

Business Succession Planning Services

It's a fact: many family-owned businesses don't survive the transition from founder to second generation.¹ Family discord, tax issues and the absence of a clearly defined business succession plan are usually at fault.

If you own a family business, it's crucial to think about what will happen to it when you no longer run it. Who will manage the business? How will the ownership be transferred? Can the business continue without you? Should you sell it?

Determining the right answers to these questions requires the assistance of knowledgeable professionals with the specialized skills and experience to help you develop a strategically sound business succession plan—whether you're thinking of selling your business to an employee or handing it over to the next generation of family members.

Planning for the future of your business starts today

Business succession planning is challenging. It's often postponed or avoided because family discussions about aging and financial affairs can be emotional or uncomfortable.

Wells Fargo Business Advisory Services, provides the objective, professional assistance required to manage these issues and establish a smooth transition between you and the future owners of your business. We can help you pass the business to family members with an exit strategy that best fits your situation, including an intra-family transfer or lifetime gift.

We can also help you plan for the transfer of the business outside the family through:

- Sale to non-family employees
- Using an Employee Stock Ownership Plan (ESOP)
- Sale to outside buyer

Working with you to create a comprehensive succession plan

Our skilled team of specialists assists you in developing a business succession plan that covers the key areas of your business:

Ownership. We work with you to clarify the financial aspects of the transfer of ownership, including:

- Who will own the company when you retire
- How stock or equity in the company will be assigned
- How does this arrangement meet the retirement needs of the owners

Management. Since the owners of the business may not be the ones managing it, we help you determine:

- Which successors may have the best qualifications for managing and growing the business
- How to manage the transition
- What steps are necessary to implement the transition

Business. Because it's critical that family and/or non-family members work together to create a formal business plan, we help you develop a plan for the business that's clearly defined and addresses issues such as:

- Will the new owners understand the complexities of the business
- Whether or not they have the requisite skills to grow the business as the marketplace changes
- Ongoing role of family members currently employed in the company

¹ Joseph Astrachan, Ph.D., Editor, Family Business Review 1999

Family. Before the transfer takes place, we work with you to help minimize surprises and clarify:

- How the change in ownership will impact the family
- Whether or not some family members will draw an income from the business
- The appropriate communication to the family of the succession plan

Providing innovative, tax-efficient solutions

One of the key advantages a successful business succession plan offers is helping you pass your company on tax-efficiently. We help you minimize estate and gift tax issues by planning for a variety of innovative transfer techniques, including:

- Recapitalization
- Grantor Retained Annuity Trust (GRAT)
- Intentionally Defective Grantor Trust (IDGT)
- Family Limited Partnership (FLP)
- Limited Liability Company (LLC)
- Insurance strategies for liquidity and funding
- Charitable strategies

Putting your plan into motion with other key services

Succession planning can have a significant impact on business and personal finances. We can help you minimize the impact with related solutions, including:

- Establishing a trust or structure tiered transfers of stock ownership that can help minimize tax liabilities
- Reinvesting the proceeds with professional investment management services
- Providing financing for the transfer of ownership*
- Integration of all your retirement plans and investable assets for a complete “Wealth Plan”

The Wells Fargo Business Advisory Services advantage

Wells Fargo Business Advisory Services has specialists focused on helping owners of small-to-mid-size companies—sectors often overlooked by many financial services institutions—effectively manage their interests in closely-held assets.

Our specialized services and extensive experience in a wide range of industries allows us to serve a wide range of business owners and their advisors, including:

- Attorneys and accountants
- Trust and estate advisors
- Commercial and investment bankers
- Insurance agents
- Financial planners

We have direct access to a wide range of related services for preserving, protecting and transitioning your assets, including:

- Estate Services
- Trustee Services
- Investment Management
- Real Estate and Specialty Asset Management

Helping you and your business

Whether you’re considering passing your business on to the next generation or selling it to a third party, rely on Wells Fargo Business Advisory Services for the specialized capabilities you need to meet your objectives, including:

- Business Valuation Services
- Closely-Held Asset Management Services

* Subject to Credit Approval

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