



Contact:

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Ryan C. Sheppard, CPA, CFF
Partner
Knight Rolleri Sheppard CPAS, LLP
rcs@krscpasllp.com

Q: When should an owner begin thinking about succession planning?

A: As early as possible. Many owners simply wait too long to begin to address this. You want to implement this as early as possible so that you may structure company operations to be as valuable to a new owner as possible.

Q: Is it true the company is worth more with me being the primary driver of revenue?

A: No, in fact that makes it less worth. You want the company to be largely self sufficient with recurring revenue that is driven from the company, not from you. A new owner is going to want less risk, if you are driving virtually all the revenue then there is great risk to the owner once you leave.

Q: What gives my company the most value?

A: Cash is king. Return on investment still drives the highest value. Return on cash flow. Buying a business is really no different than investing, return on cash invested is of the utmost importance.

Q: Can I sell to my employees?

A: Yes, there are a variety of ways to accomplish this. ESOP plans and other mechanisms allow for this transfer, however it is expensive and complicated and only works in specific circumstances.

Q: When does a small business need to think about hiring a full time CFO

A: There is no simple answer for this. Typically this will become apparent when you are spending well more on an outside CPA or accountant than you could hire for internally. It is typically a good idea when hiring a full time CFO to maintain a relationship with an outside CPA for oversight and tax assistance.