

**Service**

Private Wealth

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# Ensuring the Future: The Importance of Succession Planning for Business Owners

Every successful business thrives from careful planning and strategizing. While business owners are primarily concerned with building their business and maximizing their success, it is equally important for them to consider what will happen to their businesses when they are ready to take their hands off the steering wheel or are no longer able to manage the business.

In the case of family-owned businesses, only thirty percent (30%) survive into the second generation, twelve percent (12%) survive into the third, and only about three percent (3%) operate into the fourth generation and beyond. A well-conceived succession plan gives business owners the best chance possible to be a part of that three percent.

At its core, succession planning is the process of preparing for the transfer of ownership and management of a business to provide continuity in its operations and ensure its long-term success. This article discusses the benefits of succession planning as well as common strategies for success.

Click the links below to read more about (i) Benefits of Succession Planning, including continuity of operations, maintaining family harmony, preservation of business value, minimization of tax and legal issues and employee and stakeholder confidence; and (ii) Common Business Succession Planning Strategies, including buy/sell agreements, recapitalization, rights of first refusal, and gifts or sales to an irrevocable trust.

**Benefits of Succession Planning**

**Common Business Succession Planning Strategies**

**What this means to you**

Succession planning is a critical process for a business owner that can ensure the long-term sustainability and success of a company. By creating a comprehensive succession plan, business owners can safeguard their legacies, maintain operational continuity, and preserve the value of their businesses. Utilizing thoughtful succession planning techniques such as buy/sell agreements, recapitalization, rights of first refusal, and gifts or sales to an irrevocable trust can pave the way for a smooth transition and a thriving future for the company and its stakeholders.

### **Contact us**

If you have questions or would like to discuss how these strategies and others can be used to help meet your planning goals, please contact a member of the Husch Blackwell Private Wealth Team or your Husch Blackwell attorney.