

Business Succession Planning

Deliberately planning how to pass on a closely held business to the next generation is important for all multi-generational businesses. No two plans are alike, and the process can often times be daunting given the vast array of issues that need to be addressed.

Skilled counsel for all business types

Our Business Succession Planning team has successfully counseled businesses of all sizes on succession planning, including issues ranging from governance and ownership to management succession and restrictions on transfers of interests in the business. Business succession planning is the foundation for future growth, tax reduction and increased family harmony. Our legal counsel in this area includes:

- Drafting and consulting on operating agreements, bylaws and shareholder agreements
- Consulting on governance issues
- Guiding key decision makers
- Providing control solutions
- Transfers of business interests to the next generation in the most tax efficient manner
- Guiding how to dispose business interests to the next generation
- Structuring put and call options
- Creating and implementing voting agreements
- Educating the next generation
- Managing buy-sell arrangements and alternatives for valuation of business interests

The single greatest impediment to a successful business succession plan is the complexity that is involved. Katten's role is to guide the decision making process in a manner that allows the closely held business to craft and implement a successful business succession plan. With a simple approach, we listen and guide businesses on how to establish and meet their goals for succession planning, and offer alternatives for their consideration.

Key Contacts



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A multi-disciplinary process

Business succession planning is a complex process that requires a long-term strategic plan. Katten's multi-disciplinary practice and our experience in advising closely held businesses on a broad array of succession issues, including corporate, private wealth and tax, allows for a comprehensive plan.

Cultivating patient capital

Successful closely held businesses have one attribute that distinguishes them from others —patient capital. Patient capital is equity created by balancing investment return with long term growth and preservation of a family's legacy. Patient capital must be taught, nurtured and prioritized. We offer solutions for nurturing a closely held business's patient capital, including educating the next generation, liquidity options, wealth planning, educating shareholders and family mission statements.

Our services include:

- Implementing shareholder and voting agreements, which maintain family control yet offer liquidity options for non-active shareholders
- Offering strategies on how to transfer business interests in the most tax efficient manner;
- Designing effective family education and governance solutions
- Implementing capital structures that ensure control, yet offer opportunities for efficient transfer of interests
- Providing solutions on how to fund buy-sell agreements
- Offering strategies in management and ownership transition
- Creating a system for resolving family conflicts related to business