



“Plan today, protect tomorrow”

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Taking care of business- creating a business succession plan

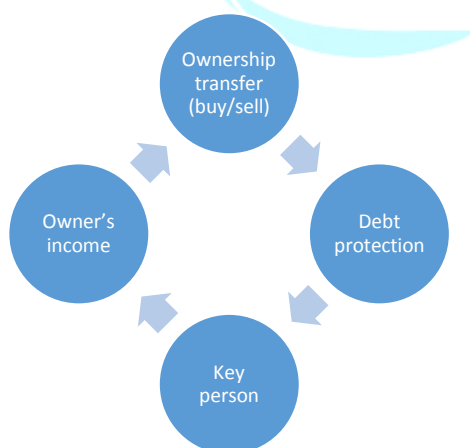
“Ill health and lack of health insurance is one of the 4 main causes of people going bankrupt.” (*MED-Insolvency and Trustee Service Statistical Data Report 2007-2008*)

When you own a business, part of survival is asking the hard ‘what if’ questions. What if your business partner were to die? What if your top sales or technical person has a major car accident? What if serious illness prevented you from being able to work? These are only some of the things to consider when protecting your business. With the right insurance in place, you will have a contingency plan. With 80% of businesses in NZ employing 5 people or less, losing a key staff member can be disastrous.

Doing a risk audit on your business gives you the opportunity to take time out to work on your business, as opposed to working in it. A quality adviser will take you through a process like this:

1. Understand the business, what is important to you, your goals/ objectives, your concerns, etc
2. Then to assist you to identify/ understand the risks you potentially face
3. Provide you with written recommendations- solutions that could help mitigate those risks
4. Agree with you the plan to be implemented, assist with implementing that plan, and put a review process in place (this is essential to ensure that the plan remains relevant).

A good plan should address shareholder protection, business debt protection, and the impact should a key person die or become seriously incapacitated. Addressing these may resolve potential issues for the business, but does not necessarily provide you with any income. That is why it is important you address your personal income needs as well. And it needs to fit with personal plans to protect family.



Such a discussion will help identify areas of potential risk to you that you may not have previously considered. And at the end of that process you get to make some informed decisions. If you would like to know more, or if you would like me to help you put a plan together, give me a call.

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