







If you're a business owner, you've likely spent years building a successful enterprise. It's been a remarkable journey in many respects—but it hasn't always been easy.

Along the way, you've achieved victories big and small; but you've probably also endured setbacks, taken unexpected detours, faced stiff competition, missed far too many cherished family events, and overcome other business challenges too numerous to mention.

As you reflect on your past, present and future, ask yourself these questions:

- Is your business growing, or are revenues stretching to cover expenses month after month, and year after year?
- If your business is growing, is it growing at the rate you desire?
- Do you even have a targeted growth rate in mind?
- How do you know if you're measuring the right things to determine accurate levels of growth, as well as its overall value?
- In the event of a setback, do you have a plan to pivot operations or preserve cash flow?
- Do you feel like you work endless hours and don't have time – or energy – to spend with your family, or pursue other interests outside the office? When is the last time you took a vacation—a real vacation, that is, with both feet outside the office, rather than one still behind your desk?
- What percentage of your work life is devoted to daily tasks of managing and doing versus leading, delegating and creating lasting value?
- You won't operate your business forever. Have you begun succession planning to ensure the vitality of the business over time—and ensure you can live the post-retirement life you desire?





It is far too easy to get tied up in the day-to-day challenges of running a business. No detail should ever be overlooked; yet, business owners who truly are successful embrace big-picture thinking as the driver of their business's growth and success. In this respect, there are five critical steps to drive business growth and ultimately, help you live the life you desire:

- Know the value of your business and identify the drivers that affect value.
- 2. Know your numbers focus on key performance indicators that can enable you to operate your business more efficiently and effectively—and drive significant change throughout your organization.
- Know your plan prepare yourself and your business for uncertainty by planning for setbacks. Know how to reduce expenses, conserve cash flow and plan to pivot.
- 4. Know your wealth and understand how your business and personal life support each other.
- Know your future create a clear vision for your business and you with specific, measurable objectives.

This e-book explains each step in detail. We hope you find it useful as you think about your own keys to success. Our business consulting and valuation team is always eager to answer your questions or discuss these five steps in more detail. We have included our contact information at the conclusion of this e-book.

Let's get started!

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Know the Value of Your Business and the Drivers That Affect Value

As a business owner, you have many responsibilities—to your employees, your customers/clients, your vendors, your loved ones, and your community. You also must guide the strategic direction of your business—and it must align with your own hopes and dreams for a rewarding retirement.

Underlying all this is a constant need for growth. In today's competitive landscape, no business can afford to stand still, including yours. Growth is an imperative; yet, the means by which it can be achieved are many. For starters, you could diversify your product or service offerings, expand your customer base, spread operations into new territories, sell abroad, or do any number of other things that position your business for the future.

That said, any and all decisions regarding strategic growth or other business matters must be predicated on one thing: value. Knowing your business's value is key to driving any and all decisions about your business, as well as your role in it, including:

- Seeking to sell or transfer shares
- Dealing with matters of litigation

- Choosing the right capital structure for your business
- Understanding when to raise capital, how to ask for capital (or a loan from banks or investors)
- Determining the proper insurance coverage needed to protect your business
- Planning a potential acquisition or pursuing a strategic partnership

An annual review of your business's value gives you the ability to track your performance in terms of estimated change in value—not just in revenue. Knowing its value also helps you make decisions about estate planning, succession planning and the many growth avenues discussed earlier.

So, what's your business worth? It's a simple question, but the answer proves elusive for many business owners—particularly small business owners. In fact, according to the Exit Planning Institute, 56 percent of business owners say they know the value of their business—yet only 18 percent have had that business formally valued by a valuation expert in the last two years.

Certainly, you'd like to know the value of your business. For operational and personal reasons,



you need to know it. Want proof? Consider: You may think your business is worth, say, \$5 million, and by virtue of that, you may be planning a post-exit lifestyle at a certain level based on your anticipated net worth. If a business valuation performed by a qualified and experienced valuation professional determines that your business is, in fact, worth only \$3 million, the windfall you hoped would fund your life is now much smaller than you anticipated.

While the news may or may not be good, you live in the realm of reality, not perception, so getting an accurate gauge on value at least allows you to make informed decisions.

Yeo & Yeo Can Assist

Just for context, consider the following areas that Yeo & Yeo business valuation specialists assist clients with:

- Adequacy of life insurance
- Bankruptcy and foreclosure
- Buy/sell agreements
- Charitable contributions
- Determination of damages
- Divorce
- Employee Stock Ownership Plans (ESOPs)
- Estate and gift taxes
- Evaluation of estate or personal worth
- Fairness opinions
- Feasibility studies
- Franchise valuation or evaluation
- Gifting programs
- Incentive stock options programs
- Liquidation or reorganization



- Mergers and acquisitions
- Physician compensation valuations
- Sale of business
- Shareholder disputes
- Succession planning

Your needs may or may not align exactly with these areas; but hopefully, you're gaining a sense of the broad advantages that a current business valuation offers.



How Does a Business Valuation Occur?

The process of business valuation takes into account where you've been, where you are today, and where you appear to be heading. It encompasses your entire business operation and provides you with the opportunity to see how your decisions affect business value.

While no two business valuation methods are exactly alike, there are commonly used steps and processes that help qualified professionals to arrive at accurate valuations. These include:

COMPREHENSIVE FINANCIAL ANALYSIS

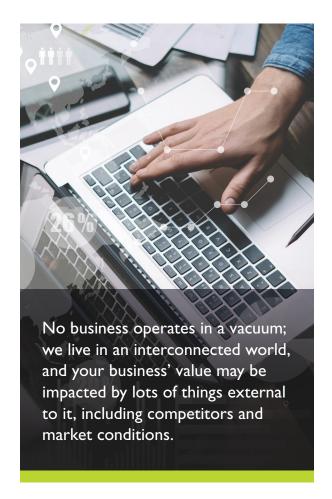
An experienced valuation professional will dig deep into your business and utilize all relevant financial metrics, past and present—from sales and cost of goods to overhead expenses, taxes, interest and much more.

INTERVIEWS WITH KEY INDIVIDUALS

A business valuation is based in large part on quantifiable data; yet, there are qualitative factors that can significantly impact business value as well. Take intellectual capital, for example. If key processes or relationships are locked up with one key employee, and that employee exits the business, then business value is impacted in a big way. This "intangible" value may not be expressed solely in hard numbers, but identifying it at the front end of a valuation process by speaking with you and key members of your team is a crucial step necessary to arrive at an accurate valuation.

INDUSTRY ANALYSIS AND BENCHMARKING

No business operates in a vacuum; we live in an interconnected world, and your business's value may be impacted by lots of things external to it. This includes competitors—how many, how



viable they are in your competitive landscape, what market share they own, etc. It also takes into account market conditions.

Say you own a dental practice, and your target population has experienced a 20 percent population decline due to the relocation of a key employer. The value of your practice could be substantially impacted as a result. It also accounts for industry trends and consumer preferences. You may be selling a hot item today, but will tastes shift tomorrow?

Benchmarking is another tool that provides key data and measures to better understand your business in the context of its market environment. Benchmarking is the practice of comparing one's business processes and performance metrics to industry bests and best practices from other companies. Typically,



time, quality and cost are variables that are measured. Oftentimes, businesses employ "best practice" benchmarking, whereby the business in question is measured against industry leaders. Management may also benchmark similar processes of competing businesses to see whose processes yield better results.

The process of benchmarking can be as simple as a side-by-side comparison of businesses, or it can break down key metrics of competing businesses in a very granular fashion. A qualified business advisor can help you determine which benchmarking strategy is best suited to unlock the true value of your business.

IDENTIFICATION OF BUSINESS VALUE DRIVERS

We tell our clients all the time: Understanding the drivers that create and sustain value should be a key factor in your decision-making and how you manage the business. All activities surrounding your business should be undertaken with the singular goal of creating value for the business. So what drives value for your business? Superior products? A history of innovation? A strong referral network? Unequalled customer service? Or some other attribute, perhaps? Whatever those drivers are, identify them and utilize them to build and enhance value throughout the enterprise.

When Should a Business Valuation Be Undertaken?

At Yeo & Yeo, we recommend that businesses be valued annually. This delivers the most accurate and up-to-date picture of a business's health and value. In turn, that enables decisions to be made that are based on the latest information.

Business valuation is difficult for many business owners because of perceived time and cost. Still, if you own a business, and you haven't had a business valuation completed by an experienced professional, or that valuation hasn't been updated recently, the time to act is now. As mentioned earlier, whatever your plans may be – from continued involvement in the business, physical expansion and introduction of new products and services to exit planning, retirement and more – all future actions are predicated on knowing your value.

In our next chapter, we'll focus on Step Two: *Know your numbers*.





Know Your Numbers

Focus on Key Performance Indicators That Can Enable You to Operate Your Business More Efficiently and Effectively—and Drive Significant Change Throughout Your Organization

In Step One, we discussed the first step designed to drive business growth and fuel your dreams: Know the value of your business and the drivers that affect value. With that information in hand, you'll be well-positioned to take Step Two: Know your numbers.

By this, we don't mean to suggest that you delve into the intricacies of accounting. Numbers may or may not be your thing, and while it's helpful for any business owner to have a working knowledge of financial statements, it's much more important that you thoroughly understand the **key performance indicators (KPI)** that drive decision-making and daily operation of the business.

A KPI is a measurable value that demonstrates how effectively a company is accomplishing its stated objectives. In just about any business, things get measured. That sounds simple enough. However, businesses miss the mark when they measure the wrong things—or they don't effectively utilize data to determine business goals and pursue them strategically. Ask anyone who's utilized KPIs, and it's a good bet they'll tell

you how challenging it can be to determine what factors really drive their business. As a result, they can spend months tracking metrics that don't really impact results.

That said, when employed properly, the right measures can help drive your company's strategy today and in the future by defining strategic initiatives, leveraging KPIs to measure progress, and creating action steps that lead toward desired outcomes.

You can utilize KPIs to measure success in any part of your business. Your KPIs can be broad – e.g., gross revenue, net profit – or they can measure very small objectives and targets. They can also be applied to different facets of your business—for example, you can apply marketing KPIs to measure the success of a content development or Google AdWords program. Many businesses utilize sales metrics to gauge the effectiveness of sales programs, promotions and processes. The list goes on.



What Can KPIs Do For Your Business?

- KPIs deliver an immediate snapshot of your business' overall performance – essentially, KPIs help you define what success really looks like.
- KPIs are flexible and adaptable certain KPIs can be relevant on a daily or weekly basis (and be reported as such), while others can merit monthly or quarterly review. It all depends on what your growth drivers are, and how your business strategies and tactics align with those.
- KPIs focus your people on common goals – even if your KPIs aren't company-wide metrics, they can be valuable tools that show how people in certain departments or areas can contribute to the business' success.
- KPIs help to ensure that things which should be managed are, in fact, managed – as they say, the squeaky wheel gets the grease. In the case of your business, determining your key business drivers, and then tracking their progress via KPIs, keeps attention focused on that area, and helps ensure that performance is tracked.
- KPIs encourage accountability holding employees accountable for boosting KPIs in their sphere of operation gives them an accurate way to measure their performance. That allows the employee to determine whether they're doing what they should be doing, and it gives management a valuable snapshot of that as well.

It's worth noting two added benefits of creating KPIs. The act of measuring KPIs and communicating the results throughout your organization promotes a learning culture, as well as transparency. The more your team understands what drives value, and how success is measured,

the more likely they'll be to buy in and align with those measures. Some of your employees may even devise creative tactics you hadn't thought of before that propel your drivers to new heights.

Know Your KPIs...and You'll Know Your Numbers

Ask yourself: Does your business currently use KPIs? If so, are they measuring things that help drive value? Are they yielding useful information—information that delivers insight you need?

Just like business valuation, it's wise to evaluate your KPIs regularly – annually, if possible – so that as your business evolves and grows, your KPIs measure and track its success accurately.

In Step Three, we'll examine the next step in our journey: *Know your plan.*







Know Your Plan

Planning for Cash Flow Preservation, Expense Cuts, Workforce Reductions and Pivots in Operation

When presented with the need to preserve cash flow, you need to understand the options and create a plan. Your plan could include the ways you will preserve cash flow, cut expenses, make workforce reductions and pivot operations.

Cash Flow Preservation and Expense Cuts

One of the biggest financial challenges that small business owners face is supervision of cash flow. Managing cash flow is of the utmost importance, and incorrect management of cash flow could result in significant gaps that can put a healthy company out of business.

A cash flow gap transpires when your business expenses (cash outflows) are due before revenue is received (cash inflows). This does not mean that you cannot afford the expenditures; it is simply a timing difference in which the cash is not yet available to pay the bills. Cash flow gaps can affect small business owners in several ways. Following are a few tips to help you avoid deficiencies in cash flow.

- Have a broad frame of mind. Always ask how this purchase will affect your cash flow. Analyze the costs and benefits of each transaction. Do you have enough cash on hand or access to credit? Do not follow through with the transaction unless you have favorable terms.
- Create a budget forecast and compare it to costs incurred. Create these on a weekly or monthly basis, while accumulating into an annual budget. This budget will show where the cash is flowing and prompt opportunities to shrink cash outflows. Including a variance in the budget (the difference between actual and forecast) will show you over- or underbudgeted revenues and expenses. From there, adjust the budget to focus on areas of improvement.
- Stay conservative with timing. Do you expect to be paid in 5 days? Budget it as 10. Issue an invoice for 20 days? Expect to receive that money in 30 days. By establishing that buffer, you will have the ability to better manage your expectations, as to avoid a cash flow gap.



Cash Management Checklist

✓ Develop a cash flow projection model.

- Several cash flow projection models are available online which can also be integrated directly into your accounting software. Here are a couple of options:
- https://floatapp.com/us/
- https://www.pulseapp.com/

✓ Have you taken advantage of all cash flow avenues made available to you?

- Increase line of credit availability.
- Apply for Payroll Protection Program (PPP) and disaster loans.
- Renegotiate terms on long-term debt to lower interest rate/annual cost. This may include terming out short-term lines of credit and spreading payments.

✓ Are there costs that you could push out into the future once business picks up again?

- Dues and subscriptions
- Continuing education and training

✓ Can you renegotiate terms with any vendors?

- Look at vendors you have long-standing relationships with first.
- Negotiate splitting periodic payments into smaller amounts.
- Negotiate level payment plans for utilities (to eliminate large bills during heavy usage times).
- Look for alternative vendors when there is no ability to renegotiate.

✓ Rather than cutting the number of employees, are there employee expenses you could cut in the meantime?

- Cell phone, meals, coffee, etc.
- Other employee benefits

✓ Look at expenses that could be cut back.

- With employees possibly working from home, could you cut back on your cleaning service?
- Are you signed up and paying for recurring services that you aren't utilizing or could do without?
- Travel and transportation
- Meals and entertainment
- Insurance: Review terms and deductibles. Consolidate policies from existing multiple carriers. Especially look at business interruption insurance, if available.
- Officer/owner personal expenses
- Advertising and marketing accounts
- Donations

✓ Establish and enforce credit policies.

- Create a formal credit policy and adhere to it.
- Enforce collection policy to ensure accounts receivable stay current.
- Assess finance charges for accounts over 30 days. Move terms to 'due upon receipt' or collect a retainer/down payment up front whenever possible.

✓ Develop an emergency cash account.

- Make an effort to pay out just as you would a vendor into a separate savings account.
- Look to build a six-month reserve of cash to weather down times.



Maximize cash inflows and shrink cash **outflows.** This is especially important if the company has a project that is unusually large or complex. At that point, consider requesting a security deposit of half the amount owed and always pursue opportunities to bill additional amounts if products/services need modification, or are not specified in the original contract. Pursue ways to make payment simple for a customer through automated bill pay or payment schedules. Offer options to receive upfront cash for future costs to secure future sales and aid with inventory replenish scheduling. Finally, decide whether or not to offer layaway programs or pre-payment plans as an alternative to sale and payment plans.

Business owners need to stay on top of bills owed and ensure payments are accurate and timely. Set up automated payments, but ensure the proper amount is being deducted. Other cost-saving approaches include: repairing equipment rather than replacing it, buying used instead of new, delaying upgrades, and negotiating goods and services.

Build a cash reserve. Determine what you can reserve in a week, divide it by five business days and pay yourself that amount per day.

- Having this cash reserve could be used as a way to face cash flow gaps if they occur.
- Make conscious decisions when it comes to administrative costs. There are two options for accounting: in-house or outsourced. Is your in-house accounting work shorting quality? Would it be more beneficial to rely on the experts? Outsourced accounting does not necessarily imply it is more expensive, but it does point toward quality, timely and accurate work. If the decision is made to outsource, the only heavy lifting would be to obtain the financial information for the accountant to process.
- Cash flow is the lifeblood of any business and those who can efficiently manage their cash flow will find that it can improve other aspects of their organization.

Workforce Reduction Options

As employers trim their employee rosters, they have several options, including:

- Reduce employee benefits for example,
 401(k) matching contributions,
- Furlough workers,
- Lay off some or all of staff, or
- Cut nonexempt employees' hours.







(Note: Reducing the hours of salaried exempt employees doesn't allow you to cut their pay proportionately under the Fair Labor Standards Act.)

The less drastic the measures, the easier it will be to keep valued workers available to rejoin the company when you need them. In part, it depends on how much time has elapsed since they were let go. Don't underestimate the importance of the way you say goodbye. It will have an impact not only on your ability to bring those employees back on board, but could affect your "brand" as an employer.

CUTTING HOURS

Cutting nonexempt workers' hours lets you hang on to more employees, of course. While nobody wants to see their hours cut, they often dislike being laid off even more. Not only do they retain some income, but they're less likely to feel singled out for punishment, since more of their coworkers are in the same boat.

Employees permitted to work with reduced hours are generally able to hang on to some of their employee benefits, which often represent a significant part of their total compensation. The picture gets more complicated, however, when employees are furloughed.

EMPLOYEE BENEFIT IMPLICATIONS

With a furlough arrangement, the employee's job is essentially put on hold. But in some respects, the employee is still under your economic umbrella. Plus, there's an expectation that he or she will eventually return to full-time employment.

The legal impact of a furlough, as it pertains to employee benefits, can vary according to its duration. For example, a health insurance company might not agree to maintain coverage for furloughed employees just because you continue to pay your customary share of the cost of their health benefits.

Your contract with your carrier might become void if you're covering people who aren't working for you now and might not be employed by you in the foreseeable future. It's critical to read the fine print on insurance contracts before making any promises to furloughed employees.

Generally, more leniency is allowed with 401(k) plans. While you can't deduct any payroll-based employee payments to a 401(k) plan if an employee isn't receiving a paycheck, employees can deal directly with the 401(k) provider for some transactions. For example, if the furloughed employees want to take advantage of the CARES Act's liberalization of plan loan rules, they can do so but need to make payments on a loan by means other than payroll deductions.

WHEN TERMINATION IS YOUR ONLY OPTION

Using a furlough strategy can improve your chances of keeping valuable employees available to return to full-time status when you're able to reopen your doors. But sometimes, a simpler straight layoff (which is similar to a termination) is your only option, depending on your industry and the economy. Even then, you can still do your best to avoid losing those valued employees forever.



One key to maximizing the chances of being able to rehire laid off employees later is to be as generous and sensitive as you can when you pull the trigger. That can include helping terminated employees, either directly or through an outplacement service, to take advantage of available state and federal unemployment benefits.

If you can afford to pay a severance benefit, that can instill loyalty as well. However, be aware that such a policy needs to be administered consistently. Also, if you structure a severance payment plan as a series of periodic payments instead of as a lump sum, that could delay a laid-off employee's eligibility for unemployment benefits. Why? Your state might treat it as the equivalent of ongoing employment income.

Pivoting Operations

Pivoting isn't a new concept. Some of the most profitable and recognizable businesses in the country changed paths midstream before they truly became successful.



A classic example is Starbucks. The company didn't start out as a franchiser of coffee shops. Initially, it sold coffee makers, bulk coffee beans and other items before shifting to its current model of coffee houses with a sense of community, like those in Italy and other European countries. Now it seems as if Starbucks has a coffee shop at every busy intersection in the country — and a loyal following of coffee aficionados.

Each situation is different as well as the sense of urgency and uncertainty varies for businesses experiencing challenges or a stunt in growth. In situations like millions of businesses have experienced in 2020, pivoting is one strategy to consider.

6 Tips for a Successful Pivot Strategy

Pivoting requires a transition period, especially if you're shifting to a new product line or paradigm. It's not as easy as snapping your fingers and announcing a change of plans. Here are six practical suggestions to smooth out the rough edges.

1. Communicate.

Let your customers know that you're still there to serve them as you always have with expanded opportunities. Share new products and services on your website. If customers don't know what you're selling, they won't be buying. Expand the reach of your social media accounts.

2. Adapt to meet new demands and needs.

Be creative about serving your customers. Can you offer new services that would be attractive to your buyers that would make you stand out from your competition? If a car dealership can





drive a new vehicle to a buyer's residence, can you do the same for your products? Can you use teleconferencing, or utilize demos to walk a client through the steps of a purchase? A small change can not only help you meet your clients' need, but can also preserve resources such as transportation and travel cost when cash flow is low.

3. Think ahead.

If demand for your product or service is low currently, you may be able to encourage your clients to purchase later. For example, if you own a retail outlet that's had to close its doors, you might offer gift cards for future purchases at discounted rates. When restrictions in your area have been lifted, customers can cash in. In the meantime, you've boosted current cash flow. If you own a service business, would your clients be willing to schedule for services or appointments at a later date or sign a contract?

4. Learn a new skill.

Faced with necessity, owners may delve into areas they previously hadn't touched. For instance, you could become adept at scheduling pick-ups through software. Or maybe ask employees to take on

administrative work that had previously been delegated to others to reduce your staff.

5. Inform your employees.

Workers appreciate honesty. So, inform them as soon as possible if layoffs are coming, benefits are being scaled back or bonuses won't be paid this year. These challenging times present an opportunity to build long-term loyalty among your workers.

6. Monitor your pivot strategy regularly.

Don't rely on gut instinct or quarterly financial statements to monitor your company's performance. Timely, accurate financial reporting is key during volatile market conditions. Consider producing daily or weekly "flash" reports that highlight what's working and what's not — and then take corrective measures. For example, you might need to adjust your pricing, staffing or hours of operation to improve profitability.

Which metrics should be included in your company's flash report? Keep a close watch on revenue, payroll costs, and sources (and uses) of cash.





Know Your Wealth

Understand How Your Business and Personal Life Support Each Other

According to statistics from the Exit Planning Institute, 80 to 90 percent of most business owners' net worth is tied up in their business. While that is a very large percentage, it doesn't represent the complete picture of personal wealth. Knowing the total amount of your personal wealth is vitally important, for it allows you to measure where you currently are on your journey toward retirement. In discussions of personal wealth, remember: It's not really about your business; rather, it's about your family, your security, you, and your legacy.

As we said in the Introduction, running a successful business is no easy task. For many business owners, it takes up the lion's share of their attention, day in and day out. From implementing strategic initiatives to overseeing the smallest details, it's an enormous responsibility—and it requires laser focus.

Yet, business success and life success aren't mutually exclusive; rather, they are closely tied, and they depend on each other for support. In this spirit, it is an extremely worthwhile endeavor to take a financial snapshot of your

total personal wealth at least once annually. Along with that, you would be wise to take some practical steps to ensure that you remain on track to reach your goals—and that your business can continue to operate if you need to exit suddenly. These include:

- Ensuring your estate and trust documents are updated and reflective of your current status and wishes
- Reviewing all your current insurance to ensure it's adequate in case of a personal or business emergency / catastrophe
- Reviewing your wealth management program with a qualified advisor to make sure your investments outside the business are aligned with your retirement goals—as well as any immediate cash needs you may have
- Establishing a transition / operations plan for the business that accounts for both (a) your planned retirement at some point, and (b) your sudden exit for unforeseen circumstances



No one works forever, and we all have dreams and outside interests that we want to pursue. From a practical standpoint, accumulating wealth is one of the keys that allows you the freedom to live your life on your terms outside the walls of your business. And, it's essential to providing security for you and your loved ones. Measuring your total personal wealth, therefore, is the best way to gauge your progress as you move through your career and toward retirement.

How can this be accomplished? Certainly, there's always the "back-of-the-napkin" approach—you can estimate your total personal wealth by tallying up liquid assets (e.g., bank and investment balances), listing illiquid assets (e.g., real estate, real property) and figuring in your stake in the business based on a recent valuation (assuming you have one). Given the magnitude of this information, though, we believe it's wise to consult with an experienced and professional advisor who helps clients with strategic issues like this every day.

Connecting tax advice to wealth management goals

Yeo & Yeo Wealth Management works closely with Avantax Planning PartnersSM (Avantax) to provide wealth management services and collaborate with our own professionals in serving our clients with all-encompassing financial and tax planning. This holistic

approach offered by Avantax is called Guidance Planning Strategies (GPS). We bring together tax + retirement planning and asset + risk management, to help you reach your long-term financial goals.



Together, we can help address your worries, fears, and questions. For more information, contact Peter Bender, Yeo & Yeo Wealth Management Leader.

Next, we'll explain the fifth and final step in our journey: *Know your future*.





¹ Exit Planning Institute



Know Your Future

Create a Clear Vision for Your Business and You With Specific, Measurable Objectives

So far, we've explained the vital importance of knowing the value of your business and the drivers that affect value; we've highlighted how knowing your numbers and focusing on strategic KPIs can help you run your business efficiently and profitably; we've learned how to plan for recovery in a downturn; and we've shown how knowing your total personal wealth can positively impact your journey toward retirement.

Say you've taken these steps and met the challenge outlined in this e-book in each of these four phases. What's next?

Well, you've positioned yourself and your business for the future. Now, it's up to you to know your future, and paint a picture of what it entails. Your personal future might be well defined; perhaps it entails travel, quality time with the grandkids, volunteering in your community, starting another business, or just enjoying some well-earned relaxation under the nearest palm tree.

What about your business? Do you – and for that matter, your team – have a clear picture of what's next for your business? A clear vision makes planning achievable, and thorough strategic planning should yield three to five major

initiatives that will make the greatest positive impact on the business and its value.

So what are they? Can you and your team quickly and clearly articulate those initiatives? Underscore their importance? Explain the roadmap to achieving them?

Your initiatives can be any number of things:

- Launching a new product or service
- Expanding into a new territory
- Driving greater leads through digital marketing
- Eliminating waste
- Streamlining delivery times and improving customer service
- Building greater brand awareness
- Reducing debt
- Investing in research and development
- Being more efficient with account payables and/or receivables
- And more



Whatever your key initiatives may be, you and your team should be well-versed in articulating them, and it's critical that your plans detail roles and responsibilities for team members who are accountable at every turn.

Your vision may also entail your own succession at some point in the future; you may seek to exit the business—and if that's the case, the time to plan that exit is *now at hand*. Proper succession planning unfolds in multiple steps, accounts for many variables, addresses issues large and small and takes time. You need to understand how to protect the value of your business; harvest that value through transition options that are right for you and your business (e.g., management buyout, ESOP, third-party sale); consider equally important estate and financial planning matters interwoven with any business succession; and do all this while still running your business.

It's a tall order, but it's your business, and no one cares about it as much as you do. You must take the initiative to get started, and keep yourself (and your team) motivated and energized at every step. We believe this journey is best traveled alongside an experienced and trusted partner; we welcome the opportunity to discuss "The 5 Steps to Drive Business Growth and Fuel Your Dreams" in more detail with you, answer your questions, talk through your approach, and discuss how we can help you make it all happen.



² Exit Planning Institute



Yeo & Yeo's Legacy Program is designed specifically to help clients plan for today and prepare for tomorrow. We understand that building long-term value in your business takes a clear roadmap to create a legacy of continuity and success. Our Legacy Program helps business owners build a solid foundation to retire, exit or otherwise transition away from their business when the time is right. The program is both comprehensive in scope and flexible in design. Elements include:

- Annual business valuation reporting, with recommendations on how you can work to increase overall business value
- Financial and industry analyses, allowing you to compare actual financial results to prior year results and to those of similar companies in your industry
- KPIs including benchmarking and dashboards for up-to-date, accurate and pertinent business information
- Succession / transition consulting, including in-depth analysis of your personal financial condition, personal plans and goals, and desired exit strategy
- Quarterly review of company financials, which provides comparison to prior year, budgets and established benchmarks
- Tax planning, along with ideas to reduce your tax burden
- Ongoing communication to discuss strategies and concerns, answer questions and serve as a trusted resource

For more information about Yeo & Yeo's Legacy Program or to request a proposal, visit: **yeoandyeo.com** or contact Michael Oliphant, CPA, CVA, Principal and Yeo & Yeo's Legacy Program Consultant, at **800.375.3968**.



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