

FIVE QUESTIONS

PLANNING FOR A SEAMLESS BUSINESS TRANSITION



PNC is committed to help you grow, transition and protect the business you have built.

As you begin the journey toward a business transition, are you inundated with well-intentioned advice? Who should you turn to? Your attorney? Your accountant? A family member? Each may see your situation through a narrow and different lens which may produce contradictory guidance.

The dynamics of business succession planning are broad, deep and complex. And they must be aligned and well-planned in order to have a seamless transition that meets your business and personal goals.

Your bank may be the resource that can help you harmonize the aspects of the transition. Your banking team can help you analyze your ownership transition options, whether to keep, sell or implement an employee buyout, and determine what may be best for you.

Here are five questions to help you get started:



How should I transition my business?

It's a good idea to carefully weigh the benefits of an internal (keep) vs. external (sell) transition and determine how that decision impacts your financial and personal planning objectives. Let us help you develop a Keep vs. Sell "financial snapshot" for each option.



When should I transition my business?

We recommend that you start planning five years ahead. You'll want to consider your competitive position and whether your business is ready to be transitioned. You'll also want to take into account the goals of your family and other shareholders, particularly the timing of your exit on your terms.



What is the value of my business?

You need to know the value of the business regardless of your ownership transition decision (keep or sell). There is a plethora of data to support your analysis from publicly available information, networking, personal contacts, investment banking and valuation professionals to explore how other companies in your industry are valued. This process may help you identify not only the value, in case of a sale scenario, but also the terms of the deal. The process may also identify valuation drivers to enhance the value and its competitive position.



Who should benefit from the wealth generated from my business?

Planning early gives you optimum control to determine who will benefit from the proceeds, be it your family, a favorite charity or your employees.



How should the plan be designed and communicated to meet my objectives?

It's not always easy. Developing a strategic plan, formulating a succession plan, creating a retirement and estate plan, and resolving conflicts among shareholders or family members are keys to success. However, this requires an integrated financial blueprint and coordination of a team of specialists.



Ready to Help

At PNC, we focus on combining a deeper understanding of your business and personal goals with a wide range of financial advisory resources to help provide objective and holistic advice for you, your business and family. To learn more about how we can bring ideas, insight and solutions to you, please contact your PNC Relationship Manager or visit pnc.com/ideas.