



R. J. Kelly

Founder & Chief Visionary Officer
4540 Kearny Villa Road, Suite 114
San Diego, CA 92123
Email: rj@wealthlegacygroup.com
Office: (858) 569-0633
Toll Free: (800) 975-5355
Fax: (858) 333-4942
CA License: # 0697059
www.wealthlegacygroup.com

KEY QUESTIONS TO ASK YOURSELF

WHEN CONSIDERING A BUSINESS TRANSITION

1. Big Picture: Why do I want to make a transition? Return to school? More time with family or for hobbies? Relax or travel? Begin a new business? Develop the next generation? How soon and when do I want to make my transition? Do I (or will I be able to) leave fully, or simply fill a lesser role or spend less time in the office? What changes do I need to make in my estate plan, investment allocations, and insurance?

2. Personal and Emotional: Have I discussed this with my family, heirs and business partner(s)? Is my spouse or life partner ready to have me around the house 24/7? Am I ready for that? What impact will my decision have upon my business partner(s)? Are they aligned with my wish to transition? Will they buy me out? Will they support a sale to an outside buyer? If I transfer the business to my heirs, will it be in equal distributions (and include heirs not involved in the business?) How will I make up for the value to the non-business heirs? Does equal distribution of my estate to heirs matter to me (or my spouse)? How will I resolve potential conflict among my heirs?

3. Valuation and Economics: How much net income will I need? Do I have other sources? What is the business worth today? Do I know? How is that number determined, if so? Would I buy the business today for that value? What am I doing to increase the value of my business? How to obtain the highest

sale price? How much will my transition cost me in taxes and fees? Given the choice, which would I choose: supporting the government or supporting charities of my choice?

4. Transaction: Will it be an “inside sale” to family, employees, partners or combination or, will it be an “outside sale” to a competitor, strategic buyer, industry consolidator, public markets, private equity? How will the sale be financed? Am I willing to carry back paper (and carry risk) post-sale? Will it be structured as a lump sum, or installment sale? Will the sale be assets or business stock?

5. Teams: Do I have a capable management team in place to carry on after my transition? Or do I need to upgrade certain members of the management team? Provide more training? If I wish to keep the business in the family, are family members qualified to lead, or should we consider outside, professional management?

Who do I need in my transition team? In addition to my attorney and CPA, what other specialists do I need to include such as an investment banker, insurance specialist, wealth manager, Employee Stock Ownership advisor (if considering an ESOP), tax advisor, business banker, family psychologist, key employees, other?

6. Post Transaction: Where do I go from here? What might be the next steps in my life journey?

“Advisor to the Exceptional Business Owner, Executive & Professional”

©2021 Wealth Legacy Group®, Inc. All Rights Reserved.