

THE FAMILY BUSINESS LEADER SERIES

McGrath | North

WWW.MCGRATHNORTH.COM



THE FAMILY BUSINESS CONTINUITY  
**SECOND OPINION  
PROTOCOL**

Nick Niemann, JD | Matt Ottemann, JD, LL.M.  
Family Business Continuity Attorneys

Based on our national experience and our affiliations with the country's leading Business Continuity, Succession and Exit Planning and Family Business Organizations, we have developed:

## THE FAMILY BUSINESS CONTINUITY "SECOND OPINION" PROTOCOL

### Dear Family Business Leaders and Trusted Advisors:

This Protocol has been carefully designed to provide Family Business Leaders with the added assurance that you will avoid the 24 "Train Wrecks" that are derailing the lifelong dreams of too many Family Business Leaders.

Through our work with Family Business Leaders from around the country, we've found there are **4 Main Goals** that most want to achieve:

- Profitable Growth
- Wealth Protection
- Lifestyle Continuity
- Personal Freedom

Family Business Leaders tell us they most want to avoid:

- Train Wrecks.

The top question we find Family Business Leaders ask themselves is: "What do I want to achieve in my lifetime for myself, my family and my colleagues and how can our business help us get there?"

Most of the Family Business Leaders who are introduced to us by their other Trusted Advisors have developed some type of Game Plan—with their Trusted Advisors assistance—geared towards accomplishing certain objectives.

Your family physician will be quick to recommend you should get a "second opinion" from a specialist on critical matters impacting your health care (or perhaps to say its time for a more comprehensive executive physical at the Mayo Clinic).

Likewise, those Trusted Advisors who have their client's best interests in mind don't hesitate to suggest a second opinion (or comprehensive check up) should be sought on critical matters. This will address whether you still have important actions to update or deploy to win the whole game.

Our "Second Opinion Protocol" addresses the 24 Critical Game Plan Actions which should be part of a Family Business Leader's "Fourth Quarter" Game Plan.

These are the actions we evaluate when giving our "Second Opinion" on whether your present Game Plan will achieve the above 4 Main Goals and also best avoid Family Business Train Wrecks - based on your latest objectives, goals and timeline.

Our Second Opinion is not a criticism of your existing Trusted Advisors or of you or your present plan. Instead, by deploying 24 proven Family Business Continuity techniques and a Pioneer Mindset, we bring a fresh, new perspective to your existing Game Plan.

One of our guiding principles is: "All plans are firm...until changed." Another principle is "Don't wait for perfect. Go for great." This "Second Opinion Protocol" puts these principles into practice so you and we can move ahead with speed, clarity and focus.

When you are ready to visit further, we are ready to visit with you.

Sincerely,

*Nick Niemann*

Partner, McGrath North Law Firm  
Omaha, Nebraska

Sincerely,

*Matt Ottemann*

Partner, McGrath North Law Firm  
Omaha, Nebraska



1. **Discover.** Invest 24 minutes to review the 24 Critical Game Plan Actions on the next page and  your **Priorities** and **Status**.



2. **Decide.** Then give Nick's office a call to schedule a 96 minute conference or video call (with you and your Trusted Advisor who introduced us) to discuss your **Priorities** and **Status** and to decide which of the 24 Critical Game Plan Actions you may want to explore, accomplish or get a Second Opinion on (no commitment, no fee).



3. **Deploy.** After review of certain information and discussing certain objectives, we will provide our "Second Opinion" in a written evaluation of which Actions should be deployed to achieve the Level of Excellence you are seeking. The "Second Opinion" Evaluation fee is \$5,000. This fee is waived for our existing clients and for clients of other Trusted Advisors who ask us to team with them.

#### What We Do

We "look into the future" with Family Business Leaders to design and deploy what's really needed for you, your family and your colleagues to win the whole game.

#### Why We Do It

Because we believe in the greatness of the family business dream.

#### How We Do It

We find what's missing, the presence of which will make a substantial difference in producing a better future outcome.

### What do you want to see?

Family Business Leaders tell us they most want to **achieve**:

- **Profitable Growth** for our business
- **Wealth Protection** for what we're building
- **Lifestyle Continuity** for us and our family
- **Personal Freedom** on our terms

Family Business Leaders tell us they most want to **avoid**:

- **Train Wrecks**

### "Are We A Family Business?"

Yes—if Any Of These Apply

- |  |  |
|--|--|
| <input type="checkbox"/> Presently family owned with a family CEO or President | <input type="checkbox"/> In our Company Culture, we see all of our colleagues as family                  |
| <input type="checkbox"/> Family owned with a non-family CEO or President       | <input type="checkbox"/> Presently owned by more than one family   |
| <input type="checkbox"/> Already multi-generation                              | <input type="checkbox"/> More than one family member involved in Company Leadership                      |
| <input type="checkbox"/> Developing a possible family successor                | <input type="checkbox"/> Intend to become multi-generation   |
| <input type="checkbox"/> Intend for my family to own in the future             | <input type="checkbox"/> Family owned now, but could eventually sell to ESOP, outside buyer or employees |

**Family Businesses = 90% of All U.S. Businesses**

(U.S. Bureau of the Census)

### "Second Opinion" Protocol --Key Questions To Ask Yourself --

- What will be the probable, almost certain, future outcome of our present course, if left unchanged?
- What's missing, the presence of which will make a substantial difference in producing a better future outcome?

# "SECOND OPINION" PROTOCOL

These are the 24 Critical Game Plan Actions we evaluate in The Family Business Continuity "Second Opinion" Protocol to help assure you achieve the Level of Excellence you are seeking for yourself, your family and your colleagues.

## • Main Goal: Profitable Growth (Your Profit Plan)



Status?

### 1. Profit Strategy.

You have developed an Active Board of Directors and an internal, dynamic Profit Strategy Team that takes on precisely what you need to do to profitably grow your business.

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

### 2. Pioneer Mindset.

Your Leadership team deploys the "Pioneer Mindset" absolutely needed today for addressing business innovation opportunities, decisions and issues.

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

### 3. Business Model.

Your Leadership team works to overcome the disruptive Business Model, Technology and Demographic realities threatening all companies today.

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

### 4. Company Culture.

You have the right positive Company Culture that drives your Leadership team and builds loyal personal relationships.

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

### 5. Strategic Thinking.

Your Leadership team is trained to use the Strategic Thinking Tools which Companies around the world are using to achieve remarkable innovative growth and to stay successful.

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

### 6. Business Expansion.

Your Leadership team keeps seeking growth opportunities to acquire other businesses, expansion sites and new technology rights and to joint venture with others.

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

## • Main Goal: Lifestyle Continuity (Your Estate Plan)



Status?

### 1. Lifestyle Continuity.

You have clear direction and controls as to who receives your Estate (and when) and who will be in charge of your Company and Estate when you can't be.

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

### 2. Bloodline Success.

You have preserved your Family Business and wealth for your family's bloodline opportunities (e.g. business continuity, health, "family bank", entrepreneurship, charitable, and education).

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

### 3. Family Ownership.

You have allocated future Company ownership (value and control) to the right family members (either by sale, bonus, gift or inheritance).

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

### 4. Family Peace.

You are set up to avoid Family Business and Estate disputes (such as regarding careers, family employment, compensation, dividends, control and opportunities).

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

### 5. Family Business.

You are able to buy out Company ownership in the future from family members who shouldn't (or don't want to) remain owners.

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

### 6. No Estate Taxes.

You will avoid Estate Taxes because you have timely deployed the tax planning strategies permitted by law to reduce or eliminate Estate Taxes.

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

## • Main Goal: Wealth Protection (Your Protection Plan)



Status?

### 1. Business Protected.

You have protected your business expertise, intellectual property, proprietary data and key relationships from being wrongfully taken by competitors or by former colleagues.

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

### 2. Ownership Protected.

You have clear guidelines and funding for the future purchase and sale of co-owner's shares when life's events happen (e.g. retirement, death, disability, dispute, divorce).

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

### 3. Continuity Protected.

You are set up to avoid disputes between your present and future co-owners by addressing potential conflicts before they develop or erupt.

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

### 4. Team Protected.

You effectively incent and reward the loyalty of your Leadership team who you want to keep working to build their careers with you (rather than with your competitor).

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

### 5. Stability Protected.

If the present CEO gets hit by the "beer truck", you have a capable successor immediately pre-designated so your Leadership team can move ahead without missing a beat.

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

### 6. Wealth Protected.

You have dealt with the reality that the personal wealth of business leaders is subject to more risks than those not in business.

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

## • Main Goal: Personal Freedom (Your Succession/Exit Plan)



Status?

### 1. Business Value.

You will have enough cash (at the right time) from Company value, cash flow, insurance, recap dividend and sale options to fund your business and family objectives.

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

### 2. Capable Successor.

You are set to accomplish leadership transition to a successor who is fully capable of leading and sticking with your Company into the future.

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

### 3. Always Ready.

You have your Company always in prime condition and structure to be transferred or sold for when you decide to transfer or sell.

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

### 4. Minimize Taxes.

You have timely deployed the Tax Planning Strategies being used by others to minimize your income taxes if you sell the Company.

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

### 5. Internal Transfer.

You have one or more key persons, partners, ESOP or family who can acquire your Company and take it forward with great success, based on acceptable and workable price and terms.

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

### 6. External Sale.

You are positioned to sell your Company at full fair market value to an acceptable outside buyer on very favorable terms.

Priority ?  Low  Mid  High

- Yes. Got It.
- No. Not Yet.
- Get On It.
- Get Second Opinion.

# FAMILY BUSINESS LEADERS

**Results Not  
Wanted**



**Results  
Wanted**



**Results  
Achieved By**



**What Is The Financial + Personal Cost  
of Being Too Late or Out of Time?**

**What Is The Financial + Personal Value  
of Each Great Play Deployed In Time?**

## Inspired By Excellence. Committed To Your Success.

When we work with Family Business Leaders, we ask about your story and the story of your family business. We get to see the heart and soul of America's family entrepreneurs, that is, America's new breed of Family Business Pioneers.

We get to see your passion and your excellence. We get to see the grit and determination which drive you. We get to see the love and respect you have for your colleagues and for those you serve. In short, we get to see the pioneer spirit which drives you and your team. Just as it has driven me and our team.

For over 60 years we have been working with our nation's food companies, restaurants, farmers and ranchers to feed people better. We have been working with contractors and companies to build better and more affordable homes and new business facilities.

We have been working with technology companies to develop new ideas that improve lives. We have been working with inventors, startup companies and health care providers to develop patented medical devices, leadership teams and joint ventures that save lives. We have been working with energy companies to help fuel our homes and the businesses we all rely on.

We have been working with bankers, key partners, manufacturers,

distributors, retailers and transportation companies to finance, produce and deliver better products and services to communities around the world. We have been working with family business pioneers and their other trusted advisors to transform, grow, carry on and transition the family business dream, the backbone of our great country.

We have been working with our community leaders to improve our cities and our schools. We have been working with our elected leaders to improve the business climate to create and attract new and better jobs for families.

For over 60 years, this has been the McGrath North Law Firm.

Working quietly behind the scenes closely with the talented leaders of great organizations around the world to make lives better.

Working together. Working stronger. Working faster. Working better. Overcoming Roadblocks. Avoiding Train Wrecks.

Inspired by excellence. Committed to your success.

Our diverse team isn't waiting for the future. We are helping to produce new, incredible, sustainable results right now.

We invite you to join us as we move quickly ahead towards the next 60 years.



Nick Niemann, JD  
Family Business Continuity Attorney  
Partner, McGrath North Law Firm  
1601 Dodge Street, Suite 3700  
Omaha, NE 68102  
402-633-1489  
nniemann@mcgrathnorth.com  
www.McGrathNorth.com  
www.FourthQuarterFirst.com

Member: Vistage International Family Business Network  
Family Firm Institute  
CEO Space International  
Business Enterprise Institute  
Exit Planning Institute



Matt Ottemann, JD, LLM  
Family Business Continuity Attorney  
Partner, McGrath North Law Firm  
1601 Dodge Street, Suite 3700  
Omaha, NE 68102  
402-633-9571  
mottemann@mcgrathnorth.com  
www.McGrathNorth.com  
www.FourthQuarterFirst.com

Member: Great Plains Federal Tax Institute  
Nebraska Society of CPAs  
Nebraska Financial Planning Association  
Omaha Estate Planning Council  
Creighton College of Business Adjunct Faculty