



Farm Planning: Family & Business Dealing with the Issues

Our core purpose is
'TO HELP COMMITTED CLIENTS ACHIEVE FINANCIAL SECURITY'

MULCAHY & CO | P 03 5330 7200 | INFO@MULCAHY.COM.AU | 300B GILLIES ST NTH, BALLARAT

IS YOUR FARM ENTERPRISE A FAMILY BUSINESS OR A FAMILY IN BUSINESS? WHAT'S THE DIFFERENCE?

We deal with a large number of businesses that involve multiple generations, different personalities and family members not involved in the business. Having the personal experience of growing up on a farm in a large family provides a 'well rounded' knowledge and understanding of how to deal with the challenges of a family business. Conflict is a normal part of family business. The key is how you deal with this conflict.

A family business operates on the premise that the business and its tangible issues are the primary focus. The family's private needs and interests are subordinate to the business interests.

A family in business appreciates that for the business to be successful the relationship between the family members must first be a healthy one. The family in business understand their role is to hold and nurture their family's business investment vehicle for the benefit of current and future generations, rather than taking a short term, self centered approach.

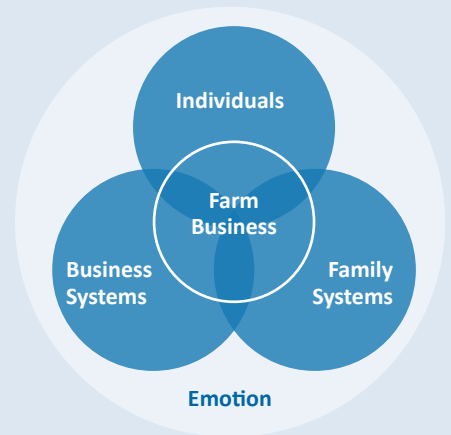
How is this achieved? Typically when unrelated parties are in business together they will enter into shareholder or partnership agreements and buy/sell & exit agreements. The purpose of these agreements is to provide certainty if something doesn't go to plan such as the death of a business owner or an ownership dispute.

The problem with most family businesses is that such agreements are not deemed relevant between family members and therefore no formal structure exists. "We're family. What could go wrong!"

The diagram (to the right) visualizes how we view a family business. There is a business in the middle that is made up of individuals, different family dynamics, business systems and all this is wrapped up and surrounded by the emotion of family members and the emotion of running a business. What a cocktail! You can see why these things can explode!

So much more can be achieved if individuals and families can work together towards a common goal. To do this basically we need to implement formal structures to deal with the mess that can result from the circles.

Our view on family business



Depending on the situation this will involve different solutions to deal with the family and business needs of the family in business. The schedule below sets out some of the different tools we can use. It is amazing to see what can be achieved when all family members are on the same page and working for a common goal. If certainty is created by putting in place the necessary agreements to deal with the little things that turn in to big issues. All energy can be focused on the big picture, and long term plan

Tools to formalise your farm business

Structures	Family	Business
Bodies/Groups	Family Office	Board of Directors
	Family Council	Advisory Board
	Family Forum	Executive Management Team
Formal Agreements	Family Constitution or Charter	Formal policy manuals
	Shareholder buy/sell agreements	Formal HR policy manuals
	Pre and post-nuptial agreements	Job description and KPIs
	Succession plans	

We offer a free no obligation meeting to review your situation. Call us today on 03 5330 7200 and take advantage of this valuable offer.

IMPORTANT DISCLAIMER: This document does not constitute advice. Clients should not act solely on the basis of the material contained in this document. Items herein are general comments only and do not constitute or convey advice per se. Also changes in legislation may occur quickly and we therefore recommend that our formal advice be sought before acting in any of these areas. This document is issued as a helpful guide to clients and for their private information.



Are You Financially Secure?



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What does being financially secure mean?

IT MEANS ASSESSING YOUR PERSONAL AND BUSINESS GOALS AND DEVELOPING A PLAN TO ACHIEVE THESE.

We have identified 10 key areas to help you become financially secure:

1. Goals & objectives
2. Estate plan
3. Risk plan
4. Asset protection plan
5. Taxation plan
6. Debt plan
7. Retirement and succession plan
8. Business plan
9. Superannuation plan
10. Investment plan

Setting goals and objectives and having strategies to achieve these is an essential element of becoming financially secure. Once you know what you are aiming to achieve and how you are going to get there, we then need to make sure you have a strong foundation in place to protect you, your family and other investments. A strong foundation needs an estate plan, risk, plan, asset protection plan, taxation plan and debt plan.

With the foundations in place we can then work on the strategies to achieve your goals and objectives. It may seem out of order that we have the retirement and succession plan at number 7 rather than 10. It is important that this is considered early and a plan is put in place. This assists to plan for this financially as well as keeping the communication lines open on the topic.

10 Steps to becoming Financially Secure

1. GOALS AND OBJECTIVES

Picture yourself in 10 years time... Where do you want to be? How are you going to get there? Being clear on your goals & objectives ensures you can develop a strategy to achieve them.

2. ESTATE PLAN

“What will happen when I’m gone?” Only assets owned in your name are covered by your will. Your Estate Plan protects your family from the potential threats that your Will does not.

3. RISK PLAN

Your Risk Plan addresses whether you need to save or insure to protect your family’s financial security in the event of an injury, accident or death.

4. ASSET PROTECTION PLAN

An Asset Protection Plan makes sure your assets are owned in the right names or entities so you limit the risk of them being exposed to creditors.

5. TAXATION PLAN

A Taxation Plan structures your affairs so that you legally pay the least amount of tax and retain more of your income.

6. DEBT PLAN

A Debt Plan ensures your assets aren’t over exposed to debt and structures your debt to maximise tax deductibility of the interest.



7. RETIREMENT PLAN

Retirement is setting the date when you can choose to stop work. Your Retirement Plan details the income and assets you need (in addition to superannuation) to retire and outlines the steps to get there.

8. BUSINESS PLAN

Your Business Plan may be the main source of your wealth. The 5 Drivers to Business Success are the key to developing a business which will help you achieve your goals.

9. SUPERANNUATION PLAN

Many people miss out on the enormous tax benefits of superannuation. A Superannuation Plan will ensure you have a strategy to produce greater wealth at retirement.

10. INVESTMENT PLAN

An Investment Plan will increase your asset base, while focusing on preserving your capital and managing your risks, to meet your personal and financial goals.

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