



BUSINESS SUCCESS PLANNING CHECKLIST



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POULOS LAW FIRM

Questions to ask if you own a Family Business

What is business succession planning? Business succession planning refers to the practice of using estate planning strategies to increase the chances for the survival of your family business when you retire or die unexpectedly. How do I know if I need business succession planning?

The following questions will help you decide if you need business succession planning.

1. If you die unexpectedly, can your family continue to run your business?
2. If you die unexpectedly, will your family have sufficient liquid resources to hire someone to replace you?
3. If you die unexpectedly, and have partners, will they pay your family a fair price for your business?
4. How do you protect your family if you die early?
5. Is your buy sell agreement well prepared?
6. Does your buy sell agreement require the remaining owners to purchase the departing owner's interest when a "triggering" event occurs?
7. Did you adequately fund your buy sell agreement?
8. Do you know how the price of the departing owner's interest is determined?
9. Will you have enough income when you retire?
10. Do you have a management succession plan in place?
11. Does your succession plan accommodate siblings with different skill levels or interest in the business?
12. Have you considered the impact of estate taxes on your family business?
13. Do you have an estate planning team familiar with business succession planning?
14. Are you willing to pay the costs of not protecting your business for your family?
15. Have you planned how to transfer your family business to your heirs?
16. Are you willing to make gifts of interests in the family business to your children, or create trusts for their benefit, if you can maintain management control?
17. Do you know how to give your business interests to your family business, but still maintain control?
18. Do you have an overall estate plan in place?
19. Do you know how your living trust will carry out your business succession plan?
20. Are you willing to give up some control over the business?
21. Are you and your spouse in agreement on the ultimate disposition of the family business?
22. Are you willing to face the reality you will die or retire?
23. Are you willing to accept the advice of professionals?
24. Are you concerned enough to take action?