

Can we help Business Planning



When you start a business an immense amount of work goes into getting your operation up and running and whether you're a small startup or seasoned veteran it's the day to day that we inevitably get caught up in. Rarely do we stop to take the time and finish all the aspects of planning our business. So what happens once your established and your future is ahead of you?

Yes!
we can...

Plan for the future of your Business



Funding your Executive Agreement (s)

One of the most commonly overlooked aspects of business planning is actually funding your executive agreement (s). Most executive agreements take place between the owners of the business and outline things like operations and roles, assets and capital, compensation and bonuses, and exit strategies. It's the last two sections we want to focus on.

Compensation and Bonuses

There are several different ways to compensate and bonus the owners and key executives of a business besides key employee benefits normally provided.

Some include:

- Section 162 Bonus,
- Supplemental Employee Retirement Plans (SERPs)
- Restrictive Bonus Arrangements (REBAs).

Yes we can explain the nuances of each and assist you in setting your arrangements up.

Buy Out Triggers

- **Death**
- **Disability**
- **Retirement**
- **Owner expressing an interest in leaving the business**

Exit Strategies

This section of the executive agreement contains some important information that is vital to the future of the business. Key Components include:

- **"Buy/Sell"** which describes what happens in the event of a **"Buy Out"**, the purchase of one partners interest or shareholdings, and addresses who can execute a buy out, events that could trigger a buy out, and the price that will be paid for the partners interest or shareholding in the business.
 - A **Cross-Purchase Plan** is generally when the owners/partners of a business purchase life insurance on each other, each being the other's beneficiary, so in the event of a trigger the remaining owner(s) can directly buy the other (or in a sole proprietor ship a key employee).
 - A **Re-Purchase Plan** (entity or stock-redemption), is generally used (with an entity that has multiple owners) so a business entity can buy out the owners interest or shareholding in the business and pays the owner's estate a predetermined price leaving surviving business owners own the whole business. This is done by the business being the purchaser, premium-payor, and beneficiary of the owners life insurance policy.

Funding this section of your Executive Agreement is key to continuation of the business and is often overlooked in the process of business planning.



Provide Employee Benefit Packages



Having a solid employee benefits package not only aids you in attracting the type of employees you want in your business but also helps maintain the relationship with your current employees.

Benefits you should consider offering are:

- 401(k) & Retirement Benefits
- Profit Sharing Plans
- Group Insurance (life, health, dental, etc.)
- Disability Income Protection

Some other benefits can include: day care, tuition reimbursement, sick leave, and paid/ non paid vacation.

“Plans are nothing; planning is everything”



Dwight D. Eisenhower



Protect Your Business

Protecting yourself from the unexpected as a business owner can mean the difference between success and failure. There are a number of things a business owner that you can do to help protect against the unforeseen trials and tribulations of operating a business.

Some Include:

- **Key Person Insurance** (life & disability) : Protects yourself against financial loss in the event a key person were to die or become disabled for an extended period of time. The proceeds from the insurance policies help you replace and train a new employee without financial loss.
- **Business Overhead Expense Insurance (BOE)**: Pays your business overhead expenses (not based on actual expenses not profits) in the event you become disabled. Typically used with smaller business that rely on a few people to operate.
- **Workers' Compensation**: Insurance providing wage replacement and medical benefits to employees who are injured at work and typically limits the employees right to sue if employee exercises this benefit (“the compensation bargain”).
- **Property and Casualty Insurance**: A property and casualty policy protects you from loss or damage of your actual property and contents within that property. Depending on your situation you may rent your office space in that case a renters policy would be necessary.
- **Liability Insurance**: This insurance protects you while you are doing business. They type of liability insurance you will need depends on the services your business provides. For example: Doctors carry malpractice insurance.

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Retirement Concepts Group, LLC., 7301 W 129th St., STE 210, Overland Park, KS 66213, 913-948-6590