



Welcome to

Every Business Owner Exits

We will begin momentarily

February 18, 2021 @ 2:00pm Eastern



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TODAY'S PRESENTERS



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- Attendees are encouraged to submit questions at any time using the Q&A function in the anonymous mode.
- Questions will be addressed at the end of the formal presentation as time permits.
- Additionally, all attendees will be emailed a link to a recording of the webinar and a pdf of the presentation including speaker biographies and contact information.

Today's presentation is not:

- Legal advice
- The final word on today's topics – updates will be continuously provided via herbein.com

Before taking any action, you should review this material with internal and/or external advisors.

To be eligible for Continuing Professional Education (CPE) for certified public accountants, participants:

- Must be logged in for the entirety of the program.
- Answer at least 3 of 4 poll questions during the hour.

Unfortunately, we are unable to grant CPE in cases where technical difficulties prevent the participants to meet the requirements listed above. Credits are only available via participation in the live webinar, we are not able to provide credits based on watching the webinar recording.

How would you describe your current succession plan?

- Have a plan, very satisfied
- Have a plan, somewhat satisfied
- Have a plan, not satisfied
- No plan, but would like to have one
- No plan, don't think I need one
- Unsure

- Leaving your business is inevitable
- Exit planning allows you to leave your business on your own terms
- Having the right team in place: attorney, CPA, financial planner
- Planning helps maximize financial return, minimizing tax liability, plan for contingencies and increase likelihood of a successful transfer of business
- Farther in advance you start planning for your exit, the more options you have and a better outcome is likely
- 3 universal exit goals – questions:
 - What is the value you want or need from the business?
 - When do you want to leave your business? What does leave mean?
 - Who are you selling/transferring the business to?

- Value drivers
 - Stable, motivated management team
 - “Golden handcuffs”
 - Efficient and effective operating systems
 - Solid and diversified customer base
 - Recurring and sustainable revenue
 - Cash flow
 - Scalability
 - Competitive advantage
 - Sustainable competitive advantage
 - Documented and proven growth strategy
 - Financial foresight and control
 - Differentiated product or service, not a commodity
 - Defensible market share
 - Strong operating margins

- Make sure that your business survives if you do not
 - Owner's family is taken care of through estate planning not business continuity planning
- "Business continuity is a means of handling a variety of transfer events and consequences that impact *the business* and the remaining (or new) owner when the original owner leaves."
- Possible continuity problems:
 - **PROBLEM:** Loss on continuity of business ownership (*critical issue in solely owned company*)
 - **SOLUTION:** Key employees – ex. stay bonus, business "will", up to date buy/sell agreement
 - **PROBLEM:** Company's loss of financial resources
 - **SOLUTION:** Life insurance, successive management
 - **PROBLEM:** Loss of key talent (i.e. you)
 - **SOLUTION:** Eliminate silos
 - **PROBLEM:** Loss of employees and customers
 - **SOLUTION:** Solo vs multi owner; stay bonus, succession of management plan

- | | |
|--|-------------|
| 1. I know when, how and to whom I want to leave my business. | 0 1 2 3 4 5 |
| 2. I know how much money I'll need, on an annual basis, after I leave my company to live a comfortable post-business life. | 0 1 2 3 4 5 |
| 3. The current value of my company meets or exceeds the value I'll need to retire comfortably. | 0 1 2 3 4 5 |
| 4. I know what after-tax value I will need from my business to meet my financial objectives. | 0 1 2 3 4 5 |
| 5. My key employee(s) are: (a) incentivized to increase the value of my business; and (b) motivated to remain with the company through targeted compensation benefits. | 0 1 2 3 4 5 |
| 6. I have created a written, realistic growth strategy for my company that aligns with my Exit Plan. | 0 1 2 3 4 5 |
| 7. I have taken steps (such as covenants not to compete for key people and restricted access to trade secrets) to protect my most valuable business assets. | 0 1 2 3 4 5 |
| 8. I've taken all appropriate measures necessary to operate my business in the most tax-efficient way possible. | 0 1 2 3 4 5 |
| If you intend to transfer your company to a family member or employee, please skip to question 13. | |
| 9. I've completed pre-sale due diligence and addressed all issues identified. | 0 1 2 3 4 5 |
| 10. I've completed pre-sale tax planning to maximize the after-tax sale proceeds I will receive. | 0 1 2 3 4 5 |
| 11. I know whether, and for how much, companies in my industry are selling. | 0 1 2 3 4 5 |
| 12. I understand the non-financial characteristics that make my company valuable to a buyer. | 0 1 2 3 4 5 |
| 13. If they had sufficient resources, I'd prefer to transfer my business to family or key employees. | 0 1 2 3 4 5 |
| 14. I know how to transfer my business to family, employees or co-owners for top dollar while paying the minimal amount of taxes. | 0 1 2 3 4 5 |
| 15. My company is free from family succession concerns. | 0 1 2 3 4 5 |
| 16. My successor owner has the skills and knowledge to participate as an owner of the business. | 0 1 2 3 4 5 |

In an ideal world, you would plan to leave your business...

- Today
- Within one year
- One to three years
- Three to five years
- More than five years
- Unsure

Panelist Q&A

Do you have an idea of the value of your business?

- Yes, we have a detailed business valuation (highest level)
- Yes, we have a summary business valuation (mid level)
- Yes, we have a calculation business valuation (lowest level)
- No, but I have some solid insight into the value
- No, I have no solid insight into the value
- Unsure



I can't go on forever, and I don't really want to try.

Would you like to set a complimentary consultation about succession planning?

- Yes
- Not at this time
- Unsure

Webinar

WEBINAR: Every Business Owner Exits

DATE: 02/18/2021

[ADDITIONAL INFORMATION](#)

Webinar

Federal Legislative Updates Affecting the Food & Ag Industries: 2021 Food & Ag Summit

DATE: 03/02/2021

[ADDITIONAL INFORMATION](#)

Webinar

Accounting Standard Updates: 2021 Food & Ag Summit

DATE: 03/09/2021

[ADDITIONAL INFORMATION](#)

Webinar

Ownership Transition, the Inevitable Decision: 2021 Food & Ag Summit

DATE: 03/10/2021

[ADDITIONAL INFORMATION](#)

Webinar

Cyber Incidents and Risk Management: 2021 Food & Ag Summit

DATE: 03/16/2021

[ADDITIONAL INFORMATION](#)

Webinar

Labor & Employment Forecast: 2021 Food & Ag Summit

DATE: 03/23/2021

[ADDITIONAL INFORMATION](#)

The Herbein Conversation

Batting 1.000: How Phillies' CFO John Nickolas keeps the team's financial operations on a hot streak

DATE: 03/24/2021

[ADDITIONAL INFORMATION](#)

Webinar

Selling Your Products Panel: 2021 Food & Ag Summit

DATE: 03/30/2021

[ADDITIONAL INFORMATION](#)

Webinar

WEBINAR: Accounting Standard Updates

DATE: 04/20/2021

[ADDITIONAL INFORMATION](#)



**Ashley N. Blessing, CPA - anblessing@herbein.com
Manager**



A manager with Herbein's Small Business department, Ashley Blessing, CPA is a Herbein 360 leader.

Ashley advises organizations on how to improve and transform the way they do business. She is passionate about advisory services and works closely with her clients to help businesses accomplish and follow through on strategic goals. Drawing on more than 12 years of experience, she works collaboratively with her clients to help identify pain points and develop plans that lead to concrete solutions. As a Herbein 360 advisor, Ashley believes in taking an integrated view of the operational, financial, organizational and technical aspects of each business.

What sets Ashley apart is her ability to help her clients implement the changes she recommends. Through facilitating workshops that capitalize on and enhance each business' strengths and weaknesses, Ashley's structured yet collaborative approach assists in implementing sustained change. Her approach provides a holistic (360) view of each organization.

Ashley holds a Bachelor of Science in accounting from Pennsylvania State University. She recently completed the Business Enterprise Institute (BEI) Advanced Exit Planning series and is about to enroll in the final stage of the process to obtain the Certified Exit Planner (CEXP) designation that demonstrates the ability to assist business owners with planning and deploying an effective exit strategy.

Ashley is active in her community and is married with two young children.



Joseph W. Witkowski, CPA - jjwitkowski@herbein.com
Partner, CFO

Joseph J. Witkowski, Jr., CPA joined Herbein + Company, Inc. in 1992 and currently serves as Partner and Chief Financial Officer. Joe is the third CFO in firm history and previously served as the Partner-in-Charge of Human Resources. Joe provides tax planning and CFO level services for a diverse client base comprised of construction companies, retail establishments, medical and dental practices, and service providers.

Joe is adept at guiding business owners in growth mode, with a focus on transactions, business exit strategies, and succession planning. He has a unique understanding of buy-sell agreements and helps owners reach agreements that make sense for all parties. Joe's skill and experience allow him to develop accurate financial forecasts, analyze risk, and evaluate tax implications which provides insights which allow business owners to make informed decisions. He has assisted in the transition to new ownership through operational analysis, evaluation of financing options, and staffing reviews. Joe works with business owners on exit strategies. This process begins by determining owner goals and objectives – financial and non-financial. Joe's experience includes family succession planning, partner buy-outs, and management transactions.



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