



BUSINESS ADVISORS & SUCCESSION PLANNERS

Practical Wisdom. Plain Truth. Professional Expertise.

Special Report

Emergency Continuity Plan

July 2019

There are few more cataclysmic events that can happen in a Family Owned business than the death or incapacity of an owner... especially if it is unexpected.

Just a few of the less pleasant impacts can be:

- Freezing of bank accounts
- Loan default if the owner was the only guarantor
- Loss of confidence of staff and customers
- Freezing of vendor accounts forcing the company to “pay as you go”.
- Uncertainty among survivors relative to what you would want them to do.
- Loss of value

At worst, the company could cease to exist...more likely it will struggle to stabilize. Potential buyers will be “chilled” while they wait to see what happens.

The Solution:

A simple written continuity plan can be a lifeline for survivors.

Communication here, as with so much else, is critical. Survivors need clear, and if I can be redundant, unambiguous direction.

Step one:

Where are key documents?

- A list of ALL bank accounts, their account numbers and bank name.
- A list of life insurance policies, issuing company and policy numbers
- A list of leases, loans and other obligations
- Where do you keep copies of tax returns, loan documents, contracts and so on?
- A list of key vendors and contracts that you have signed.
- A copy of any buy/sell agreements
- A list of companies you own, their Federal ID (FEIN)
- Your will and power of attorney
- Anything else your survivor(s) successor need to know about.

Who are the key people and how do you contact them?

- Accountant
- Attorney
- Insurance Agent
- Consultants and advisors
- Financial planner
- Key employees and their roles

Emergency Continuity Instructions

For: _____

In the event of my death or incapacity, I would prefer:

___ The company be sold as quickly as possible to a third party

___ The company be sold or transferred to children Name(s) _____

___ The company be sold to the following employee(s) _____

___ The company be retained in the family until _____

As guidance relative to value, I suggest that:

___ You accept no less than: \$ _____

___ You secure a valuation from _____ Phone number _____

___ You ask _____ to recommend a valuation specialist

The following professional advisors would be people I would turn to:

Name	Type	Phone Number
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Name	Type	Phone Number
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Name	Type	Phone Number
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Name	Type	Phone Number
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Name	Type	Phone Number
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Emergency Continuity Plan (continued)

The following are people I would accept who have either expressed interest or who I think might be interested in purchasing the business:

Name _____ Phone Number _____

Name _____ Phone Number _____

Name _____ Phone Number _____

I would prefer you not sell the business to:

Until affairs are settled, the following can be relied on to advise you relative to daily issues and long-term issues:

Business operations: _____

Financial Decisions: _____

Administrative issues: _____

Legal issues: _____

Selling or transferring the business: _____

Estate Issues: _____

Other: _____

Signature: _____

Date: _____

Witnessed by: _____

Date: _____

Key Info

Company Bank Accounts

Bank	Account Number	Type (checking, CD, Savings, Etc)

Loans

Bank	Loan Number	Collateral	Business Entity*

***Most small businesses have an operating entity and other entities for things like real estate. Please identify which entity each loan is held by.**

Life insurance policies

Insurance company	Policy #	Face Value	Phone Number