BUSINESS PLANNING
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You've built your business.

Your business is successful. Your customers are happy. Your family is enjoying a comfortable lifestyle. And years of hard work are finally paying off.

- So, what would happen if you were suddenly disabled?
- Or, if you died unexpectedly?
- Or, if you simply decided it's time to retire?

Without proper planning – planning for the continuation of your business without you – your lifetime of achievement could be exposed to potentially devastating problems.

- Customers who do business with you, because of you, could go elsewhere.
- Key employees could start looking for other opportunities.
- Family members or business partners could begin disagreeing over "who gets what" and who should make day-to-day business decisions.

The possible results...

- A potential shortage of cash, especially following death.
- Difficulty paying debts.
- Inadequate income for you, your spouse and your heirs.
- The liquidation of assets and ultimately, your company, to pay federal and state taxes.
- Insufficient retirement income.
- Inequitable treatment of heirs.
- Estate erosion.
- Failure of the business.

With proper business continuation planning, you can help ensure that your business, and the people whose incomes and lives depend upon it, will succeed when you're no longer at the helm.

Have you completed a valuation of your business? When? Did you factor in the effects of inflation?

There are several methods of valuing your business, but the sample worksheet below may help to give you an idea of what your business is worth.

Sample Business Valuation Worksheet

Average Annual Earnings[1]	$________
Divided by Capitalization Rate[2]	$________
Equals Total Capitalized Earnings	$________
Plus Fair Market Value of Assets	$________
Equals Total Gross Value of Business	$________
Minus Total Liabilities	$________
Equals Estimated Net Value of Business	$________

[1] Average after-tax earnings, including all compensation of owners.

[2] Lower capitalization rate indicates lower business risk - higher capitalization rate indicates higher business risk. Normal range is 10% (.10) to 30% (.30).