

Katherine L. Jeffrey

Estate Planning

Family Wealth Management

Intra-Family Gifting Strategies

Minimize Income, Gift, and Estate Taxes of Wealth Transfer

Trust and Estate Administration

What is My Vision for My Business?

- WHO
- WHAT
- WHEN
- HOW

Keep it in the Family

- WHO**
- Children/Grandchildren
 - All or Some?
- WHAT**
- Income / Economic Interest
 - Managerial / Operational interest
- WHEN**
- Current Transfers
 - Death / Future Retirement
- HOW**
- Sale vs. Gifting
 - Management Team
 - Entity Structures

Sell to a Third Party

- WHO**
- Identify Potential Buyers
 - Employee(s)
- WHEN**
- Timing
 - Sale at Death or Retirement
 - Sell all at Once, or Over Time
- HOW**
- Sale to Employee(s)
 - Stay on as a Consultant
 - Entity Structures

Reconciling Vision with Reality

- Less than 33% of family businesses transition to the 2nd generation (*SBA*)
- Only about 16.5% transition to the 3rd generation (*SBA*)



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Succession Planning for the Multi-
Generational Family Farm
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HOW DO YOU DEFINE SUCCESSION ?

DEFINITION

1) The successful transition of people following one after another.

2) “Success is only before work in the dictionary”-Vince Lombardi

Examples of Successful Transitions

- Cargill -1865
- SC Johnson Wax -1886
- Hearst Corporation -1887
- Green Bay Packers -1919

HOW DO YOU VIEW YOUR
ROLE
IN THIS TYPE OF
ENGAGEMENT ?

Role of the Accountant

- Co-Pilot with Attorney/Advisory Team
- Data Finder

Pacing the Speed of Planets around the Sun

Sun

- Farm/Assets



Planets/Moons

- Family
- Legal
- Tax/Financial
- Banking
- Emotional



WHAT ARE THE STEPS BEFORE THE INITIAL MEETING ?

Peel the Onion Layers

1. Help with Due Diligence for the Advisory Team
 - Identify Core Business Model
 - Is Business able to support multiple families?
 - Develop Summary of Self - Awareness
 - “Contributors” vs “Non-Contributors”
 - Understand Equitable vs Equal



Peel the Onion Layers

2. Develop Your Big Picture Options

- Identify common goals
- Make sure “silence or head nods” are genuine concurrence not avoidance of agreement
- Identify strengths and weaknesses of the Contributor Team
- What are risk factors of plan?





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