



# **Succession Planning: Safeguarding The Future Of Your Business**

**Strategies for Small Business Owners  
Presented by: Tamika M. Johnson, Esq.**

# Agenda

- » **About Me**
- » **Introduction**
- » **The Role of Succession Planning**
- » **Common Challenges in Succession Planning**
- » **Key Strategies for Succession Planning**



# Tamika M. Johnson, Esq.

- » **Originally From Connecticut**
- » **Education:**
  - » **Tucker High School**
  - » **The University of Georgia (B.A.)**
  - » **Southern University Law Center (Juris Doctorate)**
- » **Practicing Attorney in Georgia for over 18 years**
- » **Practice Areas:**
  - » **Estate Planning (Wills & Trusts)**
  - » **Real Estate**
  - » **Chapter 7 Bankruptcy**
- » **2X Author; Podcast Studio Owner/Host**
- » **Married and 3 children (22, 6, 4)**



# Introduction

- » **What is succession planning?**
- » **Why is it critical for small business owners?**
- » **Overview of what you'll learn today**
  - > **Key strategies**
  - > **Legal and financial considerations**
  - > **Practical steps to get started**



A man in a dark suit and white shirt is holding a tablet. Overlaid on the image are various financial graphics: a candlestick chart on the left, a line graph with three circular nodes containing dollar signs in the center, and a small dollar sign icon above the title. The background is a blurred outdoor scene with trees.

# The Role Of Succession Planning

- » **Ensures financial security and business continuity**
- » **Preserves your legacy for future generations**
- » **Avoids common pitfalls, such as:**
  - > **Lack of planning**
  - > **Family disputes**
  - > **Unforeseen tax burdens**

# Common Challenges In Succession Planning

**Delayed or incomplete planning**

**01.**

**02.**

**Navigating family dynamics**

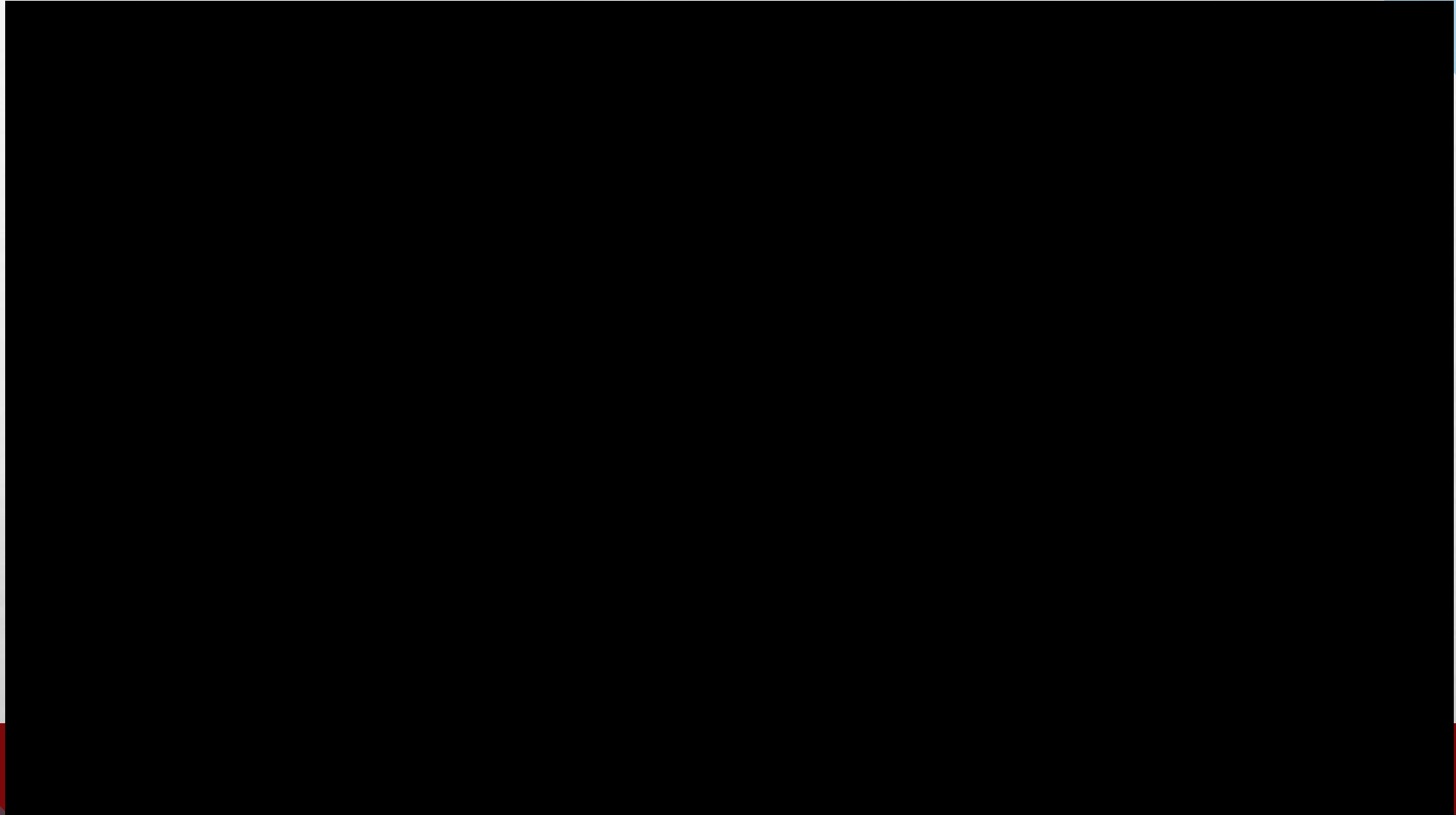
**Managing tax and financial implications**

**03.**

**04.**

**Example: A sudden transition without a plan**

## **Video Clip: "This is Where I Leave You" (2014)**



## Video Clip: "Six Feet Under" (2001)



## Video Clips: "Empire" (2015)



Clip #1: Grooming Sons to Run Business

Clip #2: Lucious Tells Family About Disease

# #1: Start Early

- » **Succession planning is a process, not an event**
- » **Early planning allows for:**
  - > **Identifying potential successors**
  - > **Aligning business and personal goals**
  - > **Reducing risks associated with sudden changes**



# Developing A Vision For Your Succession Plan

01.

## **Define your long-term goals:**

- > **For the business**
- > **For yourself**

02.

## **Consider potential successors:**

- > **Family members**
- > **Key employees**
- > **External buyers**

# Key Steps In Succession Planning





## #3: Legal And Financial Foundations

### » Essential tools for a solid plan:

- > Buy-sell agreements
- > Trusts
- > Tax planning strategies

### » Work with legal and financial professionals to avoid pitfalls

# Tax Planning Essentials

- » **Minimize tax burdens during transitions**
- » **Utilize strategies such as:**
  - > **Gifting ownership shares**
  - > **Leveraging trusts**
- » **Plan for estate and inheritance taxes**



# Funding The Succession Plan

Options for financing transitions

**1**

**Life  
insurance  
to fund  
buyouts**

**2**

**Employee  
Stock  
Ownership  
Plans  
(ESOPs)**

**3**

**Outside  
financing or  
loans**



## **#3: Flexibility And Communication**

» **Keep your plan adaptable to changes in:**

> **Business circumstances**

> **Family dynamics**

» **Maintain clear, transparent communication with all stakeholders**

# Family-Owned Businesses

## » Unique challenges

- > Balancing family roles with business needs
- > Avoiding conflicts over leadership

## » Strategies for success

- > Clear agreements
- > Defined roles



# Transitioning To Employees Or External Buyers

01.

**Structuring a  
sale to  
employees  
(ESOPs)**

02.

**Preparing the  
business for  
external sale**

03.

**Enhancing  
business value  
for prospective  
buyers**



# Training And Mentorship For Successors

- » **Developing leadership skills in successors**
- » **Importance of mentorship and knowledge transfer**
- » **Tools for effective training**

# Setting A Timeline For Transition

**Creating a  
phased  
approach**

**Example  
timeline for  
succession  
planning**

**Milestones  
for  
evaluation**

# Risk Management In Succession Planning

- » **Managing potential risks in the transition**
- » **Role of insurance and contingency planning**
- » **Preparing for unexpected scenarios**





## Illustrations:

### **Successful Succession Planning vs. No Succession Planning**

# Practical Action Steps

- » **Checklist for starting your succession plan**
- » **Resources and professional advisors to consult**



# Recap Of Key Takeaways

**01**

**Start early: Make succession planning a process.**

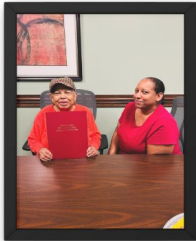
**02**

**Establish legal and financial foundations to protect your legacy.**

**03**

**Prioritize flexibility and clear communication for smooth transitions.**

## *Favorite Client Photos & Events*



## **Schedule a Consultation Today**

» **Office: (470) 485-2110**

» **Website: [www.JohnsonLawPractice.com](http://www.JohnsonLawPractice.com)**

» **Email: [Tamika@JohnsonLawPractice.com](mailto:Tamika@JohnsonLawPractice.com)**

» **\$250 off Individual Estate / Business Succession Plan**  
» **\$500 off Married Couple Estate / Business Succession Plan**