

# Build a Quality Team to Run Your Business

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planning effectively and navigating change require a strong team of trusted advisors



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Building a successful business is a monumental undertaking, and you should be proud of what you've accomplished. But it's just the first step. As you start planning for your next phase of growth, know that you don't have to go it alone. A team of trusted professionals can provide the foundation of expertise and insight necessary to tackle almost any issue that may arise. What's more, your team can help develop a strategy that fits you, your family and your business.

### First—Choose a Leader

Even the most versatile business owner lacks the depth and breadth of expertise necessary to cover all the intricate details of planning for their wealth, their family dynamics and their business. Assembling a support team of advisors with complementary skills allows you to achieve better outcomes than you would otherwise reach on your own. A strong leader can help build and manage that team.

The best leaders will encourage excellent communication among your team of advisors—a goal that, as the business owner, you share in the responsibility for achieving. Your appointed leader should be someone you trust to engage productively with everyone involved. The leader you choose will need to coordinate among the other advisors of the team and will need to combine their various suggestions into a clear set of directions, interpreting the input not only for you, but for each of the other advisors as well. The leader will pull your team together for meetings, recognizing that collective communication keeps advisors from working at cross-purposes. Regular meetings can also help you identify disagreements or conflicting recommendations early in the process, helping you resolve them quickly.

Appointing a leader doesn't mean you aren't involved. You still need to provide guidance on your core objectives, and you'll still make the final decisions. But you and the leader you choose can work together to achieve a strong collaboration—which requires good leadership and strong communication—to generate better solutions for your business and improve your results.

### Do Your Homework

Selecting the right leader is important, but you also need to take time to choose the right members of your team. How should you go about selecting those members? The short answer: through referrals. Reach out to



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other business owners you know and advisors you already trust for suggestions on who may best serve you. When someone offers a referral, ask your contact what it was like to work with that professional, and what problems they helped solve.

Then, when you connect with a potential new team member, get answers to the following six questions to make sure they are right for you:

**1. What is their experience level?**

Do they specialize in the service you need or is their work more diversified?

**2. What is their process?**

A qualified advisor should be able to describe each step from start to finish.

**3. How consultative is their approach?**

Will they create a custom solution for your unique concerns?

**4. How broad is their range of services?**

Are they able to bring in the best solution possible, wherever they can find it, or are they limited to the range of in-house products and services developed by their firm?

**5. Are they willing to collaborate?**

An effective advisor should partner readily with other experts in support of your business, and be willing to incorporate the suggestions of other advisors into their recommendations.

**6. What is the projected cost of their involvement?**

In addition to asking what they charge, also ask how they charge. For instance, do they charge a flat rate, an hourly rate or a rate based on a percentage of the transaction value? Are their costs dependent upon a successful outcome? No fee structure is better or worse, but one may be more appropriate for your specific needs than another. That said, never base your decision solely on the bottom line—a more expensive professional may offer better value in the form of increased quality, efficiency or service.

## **Target Both Broad and Specific Needs**

The right team for your business depends on your specific situation and particular needs. That said, many successful advisory teams consist of two tiers of support.

### **Primary Tier**

This is a close group of experts with whom you will engage on an ongoing basis about all manner of issues facing your business. They should know your organization and goals nearly as well as you do, and be up to date on any changes that are underway. This tier includes:

- **Corporate Attorney:** Advises on a range of issues and drafts legal documents.
- **Accountant (CPA):** Provides tax and audit services.
- **Wealth Manager:** Offers advanced planning and investment consulting services. Contributions from a wealth manager prove especially important during a business transition in order to achieve a financially secure retirement for the owner.

### **Secondary Tier**

This tier represents a wider network of professionals that you can engage for help on specific issues. Their advice is just as important as that of the first tier, but only needed in certain circumstances. You can rely



on your first tier of advisors to know when and how to engage this other group. Consider the following candidates for this tier:

- Estate Planning Attorney: Guides the successful transfer of wealth between generations.
- Mergers and Acquisitions (M&A) Attorney (or Transactions Attorney): Helps choose the best legal structure for a company sale or restructuring.
- Investment Banker: Facilitates a company sale or restructuring. They connect the buyer and seller, and execute the actual transaction. If you are the seller, your investment banker will help market your company to interested parties.
- Commercial Banker: Facilitates bank lending in support of your borrowing needs on an ongoing basis, or to fund a transaction.
- Consultant or Coach: Takes on a number of roles, including helping you to refine your corporate strategy and organizational structure, or guiding communications between differing stakeholders. Due to the nature of their work, coaches may at times operate more within the primary tier.
- Insurance Expert: Advises on ways to mitigate risk through insurance coverage, particularly in relation to buy/sell agreements and as part of an effective transfer of wealth to the next generation.
- Valuation Specialist: Helps you get a clear idea for the value of your company, generally for the purpose of a corporate transaction or transfer of ownership.
- Philanthropy Expert: Supports and guides your charitable giving activities along with the associated tax benefits.

An advisory team can give you crucial, timely guidance that helps avoid and overcome future challenges. While it takes time and resources to work with a team of advisors, don't let that discourage you. Rather, view that expense as an investment whose returns can support your bottom line in the long run. You can also look at it as a kind of insurance that adds an extra layer of protection to your decision-making process, along with the innovative edge that often comes from adding outside perspectives to your discussions. However you look at it, know that working with a team can help you build a positive future for yourself, your family and your business.

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