



BUSINESS PLANNING

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As a business owner, you've probably devoted so much of your time and energy toward making it a success that it may be hard to imagine a time when you are no longer at the helm. But ultimately, there will come a day when you hand over control to someone else. Ideally, that will be the day you start a well deserved retirement. Of course, other events may keep you out of the boss's office, such as disability or death. That's why the long-term success of your business depends on the plans you put into place today for that time when by design or chance you're no longer running the show. With over thirty years' experience in business succession planning, the Del Mar Group can help you chart a course to lasting success for your business, no matter what contingency comes your way.

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HOW YOUR BUSINESS MAY SUFFER

Before we go on, let's quickly review just some of the pitfalls that may threaten your business if you don't plan ahead:

- If all of your income derives from your business, then what happens to your family if you can no longer work? And what happens to your business's value if you die or become disabled? If, as is the case for many businesses, you ARE the business, then without you it may no longer be a viable enterprise.
- Perhaps you've already thought about the succession of your business from one generation to the next. If so, you may have discovered that without help a successful plan is harder than it looks. For example, how do you reward one of your children who has spent years working with you in the business without completely disinheriting the others?
- Or what happens to a business with more than one owner if one of them dies or becomes disabled? Without careful planning, the survivor may find himself in business with a stranger who has no expertise in his line of work. Or worse, the surviving owner may be forced into a fire sale of the business at a fraction of its value in order to settle with the deceased owner's heirs.

We could go on and on with real life horror stories about the demise of businesses that failed because of a lack of succession planning. But the good news is that with the right help on your side, it's easier than you think to create a successful succession plan.



EXECUTIVE BENEFITS

Several strategies under the broad category of “executive benefits” can help you achieve your goals for protecting yourself, your family and your business.

KEY MAN INSURANCE

To protect the company in the event one of its key executives should die, we recommend a “key man” insurance policy. It insures the life of this valuable executive with the company itself as the beneficiary. With the death benefit proceeds, the company will have some working funds to see it through until the individual can be replaced. Anyone upon whom the company depends for success -- including you, the owner -- should be considered for key man insurance coverage.

DEFERRED COMPENSATION

While key man insurance protects your company in the event a valuable employee should die, how can you keep an employee from leaving your firm to go work somewhere else? Deferred compensation is an executive benefit program that can enhance your employee’s loyalty to your organization. Under a deferred compensation program, you will set aside funds today that will be paid to the employee at a future date, as long as he or she still works for you. We can design a flexible and enticing deferred compensation incentive program that is compliant with tax laws while still meeting your needs.

SPLIT DOLLAR

If your organization is a C Corporation, then it is eligible for a very attractive executive benefit program called Split Dollar. When set up correctly, a Split Dollar program allows the corporation to buy and own life insurance coverage on the lives of its stockholders, who can name their own beneficiaries. The corporation pays for the policies, and deducts their cost, while neither the stockholders nor the beneficiaries experience any tax consequences. If your business is a privately held C corporation, call us today to see how it can work for you.



KEEPING COMPETITIVE WITH GROUP BENEFITS

Of course, another way to help attract top talent and maintain employee loyalty is to offer a competitive program of employee benefits, in particular group health and retirement packages. DMK Advisor Group, Inc. can help you create a program of attractive employee benefits that protects your bottom line while offering employees the competitive benefits they want. We have the experience and the expertise to help you wade through the often confusing array of products, options, and regulations associated with employee benefit plans. If you are interested in learning more about how we can help you protect your business with employee benefit programs, please ask your DMK Advisor Group, Inc. representative to provide you with our informative fact sheets on these topics.

ABOUT DMK ADVISOR GROUP, INC.

First established in 1993, the firm that would eventually become DMK Advisor Group, Inc. was created to help clients achieve their most cherished goals through personalized financial planning services and a wide range of quality financial products. Today, the firm has evolved to include a team of affiliated financial professionals from coast to coast. Working together, the advisors of DMK Advisor Group offer the expertise, planning techniques, and products to serve businesses, individuals, and families.