



*A partnership between*  
John Tyler &  
Reynolds Community Colleges

# Business U

Aligning your personal and business goals

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**Location:**

**Date and time:**

**Make  
important  
decisions  
about the  
financial  
security  
of your  
business**

# Business U

## Aligning your personal and business goals

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### Financial decision making for business owners

As a business owner, your time is consumed with building a better, more profitable and hopefully more valuable business. Unfortunately, that often means deferring many important personal financial decisions to the future.

This course will help you understand the various business and personal financial decisions that should be incorporated into your long-term thinking. Most importantly, you will gain a better understanding about steps you can take now to help provide a more financially secure future for yourself, your family, your business and your employees.

### Who should attend?

The material presented in this course is designed for successful – and busy – business owners to refresh their understanding of key business financial concepts.

### Objective education and course textbook

This course is for educational purposes only. Unlike financial seminars that focus on a specific topic, Business U is a comprehensive course to help you see the big picture. You'll receive an in-depth course workbook with important information about business planning concepts and tools. The workbook is designed to follow the curriculum and serve as a reference tool in years to come.

### Insights and tools that make a difference

By gaining relevant insight about important business and financial concepts, you will become an advocate for your own needs and be better positioned to utilize the expertise of your existing team of advisors. This course is intended to provide you with the stepping stones to move forward on a path to accomplishing your personal objectives.

Sunup to sundown you work *in*  
your business ... **now is the time**  
**to work on your business!**

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# Course outline

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## Understanding your finances

- Financial considerations unique to business owners
- Impact of inflation and taxes
- Incorporating your business into your net worth
- Expense and income needs

## Understanding your business

- Business structure decisions
- Sole proprietorships
- Partnerships
- C- and S-Corporations
- Limited liability companies
- Taxation of pass-through entities

## Business valuation

- Formal vs. informal
- Valuation methods:
  - Market approach
  - Asset approach
  - Income approach
- Financial ratios

## Business continuation agreements

- Cross purchase buy-sell
- Entity redemption buy-sell
- Life cycle buy-sell
- Cross endorsed buy-sell
- Funding the buy-sell agreement

## Employee compensation and benefits

- Salary, bonuses, payroll taxes and insurance
- Affordable Care Act (ACA)
- Health savings accounts
- Medicare
- COBRA plans

## Employer-sponsored retirement plans

- SEP-IRA
- SIMPLE IRA
- 401(k) profit sharing plan
- Safe harbor 401(k)
- Defined benefit plan

## Key employees

- Employment agreements
- Insurance benefits
- Stock compensation
- Nonqualified deferred compensation

## Business succession

- Asset vs. stock sale
- Cash vs. installment sale
- Escrows and holdbacks
- Capital gains vs. ordinary income
- Sale to a key employee group
- Sale to a third party
- Intra-family transfers

## Estate planning basics

- Probate
- Last will and testament
- Revocable trusts
- Powers of attorney
- Federal estate taxes
- Estate planning concerns for business owners

## Advanced estate planning issues

- Irrevocable trusts
- Irrevocable grantor trusts
- Transferring interests in closely held businesses
- Charitable giving

# Course preview

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## **Section 1: Understanding your finances**

As a business owner, you face a unique blend of financial considerations. Some considerations are typical of all individuals thinking about the future and others are unique to you as a business owner. This section focuses on financial objectives, inflation, taxes, income and expense statements, and how your business affects your net worth.

## **Section 2: Understanding your business**

In order to plan for the future of your business, you must have a sense of how your business is set up and what the implications of the business structure are. In this section, we will review the following business structures: sole proprietorships, partnerships, corporations and limited liability companies.

## **Section 3: Business valuation**

In many cases, a business represents the most significant asset on a business owner's personal financial statement. Unfortunately, the value of that asset can be difficult to determine. In this course, we will examine formal vs. informal valuations and compare three of the most common methodologies to value a business: market, asset and income approaches.

## **Section 4: Business continuation agreements**

A buy-sell agreement is sometimes referred to as a prenuptial agreement for a business. It is a legally binding agreement prepared by an attorney between the owners of a business that defines what will happen to each person's ownership interest in the event of a specific life change. The most commonly addressed life changes are death, disability and retirement.

## **Section 5: Employee compensation and benefits**

Many different forms of compensation and benefits can be provided to employees. Some are intended to be broad based and will apply to all employees. Other forms are designed for special groups of key employees, often referred to as highly compensated employees. What is the right combination of benefits for your company?

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## **Section 6: Employer-sponsored retirement plans**

Many business owners are familiar with the basic concept of an employer-sponsored retirement plan. One of the most common forms of qualified retirement plans is the traditional 401(k) plan. However, there are varieties of retirement plan types. Each type has unique rules and requirements, as well as benefits and limitations. What's the most suitable plan for you and your business?

## **Section 7: Key employees: Compensation and employment agreements**

For many businesses, the work of specific key employees provides a measurable economic benefit to the company. These key employees become critical to a company's ability to achieve its goals. In order to compete for and retain the highest quality employees, businesses may develop special benefits tailored for a select group of employees.

## **Section 8: Business succession: Understanding your options**

Before you decide to sell your business, it is important to understand some basic concepts and terms regarding business succession. This section will provide an overview to acquaint you with some of the issues you may encounter as you structure a future sale of your business and help you make better decisions.

## **Section 9: Estate planning basics**

A comprehensive estate plan is more than simply drafting a will. Estate planning minimizes potential taxes and fees, and sets up contingency plans to make sure your wishes are clearly articulated and followed. For business owners, the estate planning process is complicated by the fact that their business is likely their largest asset. That means estate planning for business owners must address questions about business succession in the face of crisis.

## **Section 10: Advanced estate planning issues**

Individuals with substantial estates or unique assets may be unable to achieve their estate planning goals using only basic estate planning tools. For those individuals, the transfer of assets during lifetime or after death may require more advanced planning. Given the complexity of most business owner's estates, they often find themselves in this camp. In this section, we'll review some of the advanced estate planning tools that may help achieve lifetime and legacy goals.

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### Optional consultation

If you have any questions specific to your business, you may arrange a private meeting after the course is complete. This no-obligation consultation is complimentary for class attendees and is not required.

An estimated value report can be provided. This is an estimated value of your business that can be used for buy-sell strategies, exit and transition strategies, estate planning and retirement analysis.<sup>1</sup>

### About your instructors

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**It's not  
about ideas.  
It's about  
making ideas  
happen.**

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<sup>1</sup>Please note: The estimated value report shall not be used for any purpose with state and/or federal taxing or other authorities. It is not to be used to establish that a value is intended to be legally exact and/or having a binding legal effect or to determine adequate (as opposed to minimum) levels of life or business insurance coverage. The estimated valuation is not to be relied upon for purposes of the sale of a client's business, calculating estate or gift tax obligations, calculating Income tax obligations and other taxes or any other purpose requiring a precise or definitive valuation.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit. Life insurance products contain fees, such as mortality and expense charges, and may contain restrictions, such as surrender periods.

Many of the topics that we will discuss in this course have financial, legal, and tax implications. The information is not intended to be specific business. Rather it is intended to be of a general nature. Please understand that none of the information should be construed as tax or legal advice.

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**Register today!**

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**Do something  
today that  
you'll thank  
yourself for in  
the future!**

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# Business U

## An educational course for business owners

### Make important decisions about your business

- Understand the steps you need to take now
- Focus on your personal financial needs
- Learn how to provide a more financially secure future

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