

Your Business Isn't Your Whole Financial Plan — And It Shouldn't Be

For most business owners, the company is the biggest asset on the balance sheet. It's also the biggest risk.

Ask any owner where their wealth sits, and the honest answer is usually: mostly in the business. That's understandable — you built it, you reinvest in it, and for years it's the thing generating the returns. But it also means your entire financial future is tied to a single, illiquid, concentrated asset that you can't easily sell, diversify, or protect.

A separate, deliberate wealth management strategy isn't a luxury for "later, after I sell." It can help reduce how much your family's financial future depends on what happens to the business.

The concentration problem

If a single stock made up 80% of your portfolio, most advisors would tell you that's too risky. Yet for many business owners, a substantial portion of net worth may be tied up in the company, and it may not feel like a "position." It feels like the business.

The risk shows up in ways owners don't always plan for:

- A downturn in your industry hits your income *and* your net worth at the same time
- A slow sale process, a failed deal, or an unexpected buyer's market can delay or shrink the payout you were counting on
- Lawsuits, divorce, or creditor claims can create additional complications when significant wealth is tied to the business

Building wealth outside the business — even gradually — reduces how much your family's future depends on one outcome.

Exit planning starts years before the exit

Most owners think about "the exit" as a future event. In practice, the decisions that determine what you walk away with are made years earlier:

- **Entity structure and ownership** affect how a sale is taxed
- **Clean financials and reduced owner-dependency** affect what buyers will pay
- **Timing** — market conditions, personal readiness, tax law — can swing after-tax proceeds significantly

A wealth strategy built alongside your exit plan (not after it) gives you room to make these decisions deliberately instead of under pressure when a buyer shows up or life forces the timeline.

Taxes: the difference between a good outcome and a great one

Taxes can materially affect what a business owner ultimately retains from a sale or transfer. Strategies like installment sales, charitable trusts, qualified small business stock exclusions, or timing a sale across tax years can meaningfully change what actually lands in your pocket. These take time to set up properly — they're not something you can implement in the final weeks of a deal.

What happens if something happens to you

If you're disabled, incapacitated, or pass away, does your family have access to liquid assets while the business is sorted out? Is there a buy-sell agreement, funded appropriately, so a co-owner isn't stuck negotiating with your estate? Is your personal insurance coverage sized for the fact that your income *is* the business?

These aren't pleasant questions, but they're the ones that separate a family that's protected from one that's suddenly exposed.

Building a plan that doesn't depend on a perfect exit

A sound wealth strategy for a business owner typically addresses:

1. **Diversification** — building assets outside the business over time, not just at sale
2. **Exit and succession planning** — aligned with your actual timeline and goals, not a generic template
3. **Tax strategy** — planned years in advance, not reacted to
4. **Risk protection** — insurance, buy-sell agreements, and estate planning sized to your real situation
5. **Retirement independent of the business** — so your retirement isn't a bet on a future sale price

None of this requires stepping back from running your business. It requires treating your personal financial life as its own priority, with its own plan — not an afterthought that gets attention only when a sale is on the table.

If your wealth is still mostly tied up in your business, consider starting to build a plan around it well before a sale is on the table.

Bester Wealth works with business owners to build wealth strategies that address their broader financial goals alongside the business. Contact us today: chad.bester@besterwealth.com or call us at 952-567-2763.

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