

Business assets, estate and wealth planning

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What are Wealth Management Considerations for Business Owners?

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Introduction

A fundamental question that can be asked is what is wealth management?

Various definitions have been given. However, according to Dun and Bradstreet (2009), wealth management is service that is all-encompassing so that it shelters, optimizes, and manages the financial aims of a company, person, or a household. The relationship it fosters is a committed and a lasting one for the long-term through maintenance of all the requirements of the customer. Through it, the management of debt, flow of cash, tax plans, investment and retirement solutions is ensured. Thus, the paper aims at describing the considerations that exist in wealth management for business owners.

Succession planning of the business is an important consideration. Bearing in mind the time it takes, the intricacy, and may be the conflicts that may result. The period during which it occurs along with the transfer issues that arise mandates that it is addressed by the business owner. It is vital as it aids in preparing for a smooth departure, and ensure the business continues to run for the the customer's sake. If the business owner wishes to maintain some mandate over the business, then it is the best way to iron out the plan (Goel, 2009).

The strategies through which the owner will protect and insure the business are a consideration that help protect the business properties from loss. The consideration can be used by the owner to resolve financial issues that come up in the course of running the business. Through the consideration, liquidity

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for taxes like estate taxes is availed and help in decreasing debts. Debts are reduced through the provision of cash flow needed to uphold the business regime (Mentz, 2009).

Many business owners fail to outline their stock choice and rules. Hence, in the course of running the business, when they need funds, say to fund vested choices, their selections are limited. Thus, the stock choice planning is a consideration that a business owner should regard. It helps in the execution of ways to create cash and diversify the business fund source (Goel, 2009).

A catalogue of account titles harmonized against the transfer strategies is a consideration that aids in planning for the business owner while living and at death. If a business has an improper titling of properties, it may hinder the utilization of trusts, which can avail substantial tax remunerations. Hence, the catalogue is a consideration that cannot be assumed as it helps the business to evade probate and makes sure the business possessions are awarded to the right heir (Dun & Bradstreet, 2009).

What happens at death? Who shall the recipients of the business after death? The business owner should consider these questions and device a plan to dictate the beneficiaries. By instituting a plan on how the wealth of the business shall be allocated to each heir or even what amount of wealth goes to charity, then regulation of the business is sustained. The estate taxes are also reduced (Goel, 2009).

How shall the business borrow money in case more is required? A business owner should consider instituting a plan to borrow money to prevent debts and ensure the business has more funds to create wealth faster. The consideration, when effected can ensure that the interest can be subtracted

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from tax (Price Waterhouse Coopers, 2015).

Thus, as a result, tax considerations should also be regarded. The consideration should result in a tax plan that outlines how the business will be taxed. Why? It will ensure the right measures are erected to protect the finances and the investment made. The financial gain or loss is derived from the tax plan. In the case of tax liability, a tax advisor could be of help in availing options for tackling the tax liability (Price Waterhouse Coopers, 2015).

Conclusion

It is thus evident that there are many wealth management considerations that exist for business owners. The paper has not exhausted them, hence, it implies that many more exists. It is up to the business owner to decide what considerations are right for the business depending on the purpose and goals. Wealth management considerations are vital for the running, future, and existence of the business.

References

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