



BELLNUNNALLY

# BUSINESS SUCCESSION PLANNING



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# A FEW FACTS

- What is business succession planning?

# FEW FACTS

- What is involved
  - Control
  - Continuity
  - Value

# A FEW FACTS

- Small businesses permeate the U.S. economy (recent estimates)
  - Businesses with fewer than 500 workers comprised 99.7% of total U.S. businesses, and those with fewer than 100 workers comprised 98.2%
  - Small business employees account for 48% of the total U.S. workforce
  - 45% of U.S. GNP is generated by small businesses

# A FEW FACTS (2019 PWC SURVEY)

- 62% of family-owned businesses *intend* to pass the business on to the next generation
- 58% of family-owned businesses have only an informal succession plan, if any
- 2/3 of family-owned businesses are not expected to last until the next generation, and only 12% are expected to last until the 3<sup>rd</sup> generation

- Why do it?
  - Business Continuity
  - Family Harmony
  - Tax implications
  - Retirement

- Without a plan or process most business owners hope that succession will work, but “**HOPE** is not a **STRATEGY**”

# TOUGH QUESTIONS



# QUESTIONS

- If the business owner unexpectedly dies or becomes disabled, can the business continue without him/her?

# QUESTIONS

- If the business owner dies unexpectedly, will his/her family receive fair value for the ownership?



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# PRIVATE CLIENTS & ESTATE PLANNING PRACTICE GROUP

Thank you!

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