

## **COULD YOUR BUSINESS SURVIVE WITHOUT YOU?**

As accountants and business advisers we get to know our clients very well. Sometimes it is all too clear to us that many clients are too focused on 'today' to give serious thought to the future, and in particular to a future in which they will not play a part.

While the immediate challenges facing you in your business and personal life are undoubtedly important, you should also set aside some time to consider what would happen to your family and to your business if you became seriously ill, or were killed or incapacitated in an accident.

It is possible to take out life assurance, and insurance against loss of earnings, but whatever event might trigger your removal from an active role in your business, whether permanent or temporary, you need to consider what steps you can take. As a business owner, you have responsibilities to staff and customers, too. Insurance can cover the immediate financial loss, but only some form of succession plan can create a structure to pass the management and control of your business into one or more safe pairs of hands.

If you are the sole owner of a business, you need to think about bringing family members into the management team if you want them to continue to be involved in running the business. If family members are not suitable, consider ways to ensure that key staff members can be retained and empowered to run the business, securing their own futures as well as those of your family. If the business cannot survive without you, are there steps you can take to maximise any value in the business, which can provide capital or an income in the future? If you are a co-owner of a business, the same basic points arise, though you will have the advantage of the co-owners' interest in continuing a successful business in your absence.

An essential element in a business or personal 'disaster' plan is that the key people need to know in advance what will be expected of them, and be comfortable with it. Once you have a clear idea of how you see matters developing, talk it through with the family members, colleagues and advisers who will have a role. Some people may feel unable to take a formal role – others may show hidden strengths.

One thing many people still overlook in planning for a crisis is that while they will have appointed executors who can step in immediately to manage their affairs if they are killed, in cases where they are only ill or injured no-one is empowered to act for them. An enduring power of attorney formalises the situation, so that in the event that you are unable to manage your affairs, someone you trust can take over until you recover, or are well enough to resume control.

None of us know what is around the corner. We can help you to formulate your own disaster plan – it is essential that you talk to us about what you can do now to protect yourself, your family and your business if the unthinkable happens.

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