**“Succession Planning for Family and Closely Held Businesses”**

***Date:*** Thursday, March 18, 2021 ***Time:*** 9:00 am – 10:00 am ***Format:*** Lecture – 1.0 hour

***Presenter:*** James Aussem, JD, AEP

***Location:*** Online Virtual Presentation via Zoom ***Phone:*** 419-764-4387

***PROGRAM DESCRIPTION:***

This program is an explanation of the questions and analysis used to motivate the client/owner’s journey through the process of transferring their enterprise. The emphasis is on a nuts-and-bolts explanation of alternative strategies which have proved effective in transitioning ownership to employees, or family members, or third-party buyers. This presentation provides a guide for speaking with clients, their families and key employees.

***PROGRAM OUTLINE***

The following time components have been assigned to this topic to allow the presenters sufficient time to cover the subject matter.

1. Introduction 9:00 – 9:10 am
   1. The owner of a business has three options
      1. Die with it
      2. Pass it on
      3. Sell it
   2. What the business means to the owner
      1. The owner’s lifestyle
      2. Their family’s lifestyle
      3. Their retirement/security
   3. The practical aspects of succession planning: The 3 “Whats”
      1. What does senior generation require from business going forward?
      2. What can the business afford?
      3. What is the business worth or what is fair vis a vis the family members not in the business?
2. Steps 9:10 – 9:25 am
   1. Step One: How Much Does Senior Generation Need from the Business to Continue Their Lifestyle?
   2. Step Two: What Can Business Afford?
      1. The planning must take into account the capital expenditure requirements to maintain the closely held business as a viable profitable entity or nothing will work.
      2. The desire of successors for their parents’ lifestyle
   3. Step Three: What is Business Worth and What is Fair?
      1. Multiple children with only a few in the business
      2. Provide the children not in the business with alternative assets/opportunities
3. Bottom-Up Planning 9:25 – 9:35 am
   1. Uncomfortable choices may be required by parents
      1. Selecting successors
      2. Deciding responsibilities
   2. “Bottom-Up” Planning is System in Reverse
      1. Successors/children determine issues amongst themselves
      2. The use of a facilitator is usually required
      3. Advantages
         1. Builds consensus
         2. Facilitates implementation
         3. Encourages successors to take ownership
         4. Relieves parents from making painful decisions
         5. Allows the senior generation to address common interests and concerns
         6. Allows the senior generation to see how well the next generation can get along and operate the business; if they cannot, perhaps selling is an alternative
4. Nuts & Bolts of Assembling a Succession Plan: The 4 D’s 9:35 – 9:50 am
   1. Death
      1. When an owner of the successor dies: sell/continue/what?
   2. Disability
      1. Does the nature of business require that disability affect ownership?
   3. Departure (burned out/finished)
      1. Required disposition of ownership?
   4. Discord
      1. Ultimate exit strategy when owners can’t resolve differences
5. Implementation
   1. Determine value of enterprise
   2. Methods
      1. Formula
      2. Appraisal
      3. Stipulation
6. Management Succession: Not Just Ownership. 9:50 – 10:00 am
   1. Key Functions (more than 3; ask is this a lifestyle business or a scalable business)
   2. If owner/key person is deceased or disabled, who will perform the key functions
   3. Alternatively, should business be sold?

***ABOUT THE PRESENTER:***

**Jim Aussem** is a shareholder in the Cleveland law firm of Cavitch Familo & Durkin, Co., LPA, as well as a member of its board of directors and Co- Chair of the Business Practice Group. Jim’s practice is focused on succession planning, mergers and acquisitions as well as estates and trusts.

Jim and his firm have been a sponsor of the Strategic Planning course for more than 15 years and he’s served as a mongoose to many strategic planning snakes/students. Jim has traditionally been the final presenter for the course focusing his almost 3.5 presentation on succession planning, selling your business as well as motivating the company’s key employees and difference makers.

Jim is designated an Accredited Estate Planner (AEP®) by the National Association of Estate Planners & Councils. Baldwin Wallace University in 2004 presented him with its Distinguished Alumni Award, The Cleveland Chapter of the Society of FSP named him its Financial Service Professional of the Year in 2013 and the Society of FSP for which Jim served as the national president in 2017-2018 presented him with its Kenneth Black Leadership Award for 2019.

Mr. Aussem is AV® Preeminent Rated – by Martindale-Hubbell the leading rating organizations for practicing attorneys and has been elected by his peers every year since 2009 as one of the “Best Lawyers in America for Business.”

***COURSE OBJECTIVES/PURPOSE:***

After this virtual presentation, participants should have a good understanding of the following:

* What issues should be addressed in determining a successful exit from a business
* Practical approaches for transferring the business to family and key employees
* Handling management transfer
* Selling a Business if the other options are not viable
* An understanding of basic valuation approaches

***LEVEL OF INSTRUCTION:*** Intermediate

***INSTRUCTOR CRITERIA FOR CLASSROOM:***

Instructors are selected, based on these criteria:

* Experience
* Knowledge & expertise on topic
* Teaching experience
* Professional credentials

Our instructors are well respected in the industry, with many years of work experience. Many are published authors who have been requested to appear on radio and television programs because of their expertise and they have presented programs across the country to attorneys, CPAs, CFPs, Trust Officers and financial planning professionals.

***PROVIDER:***   
The Association Office – 7517 Wind River Drive, Sylvania OH 43560 Phone: 419-764-4387

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