

# WILLIAMS MULLEN

## BUSINESS SUCCESSION PLANNING FOR OWNERS OF CLOSELY HELD BUSINESSES

Presenter: James Philip Head, Esq., of Williams Mullen, P.C., Tysons Corner, Virginia

Owners of family businesses work hard and make many sacrifices to create profitable companies that, they hope, will last for many generations. But will those companies truly survive through the years and down the family line?

Research shows that approximately 30% of family and businesses survive into the second generation; 15% are still viable into the third generation; and only about 3% of all family businesses operate into the fourth generation or beyond. Transitioning a business from one generation to the next is perhaps the most difficult, and yet critical, challenge that family business owners face. Frequently, a family business's failure can generally be traced to just one factor: a lack of family business succession planning.

Succession planning presents a great opportunity to maximize opportunities and create a multi-generational institution that embodies the founder's mission and values long after the founder is gone. In this business succession planning presentation, you will learn more about how to:

- **Help preserve unity and harmony among family members**
- **Transition ownership of the family business to subsequent generations**
- **Continue the founder's set of core values**
- **Minimize wealth transfer taxes**

### **KEY STRATEGIES INCLUDE THE FOLLOWING:**

- **Voting Agreements**
- **Valuation Discounts**
- **Buy/Sell Agreements**
- **Gifts / Sales to Intentionally Defective Grantor Trusts**
- **Recapitalizations**
- **Defined Valuation Clauses**
- **Restricted Stock**
- **GRATS (Grantor Retained Annuity Trusts)**