



# STRATEGIES FOR Success

## Where There's A Will, There's A Business!

*What will happen to your business if you were to die or become disabled?*

*A "Business Will" may be the solution .*

You review today's agenda: cut health insurance costs for employees, complete the business loan application and improve cash flow — just some of the items in your busy schedule. Have you been so busy that you've overlooked a major business question: Who manages your business if you were to die or become disabled? You may be surprised to discover that your family — as well as your employees — are vitally concerned about business succession. Some family members might consider it their right to step into your shoes; others either don't want to be bothered or will reluctantly step in, but lack interest in the company. On the other hand, senior employees may believe they are more qualified to run your business than a family member.

But now that you have started thinking about succession, you may have decided that selling or liquidating a business makes more sense than keeping it. How do you prevent — or at least lessen — conflicts over the continued operation of a business if the principal has died or been disabled? Consider a business will. A business will try to cover all the issues and problems that might arise when a company passes from one set of owners to the next.

Here are some questions to ask yourself before you write a business will.

1. Who will run the business if you die or become disabled?

2. Will you sell or liquidate the company instead?
3. Did you communicate your intentions to your family and employees?
4. Have you drawn up a will with your attorney and discussed the fair market value of your company with a financial consultant.

It's important to determine the fair market value of your company because it tells you what your business is worth. The fair market value becomes significant not only for buying and selling purposes, but also for estate tax liabilities. If you become disabled or die and you or your heirs decide to liquidate the business, it could take months to assess the fair market value of your company.

Besides the liquidation problem, the lack of an assessment of your business also could tie up your personal estate for months. Typically, more than 50% of a business owner's net worth comes from the value of the business.

**Don't let this lack of planning create a disaster for your family or employees. Consult your Fiducial Business Services representative for assistance and information.**

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