

Does Your Company Have a Succession Plan?

After working hard over the years, you've finally built up a successful business. But, have you ensured the *future* of your business by developing a **succession plan**? If the answer is no, you are not alone.

In fact, in many cases, companies may not have a succession plan in place or, if they do have a *plan*, they may not actually identify a **successor**.

A family-owned business may be more likely to have a succession plan in place because a family member is often chosen as a successor to keep the business within the family.

For business owners in their 50s and 60s, succession planning becomes even more of a concern. At this stage, you've dedicated time and energy to establishing a successful business, but may now be thinking about your retirement. A major question would be, "What happens to the future of my company then, and who would I want to be my successor?" (Grooming a successor often requires as much as ten years.)

Crucial to the ultimate outcome of any succession strategy is the development of a business plan that analyzes the immediate, intermediate, and long-term goals of the business. The plan should be based on financial forecasts and budgets that are adaptable to changing conditions and checked against actual results.

Whether a successor has been identified or not, as a business owner, you should carry enough **life insurance** to help ensure the transition will go smoothly. In the event of an early unexpected death, life insurance proceeds can help make certain that cash is available to help keep your business running. Or, life insurance cash values can be used for transitional purposes when you are phasing out of the business.

Although you may be years away from a *timed* withdrawal from your business (such as a change of role or retirement), sudden illness, disability, or death can force your "*untimely*" withdrawal. It's never too early to start your business succession planning!

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