

8 People Who Can Facilitate Your Business Transition

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When you prepare to sell your business, you want advisors who will address issues including management succession, potential acquirers, tax issues, the best deal structure, the best negotiation approach, how to reward your employees, and the time frame to complete the transaction.

Adding a family wealth advisor will help address your personal financial requirements, estate planning, tax positioning, family legacy and philanthropy, wealth education, and the impact the transition will have on family roles and expectations.

In summary, here are six vital advisor roles to consider for your transition team, as well as two types of people who can support you through the transaction:

Mergers and Acquisitions Attorney

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These attorneys are specialists in deal negotiations and structuring. To maximize an owner's return and minimize their liability, these advisors counterbalance the buyer's legal team. Without them, you will not get the best deal. Period.

CPA/Tax Expert

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You will require tax expertise to understand the full implication of the transaction's structure, to aid in the negotiation, and to keep you in compliance with all tax laws. Their advice early in the process may even lead you to reconfigure the corporation's legal structure.

Investment Banker or Business Broker

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To ensure your company attracts a wide variety of interested parties, an investment banker is necessary. They are charged with making a market for your company and selling it to the best new owner.

Far from being just an added expense, the additional value received from having an investment banker involved has proven itself time and again. They also serve a valuable role as an intermediary, keeping the owner protected from direct contact with the myriad demands of multiple interested parties. This advisor may have the biggest impact on the value of the transaction.

Estate Attorney

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How a deal is structured can have a significant impact on your family estate planning options. The deal or corporate structure itself is frequently part of the estate plan. The intersection of tax expertise and estate planning frequently produces the best long-term outcome for the family. Don't overlook how important it is to include estate planning in the deal structure.

Valuation Expert

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You'll want a business appraiser to conduct a business valuation. Any buyer will be conducting their own valuation, and having a solid foundation on your company's value will prepare you better for the negotiations to come. It will also highlight any misalignment between expectations and reality.

Family Advisor

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You should consider bringing in a planning professional to represent and advocate for your personal goals. Unifying the family around requirements for a transition, what it would like to see happen, and what it doesn't want to happen, is important for future family harmony. Where you don't have consensus on these points, a family advisor can help balance the family's interests as much as possible. Communication, almost without exception, needs that extra nudge from someone who knows how to facilitate family discussions.

Who can fulfill this role and what qualifications should they have? Often, this is the financial advisor or wealth manager because they're focused on your personal priorities and the needs of your family before, during, and after the transition, though the role may fall to the family's

personal attorney or CPA if the relationship is close and deep. Most important is the advisor's understanding of family dynamics, the personal goals of the family members, and their skill and experience in dealing with the stresses and opportunities of a life transition. The family advisor must be willing to speak the truth and raise sometimes uncomfortable issues. Empathy, good listening skills, and a deep understanding of how the advisor team works in a business sale are essential to keeping the family's goals front and center.

It's essential to fill the six roles described above on your business transition team. The following two types of people, while not necessary, can help facilitate a smoother sale.

Referrals

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Often, the same best-in-class advisors and team relationships seem to surface repeatedly in transactions. The mergers and acquisitions attorney works well with a particular investment banker, who works well with a particular business valuation firm. Members of your team can recommend individuals whom they have worked with and respect, and whom they feel would be a complementary part of the team. If you're able to fill one of the previously described six roles with a referral, you can build that relationship with more confidence from the start.

Personal Advisors

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You may consider broadening your ideas of who should be on your team beyond the specialized professionals we mention here.

A variety of people may be appropriate, depending on the situation. For example, in some circumstances, a member of your family may be a valuable part of this transition team, especially if your business has multiple generations working within it. The idea is to identify missing pieces of your team and think creatively to find eyes and ears that may help you in ways that you can't yet identify yourself.

If you feel that a spouse, someone else in the family or close friend has expertise or perspective or great common sense or some other attribute that will contribute to your team, then that is a path worth exploring.

Having a business transition team in place comprised of trusted, knowledgeable individuals will make your business's sale proceed as smoothly and beneficially as possible.

For more advice on business transitions, you can find [Your Next Adventure on Amazon](#).

Marshall Rowe, *President, CEO, and founder of Harvest Capital management, has over thirty years' experience developing portfolio strategies and analyzing investment opportunities.*

James Fitts, *CFP, Managing Director, and Chief Planning Officer, has been assessing personal and business financial positions and advising family-owned businesses on ownership and succession for almost forty years.*

John Weeks, *CExP, Managing Director of Family Wealth and Business Transition planning, is a financial service professional who has been working in wealth management, commercial banking, and family business for over thirty years.*

Together, at Harvest Capital, they help clients attain life goals, as well as financial objectives.