

SelfInformed

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Member Spotlight

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SECURING YOUR BUSINESS FUTURE: **A SUCCESSION PLANNING GUIDE**

Succession planning is critical to managing a small business for self-employed individuals. Unfortunately, only **34% of business owners** have succession planning in place, experts stated in 2021.

As a business owner, it's essential to consider what will happen to your business if unforeseen events occur. For instance, how will your business perform in a catastrophic incident or your eventual retirement. According to an SBA report, **44% of U.S. economic activities** depend on micro businesses. Therefore, small business owners should properly manage their documentation.

Want to learn more about succession planning as a self-employed individual or small business? If yes, then this is a perfect guide for you. It will provide valuable insights to ensure a smooth transition and the long-term success of your business.

WHAT TO CONSIDER IN SUCCESSION PLANNING?

Succession planning is a multifaceted process that demands careful consideration of various crucial elements. It is essential to address the following key aspects for a seamless transfer of your business to the next generation or a chosen successor:

1. Financial Health of the Business

Assessing the financial stability and profitability of your business is paramount. Conduct a thorough review of financial statements, cash flow projections, and outstanding debts. Understanding the economic standing of your business will help you identify areas that require improvement and make informed decisions about its future.

2. Identifying Potential Successors

Determine who will take over your business when you step down or in the event of an unforeseen circumstance. Evaluate the qualifications, skills, and dedication of potential successors. Consider their ability to lead, manage operations, and sustain the vision and values of the business. Choosing the right successor is crucial for the continued success of your enterprise.

3. Developing a Succession Plan

According to **EPI, PNC Bank, and Kent State surveys**, 80% of businesses don't know how to create succession planning, or they don't know how to make one. A well-structured succession plan is the backbone of a successful transition. Outline the timeline for transferring responsibilities, including a gradual transfer of authority to ensure a smooth handover. Define roles and responsibilities for all parties involved, including current and future leadership, to avoid confusion and conflict during transition.

4. Training and Development

Prepare your chosen successor for their new role through training and development programs. Provide them opportunities to acquire the necessary skills and knowledge to manage the business effectively. This investment will increase their confidence and competence when taking over the reins and building a business in the future.

5. Legal and Financial Considerations

Seek legal and financial advice to navigate the complexities of succession planning. Create legal agreements, such as buy-sell agreements and partnership agreements, to ensure a fair and transparent transfer of ownership. Address tax implications and estate planning to minimize tax burdens and safeguard the financial interests of all stakeholders.

6. Communication and Transparency

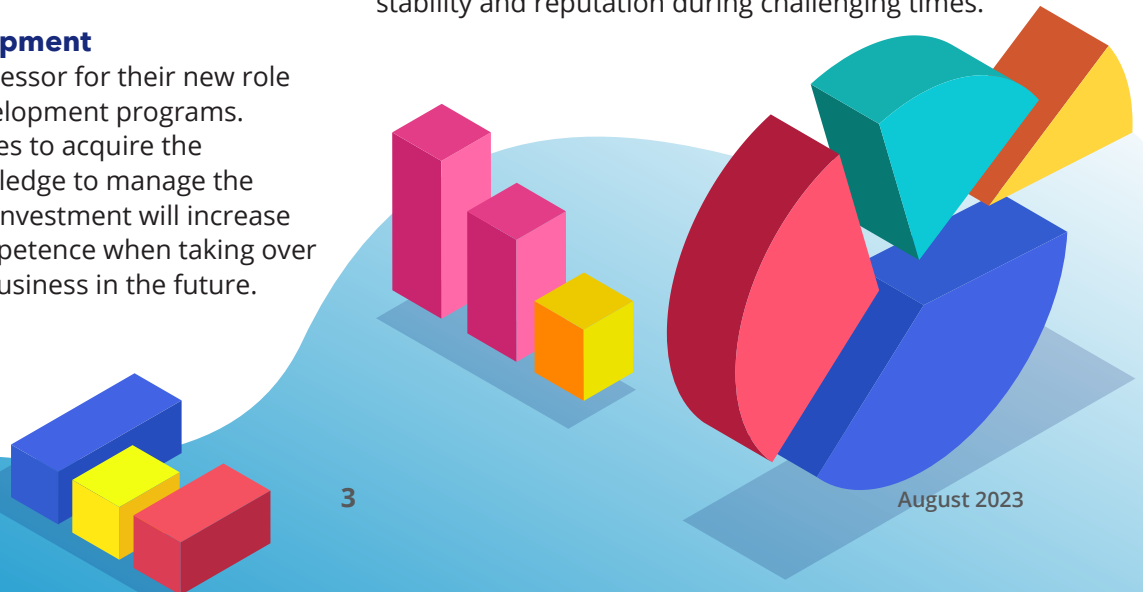
Open communication with all parties involved is vital throughout the succession planning process. Engage in transparent discussions with family members, key employees, and other stakeholders to gain support and understanding. Effective communication fosters a sense of trust and unity, promoting a positive environment during the transition.

Succession planning requires a meticulous approach, carefully considering financial, legal, and interpersonal aspects. You can create a solid foundation for building a business by addressing these critical elements. Implementing a comprehensive succession plan will ensure a smooth transfer of leadership and preserve your business's legacy for generations to come.

ARE YOUR AFFAIRS IN ORDER FOR CATASTROPHIC EVENTS?

Life is unpredictable, and preparing for the unexpected is vital. Ensure that your affairs are in order by creating an emergency plan that outlines procedures for handling your business in case of a catastrophic event.

Review your insurance policies, including business interruption coverage, to protect against financial losses during disruptions. Having a comprehensive contingency plan safeguards your business's stability and reputation during challenging times.



PREPARING FOR RETIREMENT AND SUCCESSION

Retirement planning should begin when starting a business to secure your financial future and your business. Explore retirement savings options such as IRAs and **401(k) plans** to build a nest egg supporting your post-retirement lifestyle. Here is a checklist to prepare for retirement and succession:

- ✓ Evaluate your financial situation and determine the retirement savings required to sustain your desired lifestyle.
- ✓ Explore retirement savings options such as IRAs, 401(k) plans, or other retirement investment vehicles suitable for your needs.
- ✓ Identify potential successors within or outside the family and prepare them for leadership roles through training and development.
- ✓ Consult legal professionals to create a formal succession plan, including buy-sell agreements and partnership contracts.
- ✓ Address estate planning and create a will to protect your business assets and ensure a smooth transfer of ownership.
- ✓ Assess insurance coverage, including life and disability insurance, to protect your business and loved ones in unforeseen circumstances.
- ✓ Facilitate a gradual transition of responsibilities and mentor your successor to ensure a seamless handover.
- ✓ Inform employees about the succession plan to maintain morale and provide reassurance during the transition.
- ✓ Conduct a comprehensive assessment of the business's financial health and potential areas for improvement.
- ✓ Create a post-retirement budget that aligns with your financial goals and allows for a comfortable retirement.
- ✓ Assemble a team of financial advisors, accountants, and legal experts to guide you through the retirement and succession planning process.
- ✓ Implement tax-efficient strategies to minimize tax liabilities during the transition and retirement.
- ✓ Set a realistic retirement and succession timeline, considering personal and business goals.
- ✓ Communication with Stakeholders: Engage openly and transparently with family members, business partners, and key stakeholders about your retirement and succession plans.
- ✓ Monitoring and Adjustment: Regularly review and update your retirement and succession plan to adapt to changing circumstances and ensure its effectiveness.

Simultaneously, create a solid succession plan that identifies and prepares potential successors within or outside your family. This preparation ensures a seamless leadership transition when you decide to step back.

PASSING THE BUSINESS TO FAMILY

Transferring your business to family members can be a rewarding way to preserve your legacy and create a lasting impact. However, the emotional dynamics involved can be complex. Here are some things to consider while passing the business to your family members:

- Family Member Suitability
- Open Communication
- Equal Treatment



- Training and Development
- Legal Agreements
- Estate Planning
- Financial Compensation
- Conflict Resolution
- Gradual Transition
- Professional Advice

Engage in open discussions with your family about the business's future and assess their readiness and commitment to take on the responsibilities. Seek professional advice to address legal and financial considerations and ensure a successful handover.

PASSING THE BUSINESS TO FRIENDS

Consider passing your business to close friends with the necessary skills and passion for its continued success. Discuss their vision and dedication to maintaining the business's values. Formulate a formal agreement outlining the transfer terms, including profit-sharing and decision-making processes. Working with friends can be rewarding but requires clear boundaries and communication.

SUM UP

Succession planning is a pivotal undertaking for every self-employed individual. Careful consideration of factors like emergency preparedness, retirement planning, and potential successors is essential to ensure the long-term prosperity of your business.

Whether you pass your business to family or friends or explore other options, seeking professional advice and engaging with resources provided by The National Association for the Self-Employed (NASE) is crucial.

MINDEDGE

MindEdge remains a preferred choice for small businesses and self-employed individuals seeking to maximize their potential. The platform is an excellent resource for entrepreneurs to access essential education and leverage their knowledge for success. With a wide range of **certificates** and courses, MindEdge covers various areas, including data analytics, management, and leadership. MindEdge provides the necessary tools and knowledge to drive your business forward, whether you want to enhance your skills or develop expertise in specific domains.

HOW DOES NASE HELP SELF-EMPLOYED INDIVIDUALS WITH SUCCESSION PLANNING?

As self-employed individuals seek to stand out and compete in the dynamic world of continuous learning and social media campaigns, NASE, or the National Association for the Self-Employed, offers essential support. While micro business owners and entrepreneurs navigate the vast learning opportunities in social media, NASE provides a valuable resource to build and share their unique voices.

With NASE's guidance, you can confidently approach succession planning, ensuring the continuity and success of your businesses for generations to come. Small businesses can thrive in an ever-changing landscape, experiencing more opportunities than challenges and embracing the power of social media.

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Your Business Could be Featured in our Monthly e-Newsletter!

We want to hear from you!

Throughout the year NASE publishes a new Member Spotlight in our e-Newsletter called SelfInformed, a national newsletter sent to over 50,000 members across the country with the latest news about the self-employed and micro-business community. As part of this national e-Newsletter, we want to shine a spotlight on those members, regardless of where they live, who are operating successful businesses that are growing and thriving.

[GET FEATURED](#)



See the Latest Press Releases from NASE



As the Number of New Small Business Start-Ups Surge, NASE Gives Voice and Advocates for a Growing Community

Jul 20, 2023

With a record-breaking surge of over 10 million new small business applications the last few years, NASE applauds the American small business community

[READ FULL STORY →](#)



National Association Awards \$28K in Growth Grants

Jul 10, 2023

NASE announced \$28,000 in Growth Grants to seven local small businesses for the first quarter of 2023. Today's announcement also includes three Growth Grant awards sponsored by AARP, and one by DELL Small Business.

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New!



Member Benefits

Visit [NASE.org](https://www.nase.org) to learn more about the following benefits!



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SMALL BUSINESS GROWTH GRANTS are Sponsored by Dell Technologies

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To access these benefits, visit www.Dell.com/NASE or call **(855) 900-5548** to speak with a Small Business Advisor. For any additional questions around your Dell benefits email NASE's Account Executive at Kelsey_Sewalson@Dell.com



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To reserve a vehicle, call **1-800-593-0505** and refer to the **NASE Corporate Account #09A6280** or visit www.enterprise.com

New!



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[Click Here to Explore](#) the MindEdge course catalog to determine how MindEdge can help you enhance your workplace skills and move your business forward.

[Start Learning!](#)

SMALL BUSINESS RESOURCES

AARP Sponsored Growth Grants

AARP is committed to supporting older entrepreneurs. AARP is collaborating with the NASE as a supporter of the Growth Grants program. The grants are targeting **NASE Members** who are minority business owners aged 45 and older. Through this partnership NASE and AARP are working to provide greater access to capital for business growth.



Apply for a NASE Growth Grant sponsored by AARP today. There will be three winners each quarter awarded a \$4,000 grant to support the growth of their business.

[Click Here to Learn More!](#)

SPONSORSHIP SHOWCASE

Member Spotlight



Producing Self Employment

Alicia Minter is the Owner and Creative Director of marketing agency, **Biggs Creative**. She has 20+ years of experience writing, shooting, producing, and elevating 360-degree marketing campaigns. Branded content is her first love, and a close second is creating television and web series. She has the honor working with several brands & Fortune 500 companies, including Disney, Costar Group, PBS, TLC, AMC Networks, TED, Under Armor, and more.

Alicia spent the first half of her career writing and producing for television networks like TV One, National Geographic Channels, TLC, and Discovery Channel. She then transitioned to a Creative Director at a Manhattan agency before starting her own creative agency in 2016.

A multi-Promax and Telly award winner, she's equally as proud of her Master's Thesis about the effects of branded content on television viewers.

When and why did you join NASE?

I joined NASE in 2019, two years into the business. My husband and I had just moved from New York

City to Maryland to be closer to family. The business was so young and I was suddenly starting over in a new geographic location — building new Maryland client relationships while juggling those I had established in New York. I was looking for tools, resources, and a community of other business owners that I could access for professional advice and I found that quickly with NASE.

What inspired you to enter the field you are in?

At the young age of 16 I knew I wanted to be a producer. It's funny but true — I saw the film *Waiting to Exhale*, where Whitney Houston's character pivots her career and starts working as a producer. I had no clue what a producer was but I saw how she was in charge of the creative and how she handled the challenges. At that young age I thought, that's what I want to do, and I never looked back. I majored in Television Production & Communications at Morgan State University and one week after graduation started working in marketing at TLC. I've been producing content ever since.

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When and why did you start your business?

I started my business in September of 2016. I had about 15 years of experience producing, and I had taken on a huge role at the creative agency where I was employed full time, even opening up a new division for them. I was in charge of bringing in new clients, running the website, execution, budgets, project management, and more. After one year I thought, I can do this on my own. I can step out on faith (with an emergency savings fund of course) and start my own company. As confident as I was, I was equally as terrified. I thought, I'll try this for six months and we'll see how it goes. That was seven years ago and I'm so grateful to be going strong and growing the business.

How do you market your business?

We have a few different marketing strategies: in-person meetings and pitches with current and future clients, email blasts, social media, sponsoring women and minority-owned business events, participating in local chamber events, and actively pitching through NMSDC events. (NMSDC is the organization through which my business is a certified MBE, aka a minority-owned business).

What challenges have you faced in your business?

There have been so many challenges while running the business over the past seven years. Here are a few scenarios...

I have worked with clients who wanted the world on a shoe-string budget. Through those experiences, I had to learn how to stand up for myself and my team, and be firm yet kind about our worth. Those conversations are never easy — I don't like talking about money — but they're so important. My team works hard and we should always be compensated accordingly, and it is up to me to stand up for us. I recently withdrew from a project we truly loved working on because my team had put in tireless hours and the client simply didn't know what they wanted. They were happy to keep spinning our wheels but I explained that unless they had more room in the budget, we could not keep starting over at their every whim. Hard decisions like that are necessary for myself and the team.

When I moved to Maryland (from New York) just two years into the business, it was a scary time. I wanted to keep my existing clients in New York while simultaneously starting over with new clients in the DC area. I remember applying for staff jobs I didn't want because I was nervous I wouldn't have enough work in DC to sustain the business full time. Luckily there was plenty of work and we efficiently made the transition into the DC area clientele.

When my husband and I had a baby and I took maternity leave, I was so unsure. A million questions ran through my mind: Will all my clients forget I exist? Will they not want to hire me anymore because I have a family? How *will* I balance having a baby and the uncertainty of owning a business? I'm thrilled to say that my clients didn't forget I existed, and while it was definitely a challenge getting used to having two babies (my biological one and my business), I am making it work. It's not perfect but I'm able to be there for both, and that's what matters.

After the George Floyd tragedy I saw a huge, unexpected boost in business, as clients scrambled to hire more diverse-owned businesses like mine. That was a bittersweet time because I was thrilled for the all the new business but also it saddened me that it took that kind of tragedy for media executives to finally prioritize diverse hiring.

This is just a sampling of the challenges I've faced and survived. I've learned that no matter the problem, I have to keep being true to myself and our mission, and the business will continue to thrive. Keep marketing, keep building long-lasting client relationships, keep having fun, and keep producing beautiful work that I'm proud of for millions of people to see.

Do you have any employees?

Currently I have ten contractors that work on a project by project basis, and I am the only full time Biggs Creative employee. I have plans to hire 1-2 people in the next year as we continue to grow. My favorite part about working with my team is that we're all in different geographic locations but we work together seamlessly. I work with an amazing Executive Producer in Los Angeles, an Editor in Atlanta, and an Art Director in Washington, DC. I love the flexibility we have to work with talent anywhere.

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What's your schedule like, what's a typical day for you?

After my toddler wakes me at the crack of dawn and my husband and I get her off to preschool for the day, I get my favorite coffee from a local coffee shop and settle into my home office. On nice days I move my computer out to the backyard because so much of what I do requires creativity, and it's often easier to be creative when not at a standard desk. I spend about 70% of the day watching footage or picking music cues, writing scripts, viewing rough cuts from my team and giving feedback, and working on getting new business. The other 30% is spent on the back-end with managing invoices, project management, and marketing. At 4:30pm I go pick up my daughter and spend time with her until bedtime — then I often get back to work for about an hour in the evenings. Most weekends, I don't check email at all — I even turn off email access on my phone. That way I can really be present with my family during days off.

What's the best thing about being self-employed?

I'm so grateful that owning my own business means I not only work remotely, I also have the flexibility to go to my daughter's field trip in the middle of the day or to be at home when my daughter is sick and still get work done. A few times of year I travel to be on set for filming, but I feel like I'm able to maintain a good balance so I can be a present parent, wife, and business-owner. That's the dream for me — finding a balance between all the wonderful things that make me happy.

What's the best compliment you've ever received from a client?

In 2022 we designed and produced 12 all-graphic spots for a large Disney and Kraft campaign. All the spots promoted different Disney movies and incorporated Kraft food products, like building a castle out of Kraft Lunchables pretzels and cheese. In 2023 Kraft and Disney came back to us for another campaign, only this time they doubled the

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size! Now they want 26 all-graphic spots created. This is the absolute best compliment because not only did they love our work, they loved it enough to come back the next year and double their marketing spend. That is the kind of relationship we try to build. We want our clients to be so happy with our creativity that they keep coming back for more.

Here are a few of last year's spots. (Since they already aired, they are now shareable.)

- [Disney Movie Night - Incredibles 2 Trivia](#)
- [Disney Movie Night - Hercules Get Creative](#)
- [Disney Movie Night - Ratatouille Get Creative](#)

What's the most important piece of advice you would give to someone starting their own business?

Use tools that help keep you focused. It's easy to get busy doing the paid work and put off the behind-the-scenes business tasks like updating your website, posting to social media, and chasing down invoices. Build in time for those things with tools you like, so you prioritize those tasks too.

Invest in a logo and website you love and hire an awesome accountant who understands the nuances of your industry. For instance, I can write off my cable bill because I work in television. Find someone who knows the best tips and can help you save money.

Don't be afraid to have multiple business models. Most of my clients are networks or corporations, but I also work closely with other creative agencies and production companies like mine. Instead of being competition, they hire me and my team when they have project overflow.

Lastly, pay it forward and make positive change where you can. Use your decision-making power to do good things. When we were assigned a Disney and Barbie project, I felt it was important to have an all-women production behind the scenes. So I made sure that my entire team was all women: Executive Producer, writers, editor, and graphic designer. When I had the opportunity to direct and cast a special episode of [Doc McStuffins](#), I made sure the entire cast — every single child — was a person of color. We also requested same-sex and adoptive parents in the casting sessions.



Being more inclusive and diverse on and behind the camera is a personal goal that I feel is important to change the industry. There were many years in my career where I was not the decision-maker, and now that I am, I use that to make positive change whenever possible. No matter what your goals are, every business owner should try to give back or make the world better where they can.

Which NASE member benefit is most important to you?

I really value the opportunity to chat with the NASE experts and I've used that benefit several times for IT and HR questions. I also really appreciate the life insurance benefit. As a mother and wife, it's one thing that helps me sleep well, knowing that is one less thing my family must worry about. Insurance is so expensive for self-employed business owners, so that's truly valuable for me.