

# WPR WEALTH PLANNING RESOURCES

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## **Business Continuity Planning: What Difference Does It Make**

*presented by John B. Steiger, ChFC, AIF®, AEP, CFP®*

None of us likes to think about what might happen to our firms or our families if we were to die or become disabled. Owners who do let that thought cross their minds stay awake nights worrying about it, push the thought to the back of their minds or engage in serious business continuity planning. Business continuity planning can protect your rights in a number of important ways. If you and your co-owner have a significant dispute over your firm or if your co-owner:



- becomes disabled
- leaves the company due to retirement or termination
- declares bankruptcy
- dies
- divorces

Your business continuity agreement can dictate what you will pay for the departing owner's interest. In addition, if you died or became disabled, the business continuity agreement could protect your family's right to its share of the company. If you do not have a co-owner, there are other ways to protect your firm and your family.

Most owners live to see the day they leave their firms, but some do not. The purpose of business continuity planning is to make sure that if you are not there to run it, your firm-- and your family—will continue.

For that important reason, we've designed a short list of questions— one for sole owners and one for co-owners— to help owners assess where they are on the business planning continuum. In other words, in answering these questions, you can determine how prepared you and your firm are, or are not, should the unexpected happen to you.

## **Sole Owners**

1. Do you have a written plan for your firm if the unexpected happens to you?  
 Yes  No
2. Have you identified a person who can operate the firm in your absence?  
 Yes  No
3. Have you identified a person who can manage the finances of your firm in your absence?  Yes  No
4. Would your death jeopardize your firm's ability to secure or maintain financing arrangements?  Yes  No
5. Is your plan for the disposition of your ownership at your death coordinated with your plans for an exit from the firm during your lifetime?  Yes  No
6. Do you have a specific written strategy or plan to retain employees critical to the operation of the firm if you cannot due to your death or disability?  Yes  No

## **Co-Owners**

1. Do you have a current buy-sell agreement in place?  Yes  No
2. Have you communicated your continuity plan to senior management?  
 Yes  No
3. Would your death jeopardize your firm's ability to secure or maintain financing arrangements?  Yes  No
4. Is your plan for the disposition of your ownership at your death coordinated with your plans for an exit from the firm during your lifetime?  Yes  No
5. Do you have business continuity insurance in place?  Yes  No

The business continuity agreement is not a boilerplate document; a good one is an expression of the careful thought and wishes of the owners who sign it. If you have questions about your existing agreement or wish to craft one for your firm, please give us a call.

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