



## Business Succession Planning: Solutions to Common Problems

*“Contrary to popular belief, estate planning is not about a set of documents. Rather, it is a life-long process that maximizes the enjoyment of assets both now and in the future.”*



The Law Offices of John C. Martin  
1145 Merrill Street  
Menlo Park, California 94025

Tel: 650-329-9500  
[www.johnmartinlaw.com](http://www.johnmartinlaw.com)

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Established business owners know that a business' success depends upon good leadership. Business owners are also acutely aware that their financial security depends upon the success of the business. However, the business owner's unexpected departure—because of illness, divorce, retirement, financial difficulties, or even death—could result in a loss of financial security, and also the failure of the business to thrive. Unless the business owner simply wishes to dissolve the business and walk away, they must find a way to transition the business in a way that maintains their desired lifestyle and ensures the company's continued survival.

There is a solution to these problems: business succession planning. Business succession plans can encompass wide-ranging solutions, including strategies to maintain income for the business owner's family over the long-term, selling a business to employees, gifting a business to family members, or employee stock ownership arrangements. By putting in place clever business succession planning strategies, owners can kill two birds with one stone: provide a financial security blanket, and derive satisfaction from knowing that the business will survive to the next generation.

The first step a business owner might take is developing a comprehensive succession plan. The plan should take into account the timeline for the owner's departure, the desired structure of the business, related estate planning issues, and concrete strategies that will be taken over the next several years to transition leadership. Generally, the plan will be developed with input from the business owner's legal, tax, and financial advisors. Finally, the plan must be put into action.

A successful business owner knows that timing is important. Don't wait until circumstances require an abandonment of your business: Plan well ahead of time to ensure that all options are considered. As a first step, check out the free article resources on our website. Our law office has uploaded articles that would be of value for any small business owners. Next, consult your legal advisor to determine your options. Our office is happy to answer any questions you may have: (650) 329-9500.