

THE FUOCO GROUP

INNOVATIVE IDEAS IN ACCOUNTING



Lou Fuoco
Managing Director
and CPA

Most successful entrepreneurs dream about selling their businesses one day, but don't know how to begin. Studies show that almost 80 percent of successful business owners hope to exit their companies within the next 10 to 15 years, which will be, by far, the most critically important financial transaction event of their lives. In fact, research on the transfer of ownership from the Small Business Administration shows that "the primary cause for failure...

is lack of planning." Business owners need a Business Exit Plan: a written road map created with their retirement goals in mind, and a team of accounting, financial and business advisory professionals led by an Exit Planning Advisor who will ensure timely execution.

The Fuoco Group gives just that and so much more as an investment in your financial future. Recognized as a large national full-service Certified Public Accounting and Business Advisory firm, The Fuoco Group has steadily built its business serving a diverse and loyal clientele since 1996. The firm provides an integrated set of traditional services including assurance, tax, consulting and business management.

The Fuoco Group goes beyond basic services by carefully listening to clients' visions, objectives and true needs. Once the accountants at the firm assist in defining, stating and understanding clients' expectations, they can then proactively design and deliver customized solutions to exceed expectations. The firm strives to provide the highest quality of service consistent with their core values, encouragement, motivation, innovation and teamwork. Personal attention is engrained in the firm's philosophy and teaching business owners about the "Business Exit Planning" process is their forte.

The Exit Planning Advisor assists business owners in preparing for the successful transfer of ownership in the future, outlines the best practices and proven techniques for exit

planning, and is instrumental in assuring that the Exit Plan complements the individual's estate plan for the financial security of the entire family.

Exit Planning is an investment in your future – over time it will increase the value of your business and result in tax savings. The Seven Step Exit Planning Process™ interfaces with the business owner's objectives, current and future life-style analysis, as well as both business and personal financial resources. The objective is to maintain control of the exit process to reduce risk, get maximum value for your life's work, yet minimize the tax dollars paid to Uncle Sam.

The process is best begun in advance, and includes:

- An analysis of who best to sell to: insiders, children, third parties or possibly an ESOP?
- Examination of ingredients, or value drivers needed to make your business attractive to buyers: sustainable cash flow, effective financial control systems, stable and motivated management team, a realistic growth strategy, etc.
- Exploration of ways to beat the competition in a flooded market, and of what will be needed to pass the due diligence tests
- Creation of a plan and a timeline for the transition and ensuring continuity
- Picking the proper professional to be your Exit Planning Advisor – knowing what to look for in the composition of the advisory team.
- The unexpected can happen and often does...health issues, medical crisis, accidents, even death. To protect your family, you need to be prepared for the worst. An Estate Plan does not always cover all the bases, which is why there must be a consideration of business continuity within the Business Exit Plan. Business continuity considerations include:
 - Will business bank financing and bonding capabilities survive the death of the owner?
 - Capitalization shortfalls – Will the business be able to obtain adequate capitalization from sources other than the owner upon his or her death?

- Relationships. Will the business be able to maintain relationships with its key customers and vendors in the short-term?
- Will the business be able to continue providing a sufficient income stream to support the family in the interim?
- What resources and tools have been put in place to ensure the business retains or increases its value in the long term
- Planning to assure the family will receive the full value of the business if there is no buy-sell agreement

In summary, Exit Planning is the creation and execution of a strategy allowing owners to exit their businesses on their terms and conditions.

"Baby boomer business owners will be retiring at record paces over the next 15 years. Whom are they going to sell to? When do they want to transition? How much do they need to live financially secure? These are three of the most important goals that need to be addressed," Managing Director Lou J. Fuoco said. "Increasing and maximizing the value of clients' businesses, protecting assets from downside risk and minimizing taxation on the transition of their business is what we focus on in the Business Exit Planning process," Fuoco explained.

In addition to Business Exit Planning, The Fuoco Group's menu of professional services includes Accounting, Tax Planning, Estate Planning, Tax Compliance, Litigation Support, Business Valuation, Risk Management, Loan Procurement, Business Restructuring, and Business Continuity. The firm also provides Retirement Planning and Investment Advisory Services for individuals, families, and trusts.

Find out what's in your financial toolbox by contacting Lou Fuoco, CPA, at LFuoco@Fuoco.com or 631-870-3901.



PROSPER FROM BUSINESS EXIT PLANNING:

How to safeguard the future of your business.
It's all in the planning.

For more information; contact:

Lou J. Fuoco, CPA
Managing Director

631.870.3901
Lfuoco@fuoco.com

www.fuoco.com

Whether your organization is emerging, transitioning or expanding Fuoco Group provides a full spectrum of traditional tax, accounting and assurance services; advisory, valuation and litigation support; for an extensive range of specialty and niche industry practices.

The New Financial Dialogue

