsa, OK 74136

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(918) 492-2150

www.trinitystrategicwealth.com