



Daniel O'Brien
dobrien@orrpc.com

O'Brien, Riley & Ryan, P.C.
30 Braintree Hill Office Park, Suite 102
Braintree, MA 02184
www.orrpc.com
(781) 410-2300



Realistic Timelines

Global economic disruption uniquely affects each business. Whether you are being hit with a hammer or expect to suffer a slow burn, your reaction to changes and proactive planning will play a major role in how your future unfolds. Signals indicate that once we start to get COVID-19 under control, the world economy will begin to recover, business will rebuild, and business owners will need to ask themselves if they want to go through another major disruption, or transition out of their business while they can. This is the most crucial time to plan so that your business has the best chance of supporting your personal and financial goals, even if those goals are changing. It's likely that your timeline is changing too

To get a better idea of the urgency of planning, here is a breakdown of tasks that may be involved in planning for the future of your business and the time each might take to complete.

Setting (or Resetting) Your Goals

No matter what, it's a good idea to revisit your goals periodically. During times of change, this review is even more important. It's a good time to look at what

your goals have been, especially concerning how much longer you want to stay involved in your business, how much you'll rely on your business for financial security, and to whom you want to transfer ownership in the future. Have any of your previous goals changed? Are there partners, advisors, or family members with whom you want to discuss possible changes to your goals? This activity is important, so it's a good idea to give it the time and space it deserves. This may take 30 to 60 days.

Plan Design

Start with your preliminary plan. What aspects of your previous planning still make sense and which of your plans will need to change given new circumstances? Your task here is to get ideas and strategies on the table and start to weigh your options and investigate alternatives. This may require assembling some new data and conferring with specialists. It's likely that some options previously available to you no longer make sense; it's just as likely that new alternatives are now worth considering. Depending on how much planning you've done in the past, plan on this phase taking anywhere from 90 days to 9 months.

Implementation

Next you'll start implementing the strategies you've identified that you believe will take you where you want to go and put you in a position to transition your business when and to whom you want. Preparing yourself, your business, your management team, and your personal situation brings your greatest chance of long-term success. Many business owners have a sizable gap between the resources they have and the resources they need to achieve their goals. Your gap may be changing. This is where the really important work gets done. It can take six months (if you're trying to get out of your business soon) or five years (if you need to build value and prepare team members).

The Ownership Transfer

There are many ways to transition out of ownership when you are ready. Your options tend to fall into one of two primary categories: you can sell to a third

party, like a strategic buyer or investor, or transfer to an insider, such as a child or your employees. If you and your business are prepared for the transfer, and you commit to pursuing a third-party sale, you can sell your business and be completely out within a year or so. On the other hand, it's common for transfers to insiders to take longer, usually because new owners don't have an immediate ability to cash you out. It may still be possible for you to get the value you want and need for your ownership interest, but it can take time. A well-prepared business can transition to insiders and deliver a fair value to a departing owner in three to five years.

The Full Timeline

Planning for the future of your business, and taking the steps necessary to get there, will have a timeline that is unique to you and your company. It's common for the process to take anywhere from one to ten years. That's a pretty big range, but you are probably already applying the process to your situation and getting a sense of your personal timeline.

Now is a great time to take a second look at planning you've done in the past. Look at how flexible and dynamic your planning has been. Take this opportunity to build a new path toward your future. When everything is changing, it's important to change too so that you can react to your situation instead of being a victim of your circumstances.

We strive to help business owners identify and prioritize their objectives for their business, their employees, and their family. If you are ready to talk about your goals for the future and get insights into how you might achieve those goals, we'd be happy to sit down and talk with you. Please feel free to contact us at your convenience.

Please contact Dan O'Brien for a free one hour consultation on your exit planning needs

Our new address is:

30 Braintree Hill Office Park

Suite 102

Braintree, MA 02184

Phone 781-410-2300

Fax 781-320-8608

The information contained in this article is general in nature and is not legal, tax or financial advice. For information regarding your particular situation, contact an attorney or a tax or financial professional. The information in this newsletter is provided with the understanding that it does not render legal, accounting, tax or financial advice. In specific cases, clients should consult their legal, accounting, tax or financial advisor. This article is not intended to give advice or to represent our firm as being qualified to give advice in all areas of professional services. Exit Planning is a discipline that typically requires the collaboration of multiple professional advisors. To the extent that our firm does not have the expertise required on a particular matter, we will always work closely with you to help you gain access to the resources and professional advice that you need.

This is an opt-in newsletter published by Business Enterprise Institute, Inc., and presented to you by our firm. We appreciate your interest.

Any examples provided are hypothetical and for illustrative purposes only. Examples include fictitious names and do not represent any particular person or entity.

IRS CIRCULAR 230 NOTICE

In compliance with IRS requirements, we inform you that any tax advice contained in this communication is not intended with or written to be used, and cannot be used, for the purpose of avoiding tax penalties or in connection with marketing or promotional materials

O'Brien, Riley & Ryan, P.C.

30 Braintree Hill Office Park, Suite 102

Braintree, MA 02184

www.orrpc.com

(781) 410-2300

[Unsubscribe](#) | [Web version](#)

Copyright © 2020 Business Enterprise Institute, Inc. All rights reserved.