

A black and white photograph showing three business professionals in a meeting. Two men and one woman are gathered around a table, looking at documents and a laptop. The man in the foreground is writing on a document.

Business Succession Evaluation

What Is Business Succession Evaluation?

Business Succession Evaluation (BSE) is a comprehensive, confidential analysis of your current business succession plan by a qualified business planning expert. The process begins by reviewing your objectives and results in consideration of appropriate planning alternatives. This process confirms your plan transitions your business to whom you wish in the most efficient manner possible.

Why Is This Process So Important?

Provide For Family - BSE confirms that your business succession plan will provide full and fair value for the business interest. If planning deficiencies are identified, alternatives are provided to ensure business continuation objectives are met.

Retain Control of the Business - Without a suitable business succession plan, former spouses and children of a deceased owner commonly become unintended business partners of the surviving owner(s). BSE verifies the business interest of a deceased owner will remain with surviving owners.

Assure Employees – While a business owners' first planning priority is commonly to provide for his/her own family, he/she also cares about the employees and their families. BSE confirms that a plan is in place to continue the business and assure employees of their future employment.

Changing Business Value - The BSE process includes a detailed analysis of the current and projected business value to make certain your heirs receive fair value for your business interest, and are not left wanting due to inadequate funding.

Changing Objectives - A frequent review of estate and business continuation objectives is critical to maintain a suitable business succession plan. The BSE process considers your current objectives to ensure your plan is designed to transfer the business interest to the appropriate party in the most efficient manner possible.

Changing Economic Conditions – Recent economic changes have created challenges for businesses in virtually all industries. Financial circumstances of companies have changed resulting in amended timetables for the retirement of their owners. BSE includes a review of your exit strategies to ensure your plan will allow you to exit the business when you desire.

What Is the Process?

Step One - Gather the Information

Completion of the Business Succession Evaluation Worksheet, along with a copy of your existing buy-sell agreement and the last three years of financial statements, provides the necessary data to initiate the process.

Step Two - Analysis

The objective analysis of your business succession plan includes (1) a review of your buy-sell agreement, (2) identification of potential risks, and (3) presentation of more efficient planning alternatives. The results of the analysis are contained within a comprehensive, easy-to-understand report.

Step Three - Results Meeting

The business planning expert will present the report to you identifying planning alternatives and suggested updates. An action plan clearly identifying the next steps will be presented and, if desired, the expert will coordinate the update of your plan with your other professional advisors.