2026 **Advanced Sales Forum**

Rooted in Knowledge — Aligned for Growth

Business Owner Problems, Advanced Sales Solutions

LIMRA LOMA
Navigate With Confidence

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Why These Problems Matter Now

- **Retirement pressure is rising; readiness is not**
  - 40% plan to retire within 8 years, but only 8% feely fully prepared (1)
  - Only 54% have a formal plan; 62% say it's overwhelming (2)
- **Owner wealth is highly concentrated and illiquid**
  - 44% say the business represents more than half of their wealth (3)
- **Transitions now involve more stakeholders than ever**
  - Family, Partners, Employees, Lenders, PE, Management, etc.
- **Liquidity is almost always the hidden issue**
- **Why Advanced Sales Solutions matter**
  - Timely liquidity for continuity, estate equalization, buyout funding, key person protection, and negotiating flexibility

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The Acquisition Problem

- Founder: Mark Jensen, age 64
- Business: Jensen Precision Components
- Revenue/EBITDA: $78M/$12M
- Ownership: Mark owns 92%, CFO owns 8%
- Family: Married to Laura, age 61
  - Child 1 – Erin (active): age 34, COO, deeply involved, viewed by management as the natural operating successor
  - Child 2 – Alex (non-active): age 31, physician, no operational role, no desire to work in the company

Trigger: PE-backed strategic platform sends a Letter of Intent to acquire 70% of the business

- Mark to roll 20% of his proceeds, remain board chair for 3 years

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The Acquisition Problem

Issues

- Negotiating from strength, not necessity
- Estate liquidity after the sale is not necessarily solved by the sale
- Fair vs. equal treatment for the children
- Interim Risk

Topics for Discussion

- Create negotiating flexibility with parallel liquidity
- Use life insurance as a family equalization asset
- Integrate administration with the insurance conversation
- Plan for the “second bite” issue

The Founder Dependency Trap

- Founder: Maya Chen, age 39
- Business: SynapseGrid AI
- Investment Stage: pre-Series A (raised $6M seed round 14 months ago)
- Valuation: appx. $28M
- Ownership: 62% Maya, 13% employee option pool, 25% seed investors
- Employees: 11
- Family: Married, two young children

Trigger: Investors interested in Series A – due diligence finds extreme dependence on Maya

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The Founder Dependency Trap

Issues

- Dependency risk is also a valuation risk
- Company's exposure and Founder's family exposure are not the same problem
- Startup is young enough for low valuation opportunities
- Solo/concentrated founder model threatens friction at death

Topics for Discussion

- Separate the business continuity and family liquidity problems
- Key Person strengthens the Series A pitch
- Protect Founder's family outside the company
- Consider purchase-option or founder-transfer language
- Executive benefits can reduce overreliance on Founder

Easing into an ESOP

Trigger: Two ESOP advisors' approach with a staged-transaction concept:

- Sell 30% now, option to sell more later

- Owner: Susan Patel, age 59
- Business: Patel Industrial Services
- Revenue/EBITDA: $42M/$6.5M
- Ownership: Susan owns 100%
- Employees: 185, long-tenure field force, younger management team
- Goals: Preserve culture, reward employees, avoid outside buyer, diversify personal balance sheet

Easing into an ESOP

Issues

- Realistic liquidity
- Repurchase obligation is not theoretical
- Retention during and after transition
- Owner's personal retirement cannot be outsourced to the ESOP

Topics for Discussion

- Identify Susan's personal liquidity gap
- Selective COLI for a long-term repurchase strategy
- Employee ownership parallel to management incentives
- Transition in stages

Sibling Showdown

- Owner: Thomas Gallagher, age 68
- Business: Gallagher Beverage Solutions
- Revenue/EBITDA: $63M/$8.8M
- Ownership: Thomas owns 100%
- Family: widower, 3 children
  - Clark: 41, active
  - Ryan: 38, active
  - Megan: 35, non-active
- Estate: business is dominant asset; outside assets insufficient to fully equalize Megan

Trigger: Thomas wants to retire within 3 years, but is frustrated with each family meeting ending the same way

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Sibling Showdown

Issues

- Equal treatment may be the wrong goal
- Two active children creates a second succession issue
- Does he really need an “all-in” answer?
- The company itself could be useful as a funding source

Topics for Discussion

- Recapitalization to separate control from economics
- “Equalize” estate with life insurance
- Full redemption for a clean transition
- Combine recapitalization, equalization, and redemption
- Don’t look beyond the active-sibling dynamics

Succession and Retirement Crossroads

Trigger: Michael wants to slow down, improve retirement, create a planning buffer

- Michael likes the idea of split-dollar, but doesn't want to alienate partners

- Majority Owner: Dr. Michael Reynolds, age 62
- Business: Reynolds Specialty Diagnostics
- Revenue/EBITDA: $26M/$5.4M
- Ownership: Michael 70%, Partner A 15%, Partner B 15%
- Michael's Family: Married, financially secure, most wealth in business
- Partner Dynamics: Michael founded, partners instrumental in growth

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Succession and Retirement Crossroads

Issues

- Executive benefit can trigger resentment if isolated from succession
- Minority partners care more about visible fairness
- If Michael's retirement path is unclear, benefits can feel like self-dealing

Topics for Discussion

- Present split-dollar as part of a succession compact
- Build flexibility to fund at milestones
- Combine with a succession package friendly to partners
- Fund the known risks before emotions take over
- Fairness must be visible

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