

October 02, 2013 /**24-7PressRelease**/ -- Owning or operating a closely held business can be both exhilarating and challenging at the same time. The goal of most business owners is to build the company to a point when they can transition out, retire or move to other pursuits.

Frequently, the transition will involve transferring responsibility and financial control to family members or close colleagues. In some cases, business owners may sell to a competitor or place the business on the open market.

Having spent years, sometimes decades, paying attention to the business of managing the company, an owner often finds himself or herself at a loss of how to properly position the business for sale or transfer, or to adequately value the enterprise. Added to this, the corporate structure may not lend itself to either an asset or an equity transfer, or may present unique issues for purposes of estate planning.

Business succession planning

Unfortunately, too many owners fail to attend to long-term planning for their companies and may find themselves in a bind when it comes time to turn over the reins of the business to another.

In approaching [business succession planning](#) , there are often complex issues which drive decision making, such as family politics, fear of transition and economic realities, which often result in deferring necessary planning for the future. Ultimately, many business owners are forced to deal with transitions resulting from unanticipated changes, such as an illness, incapacity or personnel changes.

Making structural changes in the middle of crisis is never a good idea. Having a clear, defined plan for transition will provide certainty and structure, not only benefiting the company, but also providing peace of mind.

Common misconceptions- Succession planning does not work. Uncertainty, indecisiveness and fear of making mistakes often get in the way when business owners need to plan for the future of their companies. This can be especially concerning when dealing with a family-owned business because of family expectations and worries over providing for a number of extended family members.

- **There is plenty of time to set up my plan.** Many business owners put off setting up a succession plan until they are forced to deal with it, either because of sudden incapacity or death of a key employee or some other change of circumstances. Investors in large corporations demand succession planning of their CEOs and other key executives; closely held and family-owned businesses should adhere to this thinking also.

- **When I am ready, a successor will appear.** Successfully passing along your business to a successor often takes years of planning. It is vitally important to properly train a successor, preparing her or him to take over the various aspects of the business. The best worker may not be the best rainmaker and finding and preparing the best successor for your business may not be an easy or quick task.

- **I will sell the business to the highest bidder.** For many, it is mistake to think that [selling a business](#) can be easy. Accurate business valuation is a constantly moving target, especially if your business is subject to fluctuations in the market or economy. If an emergency should arise forcing a sale at an inopportune time, a qualified buyer who is ready, willing and able to purchase the business may not be available.

- **I have to give up my income and control.** Planning for succession does not mean you need to give up control of the business you spent years developing. With the assistance of a [business planning professional](#), you may be able to tailor a gradual exit that provides income and keeps your hand in the game for a timeframe of your choosing.

- **I will know what is best.** Some believe they will intuitively know the best way to sell their businesses. Business transitions can take a number of forms, from a sale of a majority of the assets -- including the company name and goodwill -- to an outright sale of the equity in the company. How the deal is structured will affect issues such as liability for company debt, security of the sale and the structure of the buyout.

A business lawyer can help

If you do not have a succession plan for your business, or have not recently reviewed your plan,

Succession planning for Oregon and Washington business owners

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consult a business succession planning attorney. A lawyer who is knowledgeable about closely-held businesses can help you attend to the current and future needs of your business, its key employees and any family members who are involved.

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