

Business owners: Get your ducks in a row

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There is so much going on in the world that business owners today are faced with, and even more things to digest to steer the course of their business to success.

These range from the state of the economy, generally, finding and hiring the right team members, how AI (artificial intelligence) might impact their businesses going forward, not to leave out that it is an election year.

This article will focus back on basic planning - what happens if you cannot lead the company anymore due to a stroke or other calamity, or you pass. This is a subject most business owners do not want to deal with, as they would rather go after that next deal, or do another acquisition. Perhaps, there is the thought that none of this can happen to them.

Indeed, it can happen to a business owner. Recently, a business owner went to a celebration at a corporate division in another country. Some of the equipment used in the celebration malfunctioned, and that owner was killed. In another case, a business owner was a private pilot and decided to take his management team fishing. The plane went down. The entire management team was lost, along with the business owner. The business was lost in that case, too, along with the income that the family was used to living on.

This article is not meant to be negative. Of course, this topic does not seem to be as exciting as a new acquisition to an owner. However, facing this in your strategic planning will not make the worst happen to you, as a business owner. Instead, the business plan will set out what should happen in the event of the worst-case scenario. How will the company survive and thrive if different scenarios happen?



This may involve succession planning, life insurance planning, making a list of potential buyers for the company, and especially, how to replace your household income that the business owner had been bringing home to allow your family to continue to live in the same lifestyle they did while that business owner was working. Remember this business income could be lost while the business owner is still alive and not able to work, as well as if that owner passes.

None of this planning is foreign to the business owner, as such owners are used to looking at what happens if one of their management team leaves the company. Business owners are mindful of creating adequate systems and processes so that the loss of a team member does not hit the company that hard. There is a plan in place for the loss of the team member, and that may involve having someone assume additional duties while a replacement team member is found.

If there is planning in the business around the loss of a team member, why do most businesses not have a plan around what happens if the owner is no longer a part of the business?

This planning needs to take place with the owner and the team for the protection of the owner's life's work, as well as their family (both their personal family and their team at work). Any plan made should be written down as part of the strategic plan. It also should be incorporated into the business owner's estate planning for the protection of the owner's family.

While it is hard for a business to be prepared for everything, it is worse to be unprepared for major issues that can (not necessarily will) happen to that business.

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