



# 6 ADVANTAGES OF A TRANSFER TO KEY EMPLOYEES OR MANAGEMENT FOR BUSINESS OWNERS

## FINANCIAL SECURITY

1

Financial security is often the primary reason for why business owners look to transfer their businesses to key employees or management. With proper planning, business owners gain four distinct advantages in terms of financial security by transferring to key employees or management.

## THE TIME FACTOR

Business owners who transfer to management afford themselves the luxury of extra planning time. Having extra time to prepare gives owners options if something unexpected were to happen, such as disability or receipt of a huge inheritance.

2

## THE TIME MARGIN

The time margin is the time that owners spend developing interests outside of the business. An ownership transfer to management gives owners a sizable time margin to pursue new interests while receiving income and maintaining control.

3

## TAX CONSEQUENCES

Transfers to management can minimize tax consequences. BEI has developed an insider sale process that typically reduces the cash flow needed to achieve the owner's financial security goal by 30-40%, compared to traditional techniques.

4

## VALUES-BASED GOALS

Business owners get the best chance at fulfilling their values-based goals. The top three values-based goals are legacy and culture, benefits to employees, and family harmony.

5

## SUCCESSOR

In these transfers, buyers are prequalified through on-the-job training and observation. Management is motivated to stay with and grow the company, just like any other owner.

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