



**Anne Goorden**  
Associate & Certified Financial Planner

**Q: When should you plan to exit your business?**

**A: Now!**

Being in business has transitional phases, from development to growth, to maturity, to life after business.

Although many business people put years of hard work and effort into the development, growth and maintenance phases of their business, they don't put as much effort into planning an exit until an event occurs, like a health crisis or a partner leaving the business, which forces them to take action.

When there is no plan in place to transition out of the business, a significant loss of wealth can result. You need to have a well thought out and structured plan to ensure that you don't have to deal with these issues or make decisions under stress.

Your exit might involve any of these options:

- Selling the business to employees or an external buyer.
- Handing it on to the next generation.
- Simply allowing the business to close.

Whichever direction the business is to take after your departure, a Transition Plan can make the pathway to your exit clearer, less risky and more financially predictable.

**Q: What is the benefit of having a Transition Plan?**

**A: Having a Transition Plan can increase the value of your business**

In most cases, exiting a business should result in some level of return from the investment of capital, time and considerable effort. As this return will probably fund the next phase of your life, increasing the value of your business in readiness for your exit should have a high priority.

If you decide to sell the business, a purchaser (whether employee or external party) will be more interested in (and, therefore, pay more for) a business that has the following features:

- Revenue that is not solely reliant on the owner (or key person) being actively involved in the business.
- A stable and skilled workforce that will continue in the business after the owner moves on.
- Reliable contracts or customers, which will remain loyal to the business after the owner moves on.
- Well organised, with up-to-date accounts, policies and procedures in place, making it possible for someone else to continue the business without disruption.
- Up-to-date equipment and technology.
- A sought-after product or service, which is unlikely to become obsolete in the near future.
- A clear direction for the current owner's future involvement.

**Q: How can Phillipsons help me?**

**A: Phillipsons offers a comprehensive Transition Planning Service**

Phillipsons' comprehensive Transition Planning Service will help you to plan for leaving the business and moving onto the next exciting phase of your life. As Transition Planning is not an overnight event, but a dynamic process that can take many years to unfold, you should start this process sooner rather than later.

Our comprehensive Transition Planning Service is tailored to each individual's stage of business and personal goals and can help with the following:

- Business planning and valuations.
- Identifying ways to improve the value of your business.
- Analysing any business risks and opportunities that need to be addressed before preparing the business for handover.
- Helping you to clarify what your future goals are and how to get you there.
- Assessing your personal and business structures to minimise the taxation impact of an exit strategy.
- Looking at options for extracting wealth from your business, including funding options for any employee buy outs or family handovers.

- Analysing your estate planning strategies to ensure that your business and personal assets are passed on to the correct beneficiaries in the most tax effective way.
- Arranging buy-sell agreements and any other legal documentation required to re-structure the business or your personal affairs.
- Analysing your personal insurance needs so that you are protected in the event that you are unexpectedly unable to work in the business.
- Analysing your financial position in retirement and options for addressing any shortfall in funding your desired lifestyle.
- Working out the best way to invest your business proceeds to ensure your long term financial security.
- Just as importantly, helping you to identify how your life will continue in a meaningful and productive way after you have left your business.

There are many ways in which you can commence your planning. You may wish to start with a simple analysis of where you're at now and what you need to do to get you to your desired destination. Or you may be ready to embark on a full solutions-focussed analysis and implementation program. We can identify and discuss the options available to you.

### **Q: Why would business owners not have a Transition Plan?**

#### **A: These are some common excuses**

- Too busy in the business, with no time to think about it.
- Perception that the business not big enough.
- Think it's too early in the life cycle of the business to worry about it.
- Don't know what the business is worth or who would take over.
- Exit seems too far off.
- Don't know what's involved or how to do it.
- Don't know how to fund the exit, especially when passing it onto family members.
- Not sure if they can afford to.
- Don't want to let go of the business.
- Think they're bullet proof—don't think anything will happen to them.
- Don't know what else to do.
- Fear of the unknown.

### **Q: What should I do next?**

#### **A: Phone us today for an initial 'no obligation' initial assessment**

If taking the time and effort to plan your exit meant you created more wealth and certainty about the future, wouldn't you want to?

***Don't be caught out by an unexpected event that forces you to exit your business before you're ready—start the ball rolling today so that you can get the most out of what you've been working so hard for!***

Phone Anne Goorden for an initial 'no obligation' initial assessment.

A Phillipsons Associate and Certified Financial Planner, Anne has gained in-depth technical knowledge in her many years working in accounting and financial planning roles. She has a caring and educative approach to client dealings, specialising in transition planning, retiree assistance and investment issues for women.

### **Contact us**

For further clarification on the above or for information on how we can help you, please contact us:

#### **Phillipsons Accounting Services Pty Ltd**

388 Raymond Street

Sale Vic. 3850

Phone: 03 5144 4566

Fax: 03 5144 5403

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