



# BUSINESS OWNER'S BLUEPRINT FOR FINANCIAL SUCCESS

**RADEMACHER**  
FINANCIAL, INC.

An Independent Registered Investment Advisor

The biggest misconception among business owners is the idea that building the success of your company will directly translate into your personal wealth. Business owners are constantly juggling the demands of day-to-day operations and long term business strategies. It seems like they allocate much less time and energy toward their own personal finances.

Having a coordinated financial strategy is a pivotal piece in building personal wealth, and works as a roadmap to avoid common challenges business owners face. In addition to building your personal wealth, having a financial strategy will allow you the freedom to focus on the things that matter to you, without fear of what will happen when you are ready to retire or transition out of the business.

Teaming up with a trusted financial advisor is the first step to financial freedom and success. Below are four strategies that can help business owners avoid some of the most common financial challenges that many business owners face.

## **1 KEEP YOUR BUSINESS AND PERSONAL FINANCES SEPARATE.**

Why is this important? Many business owners make the mistake of intertwining their funds and this can cause issues when it comes to filing your taxes, as well as personal liability purposes.

## TAXES

By keeping the two accounts separate, it is much easier to keep track of business expenses and will better allow you to properly file your taxes. If you continue to invest your personal funds into the business, it is vital you designate whether the money will be considered a loan or owner investment.

## PERSONAL LIABILITY

Your goal should be to eventually stray away from using your personal finances to constantly back your business, though this may be the only option in the beginning. To avoid any financial risk, consider getting a credit card designated for business use only, then build your credit and qualify for business loans to support your venture.

A financial planner can help you create a plan that works for you and your unique business goals. By keeping the two entities separate, you are setting yourself up for financial success, avoiding risk, and ultimately making tax season less stressful.

## 2 THINK ABOUT YOUR SUCCESSION PLAN

This is something many business owners push off until closer to retirement but it's never too early to begin planning. Mapping out the direction you want to go when that time comes will bring confidence and help you determine the legacy you want to leave.

If you built your business from the ground up, you may want to keep it in the family. Will you pass it down to your children? Family members? A third-party/strategic partner? Maybe you will want to sell. Regardless of the route you want to pursue, these are very important things to think about and plan for.

Questions to keep in mind when developing a succession plan:

**IN WHAT CAPACITY WILL YOU WANT TO REMAIN INVOLVED AND DO YOU WANT TO KEEP IT GENERATIONAL?**

- Determining the family member and/or the successor is better done sooner rather than later.

**SHOULD YOU SELL YOUR BUSINESS?**

- Think about if you want to sell. If so, who is the ideal successor? Will it be to a strategic partner in which you could still be involved or an outside investor?

**WHAT ARE YOUR GOALS/VISION FOR THE BUSINESS?**

**DO YOU HAVE SOMEONE IN MIND THAT IS BEST FIT TO RUN THE BUSINESS AT THIS POINT IN TIME?**

- It could be in your best interest to bring in an outside third party that has a vision aligned with yours.



# 3 CREATING A COORDINATED FINANCIAL STRATEGY

Now that we know a key component to your financial success is having a financial strategy, where do you start?

## KEY ELEMENTS TO THINK ABOUT ARE:

1. Clear, concise goals for your business and personal finances that are specific and measurable
2. A plan of action to achieve those goals
3. Benchmarks to track your progress
4. Consistent communication between you and your team regarding goals and necessary adjustments along the way
5. Someone to ensure “#4” happens



# 4 CREATING THE BEST RETIREMENT PLAN POSSIBLE FOR YOU AND YOUR EMPLOYEES

Thoughts of retirement bring the question: Is your 401(k) being advised by a fiduciary? As the plan trustee of your employees' retirement plan(s) are you fulfilling your fiduciary responsibility? Below you will find the steps that we take in order to ensure your success as a business owner who is not only planning for your future but also your employees' future.

## DOCUMENTATION

We offer assistance with documenting all processes, procedures, and plan costs and will help put together a comprehensive binder designed to help you prepare for an audit. This will also serve as a supplemental piece to help educate all retirement plan committee members on the history of your plan

## DEVELOPMENT

We help you develop an Investment Policy Statement\*. Assisting in the development and/or amendment of an Investment Policy Statement (IPS) will begin with an analysis of the existing investment lineup and IPS. Even if the plan consists of quality investments, plan fiduciaries must constantly monitor them to ensure suitability for an ERISA plan and follow a consistent search and replacement process. This is an ongoing process over the first 12-18 months as the committee will define how to handle fund additions and removals. \*The IPS needs to be agreed upon in writing by the Plan Sponsor.



## **REVIEW**

The review(s) will detail fund status change recommendations and will be placed in the comprehensive binder.

## **EDUCATION**

It is important that your employees understand that a 401(k) is a great benefit provided to them. This is achievable with a well-structured communication process custom-tailored to your company's demographics. In addition to educating the participants, educational pieces will be provided for the trustees/fiduciaries detailing their duties and responsibilities.

## **ANALYSIS**

Before the education program will be implemented, the 401(k) committee will decide on whether or not your current provider is proper for what the participants and beneficiaries need.

## **SUPPORT**

We act as an extension of your company to help you leverage your time. From time to time, we run into issues that are difficult to resolve. Our experience in the qualified plan marketplace enables us to help bring closure to these issues as well as help to ensure these issues don't continue to occur. We do our job, so you can focus on yours.

# **YOU ARE NOT ALONE**

At Rademacher Financial, our professional team is dedicated to setting you up for success and clarity in your future. Let us do the heavy lifting and help you develop a custom financial plan that will guide you toward achieving your financial goals both personally and for your business.

# CREATING A PLAN FOR FINANCIAL FREEDOM

At Rademacher Financial, our team strives to help people in the various stages of their life, navigate their finances and reach their goals. We want to be there with you every step of the way to help you live the life you have always desired. Contact us today to schedule a complimentary 30-minute Initial Meeting.

**Rademacher Financial Inc.**

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