

The Big Danger Many Business Owners Ignore

Continuity in a business can be maintained after unexpected events if its owners have buy-sell planning agreements in place.



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/EINPresswire.com/ -- Planning for the future of a business is essential for any business owner, but what about planning for the unexpected? That's where buy-sell planning comes into play, and it's something that every business owner should consider.

“

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Silas Parker, LUTCF

A buy-sell plan is a legal agreement between business partners that outlines what happens to the business if one partner dies, becomes incapacitated or wants to sell their shares.

Sean, a successful business owner, had a great partnership with his business partner, Fred. They had grown the business together and were both excited about its future potential. However, they knew that they needed to plan for the unexpected, and that's where buy-sell planning came into play.

Sean and Fred created a buy-sell plan that was funded with [cash value life insurance](#). This allowed them to have the necessary capital to fund their business expansion needs, while also providing instant liquidity to fund their buy-sell if one of them died.

Cash value life insurance not only provided Sean and Fred with the funds to purchase each other's shares in the event of an unexpected death, it also provided them with working capital for their business expansion needs. Having access to working capital allowed the partners to continue growing their business while knowing that they had a protection plan in place for the future.

Unfortunately, a few years later, Fred passed away unexpectedly. Thanks to the buy-sell plan they had put in place, Sean was able to purchase Fred's shares from his estate, and the business continued to thrive.

The importance of buy-sell planning cannot be overstated. It can be the difference between a business continuing to operate smoothly after an unexpected event or it falling apart. By having a buy-sell plan in place, business owners can ensure that their business, their employees and their loved ones are protected.

"In my former career, I witnessed the worst-case scenario unfold firsthand. The company I was employed by for nearly a decade fell apart because the owners never got around to funding their buy-sell plan," [Silas Parker](#), a financial advisor based in Austin, Texas recalls.

For business owners who haven't yet considered a buy-sell plan, they should contemplate contacting a financial professional to discuss their options and [strategic planning for the future](#) of their businesses.

Silas Parker is a highly accomplished financial advisor, speaker, and author with nearly two decades of experience in the industry. He is the founder, CEO, and principal financial advisor at Silas Parker & Associates L.L.C., a firm that specializes in providing personalized financial planning services to business owners, career professionals, and executives.

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