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Succession Planning: Minimizing Conflict, Maximizing Return

Portland Business Journal

Jeff Bird was featured in the June 2 issue of *Portland Business Journal* (PBJ) in a Thought Leader Forum titled “Succession Planning: Minimizing Conflict, Maximizing Return.” As business owners near retirement, there are many factors they need to take into consideration during the transition phase. This includes determining who will take over the business moving forward, what red flags to be aware of and how to minimize taxes during the transition. With proper planning and strategic decision making, the transition can be made as seamless as possible.

Q. PBJ: How do you advise business owners who are passing the business on to a family member?

A. Bird: That’s probably the most difficult succession transfer there is. Emotions always enter the picture and questions of fairness inevitably surface. I advocate adopting a family business charter early on in the evolution of the family business to help set expectations and minimize conflict. It’s a document that sets forth the values and mission of the business, how family members can participate in the business, what’s expected, and what the guidelines are for becoming an owner in the business. Sometimes you’re expected to have a college degree and demonstrate interest by working in the business during summers. Sometimes you’re expected to work outside the family business for a number of years. Whatever your values and guidelines are for participation, you can put it in a family business charter. The children will grow up with it, so when the time comes and one of the kids enters the business while the another one doesn’t, they understand what the consequences of those choices are.