



TRIGGER EVENTS

WHAT'S YOUR PAIN?

DEATH

Death

What To Consider In The Situation

There are immediate financial, emotional, and cultural waves of change that occur when a business owner passes away. The situation, though, can become much more complicated when there are remaining partners, and the surviving spouse or family member(s) must deal with them alone. The personal trauma that is experienced while dealing with their family's loss makes the challenge of working with a business partnership even harder.

Unfortunately, some deaths occur suddenly, before any plan can be put into place. Conversations prior to an owner's death can allow for options to be discussed between the owner(s) and their family members with a clear mind. One possible direction they can go with is by purchasing life insurance on behalf of all the owners. This will ensure that no cash is required from the business to buy out their shares and upon the owners' or partners' death, the life insurance payout will settle the estate.

How ECG Supports The Situation

Exit Consulting Group® specializes in handling difficult situations by working with their family, estate, and service providers to find solutions. It's important to surround yourself with a professional team, and we can jump in on behalf of the family to protect their large, income-producing business asset.

Whether you need assistance creating a plan in case of death or immediate help on how to sell or run the business of your late spouse, we can help. Our Exit Engineers® can provide you with a business valuation, help create an exit plan, mediate negotiations among partners, and much more, while you focus on your family.

Case Study Example

The Challenge

A lawyer passed away in an accident, and he was the entire business. Initially, his widow had no plan, no insurance, and no strategy. Her husband was the largest revenue generator, but she didn't know how much the business was worth or what to do with it. She was a distraught widow in need of money but uncertain if she should transfer the law firm to a key employee or she should take it out to market.

The Solution

The widow was open to creative ideas, options, and solutions, and in the end, she chose to sell the company to the key employee.

The Result

We were able to negotiate to sell the business to the key employee with a payment plan over a period of time. The widow successfully sold the business and acquired the funds she needed.

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