

Assurance & Risk Mitigation - ARM/TV/C

## ● Protecting Your Business For Future As You Change Leadership

### Introduction: Complex Dealership Ownership And Management Model

- Majority shareholder no longer active within the business.
- Ownership asked ASE to examine ways to facilitate and incentivise “new professional management”.
- Invited ASE to meet “all stakeholders” in order to draw up a new business model.

### Challenge: Meeting The Needs Of The Business Past And Future

- There are several types of business ownership, including family-run, individual entrepreneurs, and trust arrangements.
- It is critical important to devise a strategy to protect the existing net worth of a business from speculative and high-risk future business strategies.
- It is often difficult to marry the goals of the business with the aspirations of a professional management team.
- It requires a careful balancing act in terms of the management and reporting structure to meet the needs of both shareholders and the new management team.
- The approach must also convince other “stakeholders” such as the franchisor, the bank, vehicle funders and staff.

### ASE Approach: Detailed Approach Delivered By A Trusted Tax Advisor

- **Phase One:**  
Established rapport and confidence with shareholders and professional management team.
- **Phase Two:**  
Understood and delivered solutions which have appeal and are easy to monitor/review.
- **Phase Three:**  
ASE appointed as “special tax advisor” to draw up and implement the future structure of the dealership.

### Outcomes:

Built a business plan acceptable to all stakeholders

ASE visited the dealership and established an excellent working relationship with the current owners, the new professional management team and other stakeholders. This enabled ASE to:

- Give shareholders confidence through a robust plan that protects their historic value and interests
- Secure agreement from the professional management team to a “tax efficient”, challenging yet ultimately achievable incentive plan to ensure the business continues to move forward
- Reassure “Stakeholders” about the “new working arrangements” and enable them to continue supporting the business in future