



**Entrepreneur
& Family**
BUSINESS COUNCIL

Planning for and Protecting the Future

From Good Agreements to the Exit of Your Business

Presented by Deanna L. Salo CPA, Managing Principal at Cray Kaiser



CK | CPAs & BUSINESS ADVISORS

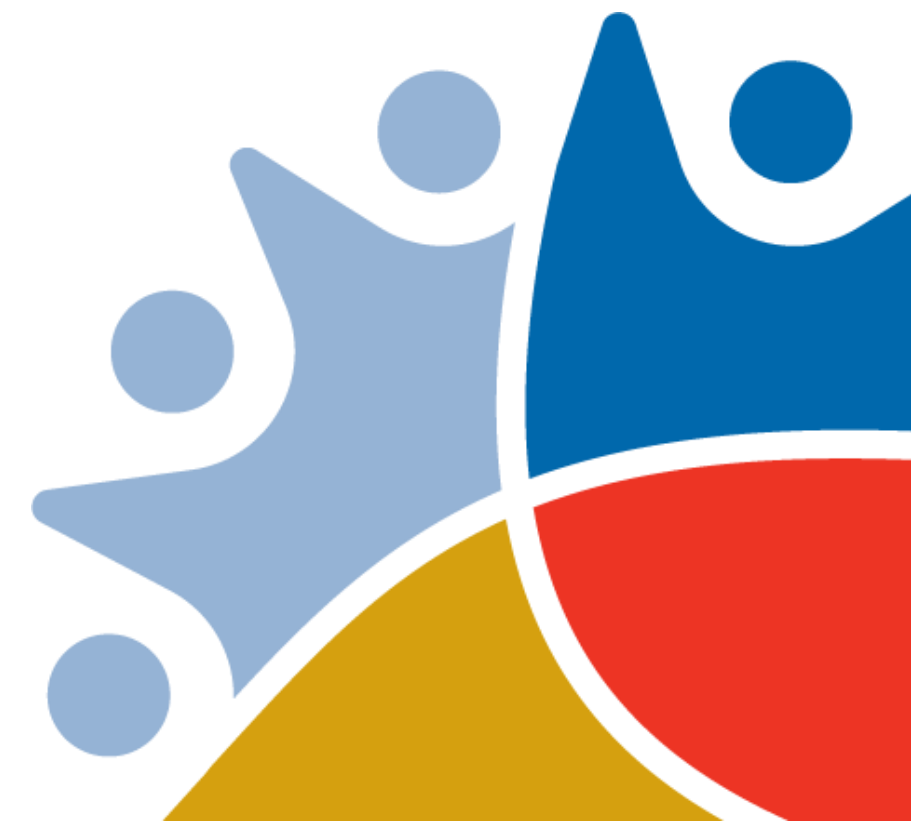


Deanna L. Salo CPA
CRAY, KAISER LTD.
Managing Principal
dsalo@craykaiser.com

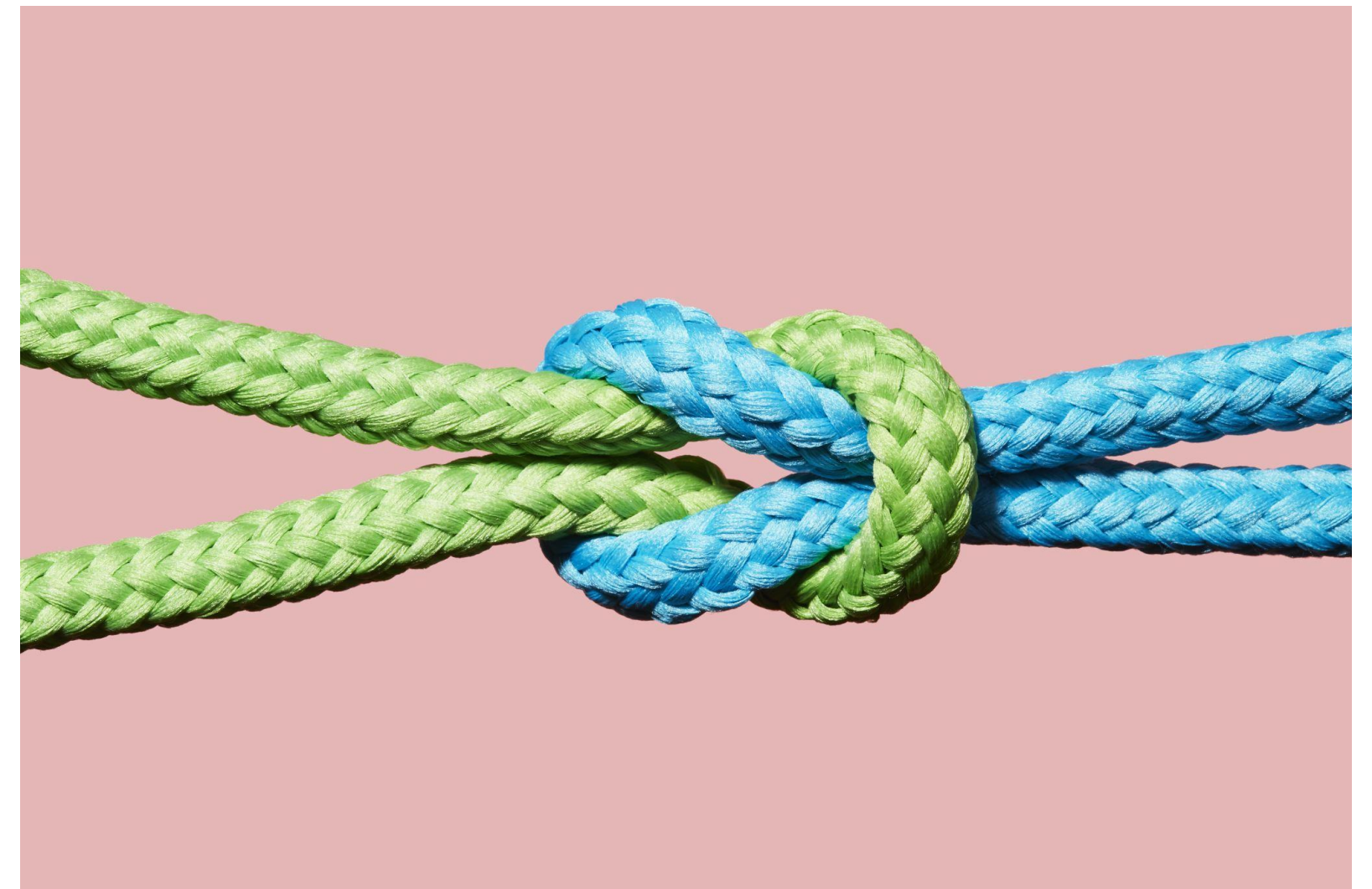
Presenter Intro

Deanna Salo joined CK in 1986 and became a principal in 2001, then Managing Principal in 2021. Throughout this journey, her passion has been to educate and empower clients throughout the life cycle of their business.

Getting our clients to and THROUGH their transactions is what it's all about! From setting up the entity of choice to working through movements to next gen and even to an exit, is what get's me out of bed, everyday!

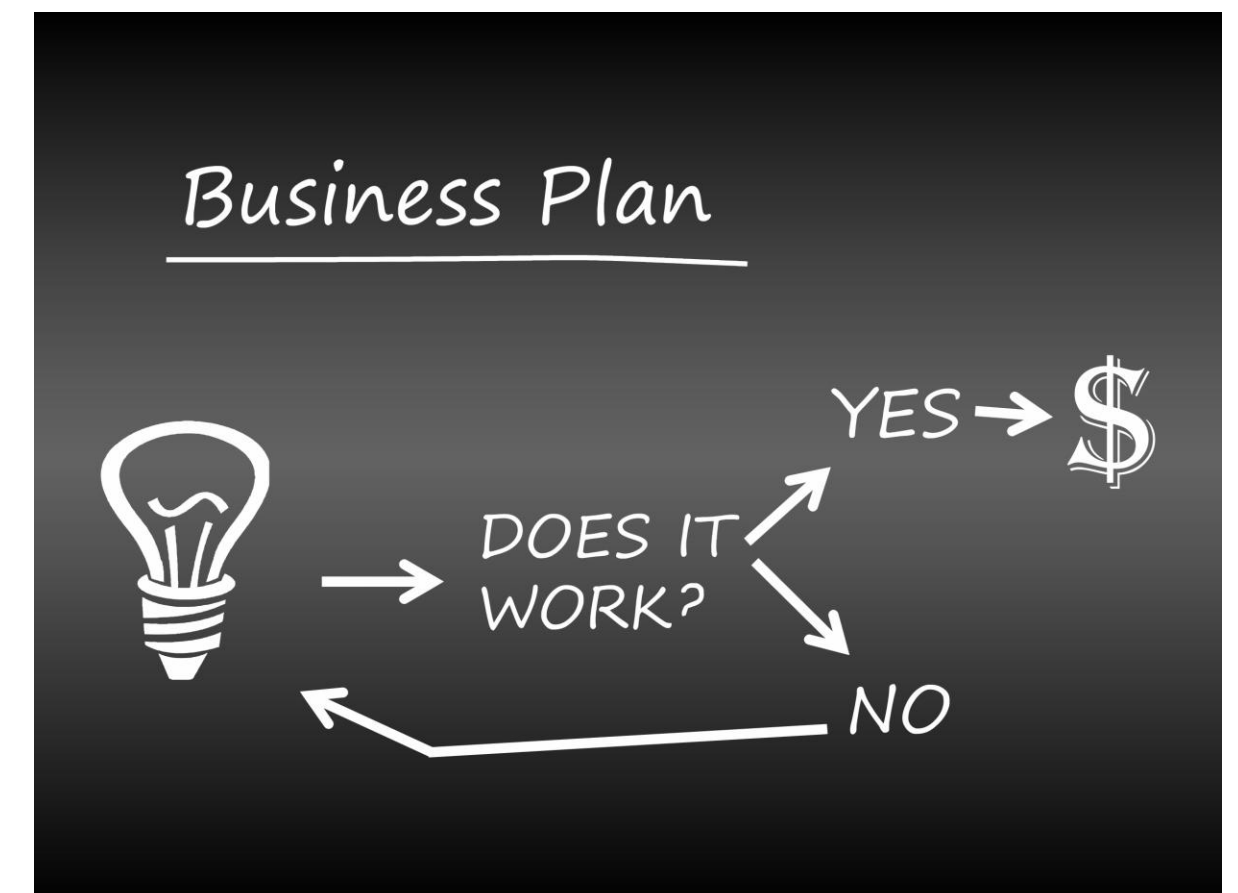


Where it begins: With good to great agreements



Shareholder/Operating Agreement

- **Start with the end in mind and work backwards**
- **Does the agreement provide flexibility?**
- **Answers the Who, What, Where, When and How questions**
- **Covers the ways we exit our business:**
Retirement, Death, Disability
- **Key Question:** Who is the agreement for?

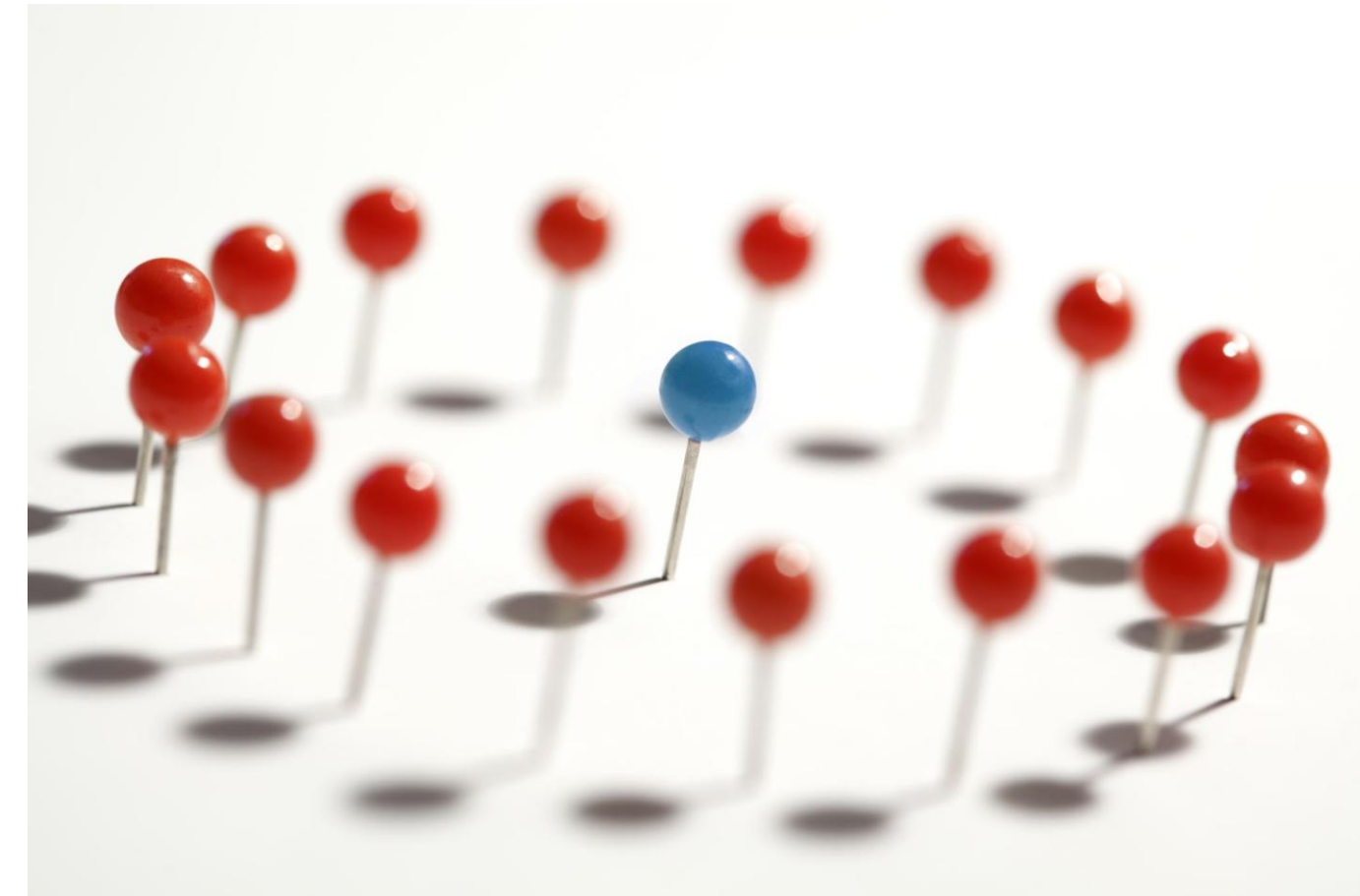


How is my ownership held in my business?

- Does the agreement dovetail into my Estate Plan?
- Have I selected the right ownership structure?
- Tax efficiencies in how I own my business
- Family/enterprise expansion
- **Key Question:** What structure best aligns with my goals for control, risk, liability protection, tax efficiencies and long-term growth?



Buy Sell Agreement



- Multi-owner arrangements – a must
- Annual agreement of internal valuation
- What factors matter in this computation?
- Internal vs external valuation
- Readiness of next gen – mentorship, skill training, financial literacy
- **Examples**

Best Practices for Exit Strategies

- Getting your business financial warehouse in order
- Operational, financial, emotional readiness
- Expectations on sale/transition process
- Shareholder/operating agreements handles internal transition
- Give yourself a runway – best landing
- Understanding the after-tax cash flow



Death and Disability

- Life insurance on owners/key employees
- EFBC “Crash Card”
- Becoming the “empty chair”



Most Costly Mistakes

Mistake	Why It's Costly	Potential Consequences
1. No Planned Exit Route	Exit becomes reactive, not strategic	Missed opportunities, rushed decisions
2. Unfunded Buy-Sell Agreements	No capital to execute buyouts	Buyout failure, financial strain on business
3. Ambiguous Exit Trigger Events	Confusion over when exit clauses apply	Disputes, legal battles, misalignment
4. Ignoring Tax Implications	Exit could trigger unexpected taxes	Personal financial loss, blocked deals
5. No Estate Planning for Shareholders	Shares pass to uninvolved heirs	Loss of strategic control, shareholder disputes



Presenter Contact Info



DEANNA L. SALO
CPA, Managing Principal

CRAY KAISER

dsalo@craykaiser.com

(630) 953-4900 ext 210

