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Preserve Legacy

Sustaining the Company's Kingdom Impact Through an Internal Transition

Introduction

The demographic trends impacting our society also impact Christian business owners. As 10,000 Baby Boomers retire every day, many of them own their own businesses. They all face the problem that they cannot run their business forever. The purpose of this white paper is to share how biblical wisdom shapes the business transition planning process for Christian business owners.

Business owners cannot simply pick a date and retire; they must figure out what to do with the company they lead. While the common concerns about minimizing income and estate taxes when transitioning their business are important, a biblical worldview leads Christian business owners to a different starting point. We teach that preserving the company's legacy is accomplished by developing:

1. **The Right Mindset -** Business owners need to understand the purpose their company was created to fulfill. In Matthew 5:16, Jesus challenges His followers to let their lights so shine before men that their good works are seen and men turn to God and praise Him. This is the purpose every business was created to fulfill, and this is the ultimate return God seeks from His stewards, regardless of the form it takes.
2. **The Right Perspective -** Scripture tells us that God thinks generationally. When He created the nation of Israel, He had more in mind than Moses. Likewise, when He created the Church, He had more in mind than Peter. Therefore, when God created each business, He had more in mind than its current owner. As stewards of the businesses that God owns, every business owner needs to think beyond their own involvement.
3. **The Right Purpose -** If God connected work to fulfilling His mission in the Old Testament, then business owners should have the perspective that God desires work (or business) to further His mission in the New Testament too. Jesus reiterates God's mission through the Great Commandments (Matthew 22:37-39) and the Great Commission (Matthew 28:19-20). Continuing this Kingdom impact is the primary purpose for preserving a company's legacy.

Approach to Preserving a Company's Legacy

For Christian business owners, this transition process carries added significance. The desire to hear the Lord's words, "well done, good and faithful servant … enter into the joy of your master (Matthew 25:21)" challenges them be sure to finish strong as they transition their business. It's important to understand the eternal value of:

- Building a healthy, valuable business
- Learning to think generationally
- Staying true to the company's mission

Building a Healthy, Valuable Business

The Parable of the Talents (Matthew 25:19-29) and Minas (Luke 19:15-26) teaches that when God gives something to be stewarded, He expects a return. These parables also teach that the steward will be held accountable for the return that is generated. A biblical approach to stewarding a business includes the following:

1. **Adorning the Gospel (Titus 2&3):** involves building a healthy, valuable company. Picture a business that operates with excellence, has a firm foundation and delivers sustainable results.
2. **Fulfilling the Great Commandments (Matthew 22:37-39):** involves building loving interactions with the business's many relationships. Picture a business that understands what its stakeholders expect from it and is constantly looking for ways to exceed these expectations.
3. **Furthering the Great Commission (Matthew 28:19-20):** involves sharing the Gospel in a loving manner inside the company while using sustained generosity to advance the Gospel outside of the company. Picture a business that is just as effective at changing people's eternal futures as any ministry or non-profit. This business owner would be operating their company with the right mindset, right perspective and right purpose, while effectively stewarding all of the capital they have been given.

In 1 Corinthians 3:10-15, Paul challenges followers of Christ to be sure that what they are building will make an eternal impact. This passage combined with many others encourages business owners to be intentional in how they build their companies. God's word reveals eight marks of a healthy, valuable business that operates as its Creator intended. For more information on how to build healthy, valuable businesses based on biblical wisdom, please see our Enhance Value white paper. These marks are developed from the practical application of biblical principles to a business's operations.

- Through the examination of God's word (e.g. verses, stories or parables), four key themes emerge that influence the development of a healthy business. In Matthew 7:24-25, Jesus tells a parable about a man that built his house on the rock instead of the shifting sands. Applying these four themes from Scripture will lead business owners to build their company on "the rock."
- A framework for creating value in a company can be logically deduced from key truths found in God's word. As we discussed earlier, the Parables of the Talents and Minas show us that God expects a return on the capital He has given us. We have seen that applying these four biblical principles lead business owners to generate returns that result in more valuable companies (e.g. financial value, social value and spiritual value).

A healthy, valuable business not only increases its impact and influence; but it also focuses a business owner on the right priorities.

Thinking Generationally

God has a plan in mind for the business that extends beyond the current owner, and God has a plan in mind for the business owner and family that extends beyond the business.

For the Business

Business owners need to take time through a mixture of prayer and discernment to determine what God's generational plan is for the company. Asking the following questions will help business owners identify this plan:

- Why did God create the business?
- What are God's plans for this business beyond its current owner?

A business's Kingdom positioning is defined as the characteristics the company possesses that differentiate it from every other business in the world – its purpose, passions, people and placement. Gaining clarity by understanding God's Kingdom positioning involves:

- Discerning God's purposes for creating the business
- Identifying the passions that God has placed in the hearts of the company's owners and leaders
- Understanding the people that every business owner has been given to steward
- Prioritizing where God has placed the business and given it influence

The insight gained through this process applies to all business owners, not just those nearing retirement. Business owners who have clarity about God's plan can build a business that is better positioned to accomplish His purposes.

For the Owner

If business owners truly believe that God owns the business, then His plans for the company should determine the business's transition plan – not the owner's personal needs or desires. Therefore, it is important to know the primary reason why God gave the business to the current owner.

- Did He give them the business to be stewarded across generations?
  - This leads a business owner to develop a multi-generational family business.
- Or did He give them the business to provide for their family?
  - This understanding enables the current business owners to continue the company's Kingdom impact through an external transition.

In addition to God's generational plan for the company, business owners also need to take time to discern God's plan for the rest of their life given that most will still have 20-30 years of their life remaining after the transition. It's estimated that 75% of business owners regret selling their company within the first year after the sale[1]. Why? Because they did not intentionally invest time and resources to replace the purpose and influence they had in their business with impact in the next chapter of their life.

Staying Mission True

Identifying a generational plan is only the beginning for the Christian business owner seeking to be a faithful steward. An optimal transition takes intentional planning beyond tax minimization and risk mitigation to stay true to the company's mission. After all, if you asked a Christian business owner about their Kingdom impact, they're not likely to share tax returns, shareholder agreements and buy/sell agreements – they're probably most proud of their people, their leaders and their culture. Therefore, a mission-true transition plan will sustain these important relationships.

From a biblical worldview, the heart of a business is its relationships, not its products and services. In its relationships with employees, customers, vendors and community, Christian businesses have two types of influence (or capital) that need to be effectively transitioned:

- Social Capital – the company's ability to influence people in this life
- Spiritual Capital – the company's ability to influence people for eternity

To extend the company's Kingdom impact beyond its current owner, structures are needed to help the company resist and overcome mission drift. A good transition plan prepares for the expected and unexpected transfer of the business's ownership by:

- Intentionally selecting future owners that align with the business's mission
- Defining the process for the transfer of ownership to take place
- Determining the plan to implement these transfers

The clear communication and focus that this planning creates positions a business to thrive through the transfer of its ownership.

[1]Exit Planning Institute's 2016 State of Owner Readiness

Practical Application of Biblical Wisdom

There are two primary strategies for executing a generational business plan: 1) an internal transition and 2) an external transition. An internal transition plan is focused on family members or key leaders stewarding the business into the future. An external transition plan is focused on a company or individual not currently involved in the business stewarding the business into the future. The rest of this white paper will focus on practically applying biblical wisdom to an internal transition plan.

A biblical approach to an internal business transfer focuses on preserving the company's legacy through the business's three main supporting roles – wisdom, leadership and ownership/stewardship. A truly holistic approach prepares each of the areas of legacy, wisdom, leadership and ownership/stewardship for continuity and succession. Continuity planning prepares each area for an unexpected transition, while succession planning prepares each area for an expected transition.

Legacy

A business's legacy can be defined as its ability to leave a lasting impact. Three factors that contribute to a company's ability to leave a legacy are: 1) recognizing that God owns the business, 2) developing the company's mission, core values and vision, and 3) cultivating a covenantal culture. A successful internal transfer will work to help ensure that these factors continue beyond the current owners by answering the following questions:

- Continuity Planning = What plans and structures are in place, beyond ownership, to maintain the Kingdom impact of the business in the event of the owner's unexpected death?
- Succession Planning = What plans and structures are in place, beyond ownership, to maintain the Kingdom impact of the business once ownership is fully transitioned to the next generation?

In our experience, a business owner can effectively transition the company's legacy by providing clear communication, cultivating a covenantal culture, developing a business generosity plan and preparing a financial plan. If these structures and plans do not currently exist, then they should be developed in order to have a better chance of leaving a lasting impact for the next generation.

1. **Providing Clear Communication**

   According to Peter Greer's book Mission Drift, a business seeking to stay mission true must do the following three things:

   - Know why they exist and protect their core at all costs
   - Remain faithful to what they believe God has entrusted them to do
   - Define what is immutable - their values and purpose, their DNA, their heart, and soul

   For a company to preserve its legacy, it must start with clearly communicating these three things. If the current owners of the business cannot clearly communicate the business's "why," then the next generation of owners and leaders will likely struggle to prevent the business from drifting from its mission. Investing the time to identify what makes the business unique can help avert this from happening.

2. **Cultivating a Covenantal Culture**

   Healthy companies integrate biblical wisdom to cultivate a covenantal culture. This occurs when a company agrees ahead of time how it is going to conduct business and has in place and practices organizational, leadership and relational clarity. The culture that is produced by this clarity creates an environment where employees are able to use the skills, gifts and abilities that God has given them to create, innovate and produce. This environment results in human flourishing that establishes, reinforces and perpetuates the company's impact.

3. **Developing a Business Generosity Plan**

   A business generosity plan integrates the passions and callings of a company's leaders and owners with the business's Kingdom positioning to develop a customized plan to steward each of the company's five talents. This plan considers what is expected from the company to steward each of its key relationships and then seeks to exceed them. The result is dependable, consistent relationships between a company and its employees, clients, vendors and community. These relationships foster employee morale, customer retention and reliable supply chains that can survive changes in the business's ownership.

4. **Building a Sustainable Financial Position**

   When a business experiences financial hardship, owners are often forced to elevate financial requirements over accomplishing the company's mission. Building a sustainable financial position mitigates this risk. This may look different for every business depending on the age, stage and industry of a business. However, to have financial margin, companies should:

   - Have a financial plan
   - Maintain healthy levels of liquidity
   - Limit the use of term debt
   - Keep their cost structure as variable as possible

An effective financial plan creates financial margin that enables a business to sustain a covenantal culture and business generosity plan through changing economic cycles.

Wisdom

In a business setting, wisdom means applying knowledge to reduce the risk of uncertainty and increase the chance of success. Properly utilized, wisdom can 1) strengthen a company's insight, 2) sharpen its strategic focus and 3) provide needed accountability. The "covering" this wisdom provides the business supports corporate decision making as the current owners begin transitioning out, while also offering protection should a sudden, unexpected event occur within the executive leadership team. A successful internal transfer will work to help ensure that access to wisdom extends beyond the current owners by answering the following questions:

- Continuity Planning = What structures are in place, beyond ownership, to guide the most critical business decisions in the event of the owner's unexpected death?
- Succession Planning = What structures are in place, beyond ownership, to guide the most critical business decisions once ownership is fully transitioned to the next generation?

To effectively transition the company's wisdom role, business owners should develop a corporate governance structure and follow a strategic plan. If these structures and plans do not currently exist, then they should be developed in order to reduce the risk of uncertainty and increase the chance of success for the next generation.

1. **Developing a Corporate Governance Structure**

   When the current owners leave the business, they often take with them decades of knowledge and experience within the company and the industry. Next generation business owners need outside sources of wisdom in order to access strategic knowledge they do not have, to receive encouragement to stay focused on the mission and to be held accountable to follow through on their commitments. An effective corporate governance structure provides this support for the next generation of owners. This stewardship role supports the business by providing wisdom for:

   - Corporate policy
   - Strategic planning
   - Capital decisions
   - Crisis management

   Exiting owners receive benefits from a corporate governance structure too by providing them an opportunity to step into transitional role between active leadership and complete retirement. This role supports the business by sharing the wisdom they gained through owning and leading the company, while also supporting the family by creating boundaries that allow them to focus on their role in the family with the rest of their time.

2. **Developing a Strategic Plan**

   As previously mentioned, the next generation of business owners do not typically have the breadth and depth of strategic knowledge that the exiting owners do. In order to support the next generation of business owners in making the strategic decisions needed to guide the business over the next three to five years, it would be wise for the current owners to collaborate with the next generation owners to develop a thorough strategic plan that includes:

   - A connection to the vision – A company's strategic plan should be focused on helping it accomplish its vision. If the company's vision answers "what?," then the company's strategy should answer "how?" How the company will use God-given resources to accomplish God-sized tasks.
   - A focus on future growth – A company's strategic plan should address the business operations that influence future growth – sales, marketing, talent development, structural capacity and customer development.
   - A plan to mitigate risk – A company's strategic plan should take into consideration the major risks that could undermine its execution. If these risks are not considered, then they cannot be mitigated.
   - Goals that are actionable and measurable – A company's strategic plan may start at a three to five-year time horizon, but it could ultimately be broken down into 90-day tasks. These tasks should have clearly defined scopes, with clearly assigned task forces and clearly scheduled accountability.

The ultimate success of a rigorous strategic planning process is whether or not the process results in a plan that can be executed. After all, executing the strategic plan is much more important than simply developing the plan. Consider that a well-executed, average strategic plan has a greater impact on building a valuable company than an average execution of an excellent strategic plan.

Leadership

Servant leadership, the leadership style Jesus modeled, can be defined as helping others grow and perform. Leaders employing this style 1) execute the company's strategic vision; 2) make good operational decisions; and 3) develop strong teams. Cultivating a covenantal culture involves utilizing this leadership style at all levels. A successful internal transfer will help to ensure that faithful leadership of the company will continue beyond the current owners by answering the following questions:

- Continuity Planning: Do plans exist to allow the business to maintain forward momentum in the event of an unexpected death or departure of a key member of management?
- Succession Planning: Are criteria and processes in place to identify and develop successor leaders for each of the critical leadership roles in the business?

Business owners can effectively transition the company's leadership role by creating continuity plans for key leaders, developing and executing discipleship plans, and defining the current owner's new role. If these structures and plans do not currently exist, then they should be developed in order to create a leadership development culture that consistently helps other grow and perform to support the next generation of owners.

1. **Creating Continuity Plans**

   In the event of an unexpected death or departure of a key leader, the company needs to be prepared. A business that is focused on staying mission true will be better able to maintain its Kingdom impact through these periods of sudden change by identifying the company's key leaders and each key leaders' successor. Two pitfalls:

   - It's tempting to focus on identifying successors within the owner's family. Just because a candidate shares the family's last name, does not mean that they are committed to fulfilling the company's mission.
   - It's also tempting to focus on identifying successors that have the greatest skill level (e.g. technical competency and capacity). Prioritizing a leader's ability over their faithfulness can result in promoting leaders that do not support and champion the company's mission.

   While family bonds and skill are both important, they are not the most important factor in determining who is best prepared and equipped to lead the business forward. We believe the most important factor for a business desiring to stay mission true is to identify future leaders that are faithful to the company's mission and vision. Ability can be developed through training, but faithfulness is proven over time and is the fruit of a heart that is aligned with God's generational plan for the company.

2. **Developing and Executing Discipleship Plans**

   It is not enough to identify the next generation of owners and leaders that will steward the company's mission into the future. Business owners with the right mindset, right perspective and right purpose will develop intentional plans to prepare and equip these next generation owners and leaders to:

   - Follow humbly
   - Inspire strategically
   - Manage individually
   - Influence lovingly

These discipleship plans identify the following for the next generation leader: the ideal corporate roles, skill set, practical experiences and formal education. Not only does this process engage the individual being developed, but it also builds a leadership development culture that cultivates the breadth and depth of leadership talent that a company needs to be successful in a rapidly changing business environment.

Current leaders need to model these behaviors, since many aspects of leadership are often "caught, not taught." They need to be looking for opportunities where the next generation owners and leaders can practice what they have been learning. It is through the practical application of learning that growth in leadership is accelerated. Finally, the company needs to measure the effectiveness of its leadership development process to be truly successful.

3. **Defining the Role of the Current Owner**

For a long period of time, the current owners have been the driving force behind the business's success. If the founder or current owners/leaders are not prepared to make a graceful transition, the rest of the internal transition process will not proceed effectively (if at all). There are three primary roles a current business owner can assume that facilitate a smooth leadership transition from one generation to the next:

- Sage – This role actively and purposefully transfers vital knowledge to the next generation of owners and leader (proactive).
- Coach / Mentor – This role serves as a guide and sounding board to help the next generation of owners and leaders begin to apply their skills and knowledge (reactive).
- Door Opener – This role purposefully transfers key contacts and relationships to provide better continuity for the company.

Owners that are able to successfully redefine their roles in the company create opportunities for the next generation of owners and leaders to begin leading the business forward.

Stewardship

Business stewardship is applying limited resources to unlimited alternatives. This includes 1) building a strong financial position for the company, 2) instituting a business transition strategy and 3) managing the company's profits, relationships and influence. A successful internal transfer will work to ensure that faithful stewardship of the company will continue beyond the current owners by answering the following questions:

- Continuity Planning = Is a Buy/Sell agreement in place that is consistent with and reflects an ownership structure that is in the best long-term interests of the business?
- Succession Planning = Is a clear plan identified for the transition of ownership to the next generation that allows the owner to meet their personal financial planning goals and does not presume on the business?

Business owners can effectively transition the company's stewardship role by developing ownership independence, involving the current owner's spouse, setting clear expectations, and developing collective aspirations. If these structures and plans do not currently exist, then they should be developed in order to faithfully steward the resources God has provided into the next generation of owners.

1. **Developing Ownership Independence**

   Ownership independence is defined as a business that is independent of its owner and an owner that is independent of their business. A company that is independent of its owner (s) is self-sustaining, because it is positioned to grow beyond its owner's capacities and survive any adverse events that impact the owner. A company becomes independent of its owner(s) by:

   - Strengthening its finances
   - Building strategic and tactical leaders
   - Creating a proven lead generation engine

   An owner who is independent of their business can focus on making decisions that prioritize the Kingdom impact of the business. Effective personal planning positions a business owner to not overly rely upon:

   - The current income and benefits from the business
   - Distributions from the business
   - Sale proceeds from the business

   The margin, continuity and flexibility that ownership independence creates positions the business to effectively transition its stewardship role.

2. **Involving the Current Owner's Spouse**

   In a multi-generational family business, the current owner's spouse plays a very important part in facilitating the effective transition of the stewardship role. The spouse involved in the business has unique responsibilities to provide for the spouse not in the business. For example:

   - Preparing and equipping the next generation governance, leadership and ownership members
   - Putting business plans in place
   - Educating the spouse about the business

   Likewise, the spouse not involved in the business has unique responsibilities to support the spouse involved in the business. For example:

   - Preparing and equipping next generation family members (in coordination with the company)
   - Avoiding an entitlement mentality in the family
   - Facilitating clear family communication

   Intentionally integrating the current owner's spouse into the business prepares the spouse to steward the business if an unexpected tragedy impacts the current owner, while also fully preparing the next generation family member to steward the business if a planned transition occurs.

3. Setting Clear Expectations

An entitlement attitude in the next generation of family members creates the perspective that leadership and ownership of the family business is a right to be exercised, instead of a responsibility to be stewarded. It often leads the next generation family members to believe that the family has been blessed in order to bless themselves. This belief results in values and decisions that undermine the business's legacy and impair its impact.

Setting clear expectations for future leaders and owners is the primary way to overcome an attitude of entitlement in the next generation of family members. The process of setting clear expectations focuses on the fact that family members are not guaranteed the opportunity to work in the business, lead the business or own the business. This process includes, but is not limited to, the following:

- Defining the guidelines for how family members can enter the business (e.g. requirements, and structure, etc.)
- Defining the criteria and process for family members to become an owner in the business

If preserving the legacy of the company is the family's goal, hiring, leadership and ownership decisions need to be focused on identifying the best possible candidates to steward the business – not the candidate's last name.

4. Developing Collective Aspirations

Without "collective aspirations" – a shared vision for the future – it is almost impossible to execute a successful internal transition plan. The existing ownership team will need to develop a shared vision of the legacy they feel called to preserve, and the next generation ownership team will need to develop a shared vision for how they will steward the business and maximize its Kingdom impact. Both teams will need to develop a shared vision for the company's strategic and operational plans.

The truth is that in a business with multiple owners, every owner will have to make some personal sacrifices to see the company's legacy preserved. It is their collective aspiration about the company's legacy that each owner will ultimately choose to subordinate their personal interests to. Without this shared vision of the future, each owner will often seek to prioritize their personal interest over the business interests resulting in conflict.

Similarly, next generation owners will need to learn to work together as a team to lead the company into the future. God has blessed each member of the next generation ownership and leadership team with unique skills, gifts and abilities. Their shared vision for the future will compel them to work together in a complementary way to accomplish the purposes God has called the business to fulfill.

In most internal transitions, there is period of time when both the existing owners and next generation owners are actively involved in the business. This time can either be a blessing or a curse to the business. Generations with a shared vision for the future welcome the energy and enthusiasm that complements the current generation's wisdom and experience. Generations without a shared vision struggle as the current generation holds on too tightly and creates an attitude of resentment in the next generation.

Process for Preserving Legacy

Our focus will now turn to the process to follow once the qualitative aspects to successfully preserve a company's legacy have been put into place. The process of designing and implementing an internal transition plan to continue the Kingdom impact of a business is fairly straightforward.

Identifying the Transition Timeline

The first step for a business owner to begin implementing an internal transition plan is to determine when they will be ready to begin transitioning their responsibilities. For the business's current owner, they should develop timelines for each of the following:

- Management – the tactical responsibilities of operating the business
- Leadership – the strategic responsibilities of operating the business
- Governance – the strategic oversight of the business

The current owner also needs to consider when the future owners will be ready to receive management responsibilities, leadership responsibilities and governance responsibilities. When these two timelines overlap, the business is ready to begin transitioning the company's leadership and governance roles.

Designing the Optimal Structure

The current owner's next step is to identify the appropriate structure for the business's future ownership. During this step, the business owner will need to integrate:

- Estate plans
- Next generation discipleship plans
- Philanthropy plans
- Business plans

The business's optimal ownership structure will accomplish the owner's stewardship goals while minimizing any unintended personal or business consequences. The primary internal transition structures for a business owner to consider are:

- Shared ownership with shared control
- Shared ownership without shared control
- Restricted ownership (e.g. only those actively involved in the business)
- No ownership with retained leadership

  > Note: this structure has inherent weaknesses. Only the strongest businesses should consider it.

As owners identify the company's optimal ownership structure, they should be motivated by hope for how God will use the business to impact His Kingdom in the future. Hope is a much better motivator than fear for how the next generation might steward the business.

Developing the Financial Forecast

In the majority of internal transitions, the next generation owners do not have the liquidity to purchase the business with cash. Additionally, most families do not want to presume on the future health of the business by leveraging the business with bank debt to finance the internal buyout. The only remaining funding source for most internal transition plans is the company's free cash flow. Therefore, it is important to have a good understanding of the company's future free cash flow that is available to fund an ownership transfer. This practice avoids implementing an internal transfer plan that overly presumes upon the future health of the business.

Developing the financial forecast for an internal transfer involves creating a 10-15 year projection of the company's:

- Balance Sheet
  - Cash conversion cycle
  - Capitalization
- Income Statement
  - Revenue growth (e.g. organic, via acquisition, etc.)
  - Margin expansion or contraction
- Cash Flow Statement
  - Capital expenditures
  - Acquisitions or divestitures
  - Distributions (e.g. for taxes, excess distributions, etc.)

Once the company's financial forecast is created, this information is integrated with the current and next generation owners' financial plans to develop a share transfer plan. This plan includes:

- Identifying how much the current owner(s) needs from the business and when they need it
- Clarifying how much of the business the current owner(s) wants to gift and how much they want to sell to the next generation of owners
- Understanding the resources the next generation of owners have to invest in the buyout
- Determining the business's free cash flow available to finance the ownership transfer

A good best practice for business owners to consider is to align the share transfer plan with the leadership transition timelines previously developed. It is wise to delay transitioning the company's ownership to the next generation family members until they have proven themselves to be faithful leaders and stewards (e.g. managing the business, leading the business, with personal financials, with family relationships, etc.)

Integrating Legal Documents

The first step in implementing an internal transition plan is confirming that the legal documents governing the business's transition plan fit with the current owner's personal plans. For example, this process should involve aligning (if applicable):

- The company's shareholder and buy/sell agreements with the owner's estate and philanthropy plans
- The company's employment and financing agreements with the owner's personal financial plans

This important step eliminates the chance of conflicting legal documents creating unintended challenges in the event of an unexpected tragedy. It also ensures that the proper documentation is in place to execute the internal ownership transfer.

Facilitating Clear Communication

An essential part of successfully preserving a company's legacy and minimizing any adverse impact on the business is fully engage the following (as applicable):

- Banks
- Key vendors
- Key customers
- Franchisors
- Family members
- Key leaders
- Employees

Providing these stakeholders with clear communication proactively mitigates the risk of coping gaps, which occur whenever there is a difference between what a party expects to happen and what actually happens.

Conclusion

Accomplishing God's generational plan looks different for each company, but one constant is that it takes a lot of time. It's a good practice for business owners to start their transition preparations five to ten years in advance of their desired retirement date. This time is critical for the successful completion of many of the initiatives described in this paper.

About the Business Consulting Division and Ronald Blue Trust

Ronald Blue Trust's Business Consulting Division focuses on helping companies determine purpose (developing mission, core values and vision), enhance value (conducting strategic planning and creating an engaging culture), and preserve legacy (preparing transition plans and financial forecasts). Ronald Blue Trust advisors apply biblical wisdom and technical expertise to help clients make wise financial decisions to experience clarity and confidence and leave a lasting legacy.