

Growing Business Value When Times Are Tough

In times of great uncertainty or disruption, some business owners will panic and bury their heads in the sand. Some will sit tight and wait for things to settle down. But others will try to create opportunity and future growth. Which will you be? We're here to help you be the latter.

Minimize Tax Exposure

In your annual tax review with your internal and external teams, try taking a new perspective on tax planning. Ask for help in investigating:

- Federal and state tax relief programs and government stimulus or support measures.
- Strategically using losses in a single tax year.
- Leveraging tax reduction devices, such as qualified retirement plans, healthcare plans for all employees, or programs that encourage investment in disadvantaged areas.

Tighten the Belt

Your peers and competitors are making difficult decisions right now about where to cut expenses or streamline operations. Sometimes it takes a big event to help business owners see their business models in a new light. You've no doubt already made some changes, and your future business value may benefit from making more of these tough decisions now, such as:

- Combining roles and responsibilities to more efficiently deliver your products or services.
- Canceling or delaying planned expansions or equipment purchases.
- Eliminating customers or lines of services that require a high level of human capital or a high degree of customization, which can eat into profits.

Be cautious to not let these decisions affect the remaining employees' morale. Whatever decisions you make, be sure to keep communication open and frequent to eliminate any fears and concerns within the company.



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Consider Growing Rather Than Shrinking

Now may be the time to acquire smaller, less adaptable companies who are struggling to continue. You may have strategic business plans that are more achievable with the help of another company's assets. Keep in mind that you may not need to acquire an entire business if that approach does not work for you. Consider these options:

- Purchase the customer list of a competitor who is not going to continue their business.
- Look at acquiring inventory, equipment, or staff from smaller competitors; these may be options for growing your business that weren't available just a few months ago.
- Suggest seller financing and more flexible payment terms; sellers are willing to consider alternate sale structures when bank financing and cash are less likely to be available.

Personal Planning Considerations

Be sure to revisit your personal planning in light of any recent changes in your business value, investments outside of your business, or other areas of personal financial stability. Think through issues such as:

- **Business Continuity** – how will your business continue if something happens to you?
- **Exit Timeline** – how has your personal plan to continue working or owning your business changed recently, and what adjustments are necessary to get you back on track or support your new timeline?
- **Family Support** – Do you have family members who need additional support, financial or otherwise? If so, are there creative ways you can help them?

We strive to help business owners identify and prioritize their objectives with respect to their business, their employees, and their family. If you are ready to talk about your goals for the future and get insights into how you might achieve those goals, we'd be happy to sit down and talk with you. Please feel free to contact us at your convenience.

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