

*Business Owner Advisory*

# Helping Business Owners Make Smart Transition Decisions

Whether planned or not, all businesses, including yours, will eventually go through some type of transition that will impact both you and your family as well as your management team, employees, suppliers, customers and the local communities where you operate. There are many factors to consider when creating your ownership-transition strategy. The earlier a plan is formulated and, more importantly, implemented, the more beneficial it can be for all stakeholders.

## PREPARE FOR YOUR FUTURE

Too often, owners do not consider or define their transition plan until the last minute, thereby sacrificing potential accretive opportunities to maximize the value of the ultimate event, or to direct the outcome in the way they desire.

City National Rochdale's Business Owner Advisory team is focused on providing strategic, practical, and objective advice to private business owners and their trusted financial advisors on business transitions, including: understanding various monetization options, considering corporate governance, and keeping a business in the family. The team has extensive experience working with businesses and business owners at different stages of readiness for a transition, across a multitude of industries and geographies.

Most business owners agree that having a transition strategy is important both for their future and the future of the business, yet a majority do not have a plan.<sup>1</sup>

<sup>1</sup>Based on a City National Bank survey of its Private Bank clients conducted in April 2020, 86% of business owners agreed that having a transition strategy was important yet 60% didn't have a plan.

We help business owners confront the myriad of questions and issues that arise when planning a business transition, including:

### BUSINESS

- What are the options that I should consider?
- Who are the different types of buyers, and what are the considerations in selling to each?
- What steps should I be taking now if I want to sell my business in a few years?
- How do I respond to an unsolicited offer for my business?
- How do I evaluate the economic of a monetization event versus retaining my business
- Who are the key members of a deal team during a transaction?
- How do I prepare for an unexpected business transaction event (e.g., death of a business partner)?

### PERSONAL

- Do I want to transfer wealth to my family? If so, how much and when should I make the transfer?
- Does my wealth plan include comprehensive wealth planning for both the business and personal wealth?
- How do I ensure that my family stays in control of my business, if that is my goal?
- What are the potential tax consequences to a transition?
- Are there tax or planning strategies that I should consider prior to engaging in a transaction?
- Are there specific charitable organizations or causes that I would like to financially support?
- Will my liquidity and cash flow allow me to maintain my current lifestyle post-transition?

By drawing on our years of experience, we are prepared to help you assess the opportunities open to you and provide guidance as you choose your path.

## PLANNING BENEFITS: YOU ARE IN CONTROL

From the day you started your business, you began a journey that ultimately leads to the day you are no longer in charge. Having a plan puts you in control of how the transition will transpire. Not having one could mean an end result that doesn't align with your intentions.

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While we strongly encourage all business owners to begin creating a transition plan early that considers different strategic alternatives, we are ready to work with you and your financial advisor wherever you are along the business life cycle. We have experience guiding business owners through the different phases of the life cycle and can share best practices, insights and knowledge along the way. By starting early, you give yourself time to identify and make improvements to the business that can help drive its value higher. You can make decisions and put plans in place that can help minimize business instability or family disharmony in the event of an unexpected disruption. In addition, early planning helps to better position you and the business should you be presented with an unsolicited offer. Having a partner that focuses on helping you build and prepare for your future, allows you to spend more time on running the day-to-day aspects of your business.

## A THOUGHTFUL, COMPREHENSIVE APPROACH

Your advisor and CNR are here to help you navigate the complexities of wealth and business ownership in order to protect what you've built. We want to understand your goals and objectives and determine how these goals can be achieved in an efficient, accretive and tax-advised manner. CNR's complimentary service, Comprehensive Wealth Assessment (CWA), focuses on evaluating and correlating the objectives and needs of your business and personal wealth by identifying gaps and opportunities across your entire financial well-being.

Our process empowers you to make informed decisions that will serve to enable the successful transition of your business and optimize your wealth throughout your lifetime. Once the assessment is complete, you and your financial advisor are well positioned to work with your attorneys and accountants, as appropriate, to implement the recommended strategies.

In collaboration with your advisor, we help empower you to make informed decisions that will enable the successful transition of your business and optimize your wealth throughout your lifetime.

## YOUR TRUSTED RESOURCE FOR TAILORED ADVICE AND GUIDANCE

Your success is our goal. Our rich heritage of working with business owners and entrepreneurs alongside their trusted financial advisor and other professionals allows us to provide a full complement of resources and professional insights. Working together, you can feel confident that every aspect of your life, from business to personal, is aligned and that you have an informed path toward the future. If you are interested in learning more about our Business Owner Advisory or Comprehensive Wealth Assessment service, reach out to your financial advisor to understand how City National Rochdale can help.

Non-deposit Investment Products: ■ are not FDIC insured ■ are not Bank guaranteed ■ may lose value

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