Business Owner Planning

The Hillyard Stephen Group

RBC Wealth Management, Dominion Securities Inc.

500-730 View Street

Victoria, BC, Canada

250-356-3977

www.hillyardstephen.com

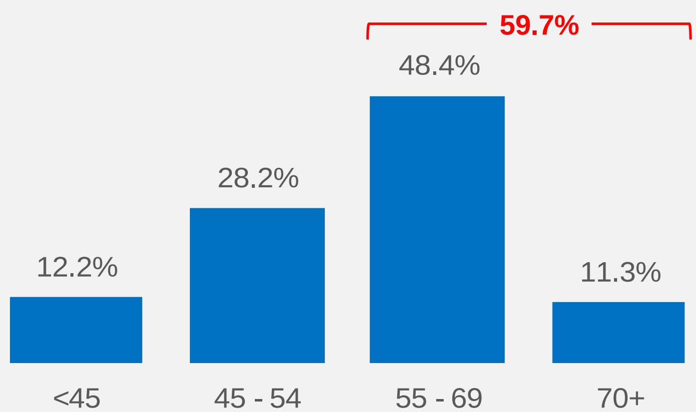
Wealth Management
Dominion Securities

WHY: Need for planning

Business owners find succession planning to be difficult, emotional and complicated. Many delay or don't plan at all. A formal plan helps put you in control.

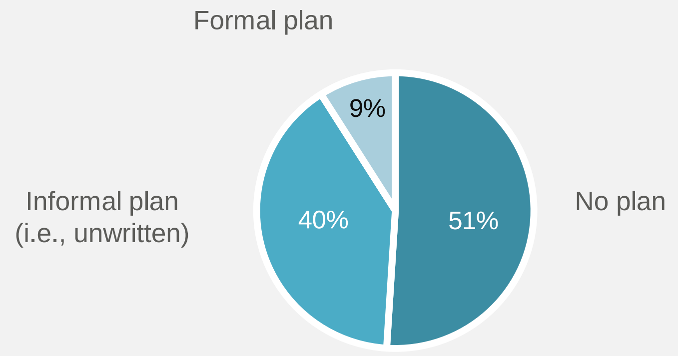
Demographic clockwork

Canadian business owners by age, 2016 estimate[1]



Nearly 60% of business owners in Canada are over the age of 55

Business succession planning progress[2]



91% of owners make minimal, if any, progress towards putting a plan down on paper

Don't be part of the 91% of Business Owners who don't have a plan!

Sources:
1. Statistics Canada. *Survey on Financing and Growth of Small and Medium Enterprises.* 2011. Updated with calculations by RBC to age the demographic data by five years from 2011 to 2016.
2. Canadian Federation of Independent Business. *Passing on the Business to the Next Generation.* 2012.

Wealth Management
Dominion Securities

Who: Who Can Do This Planning?

The Hillyard Stephen Group
(RBC Wealth Management)

- Team focused solely on Business Owners and Institutional Clients in Victoria, BC
- Directly provides all wealth planning elements:
  - Fully Investment Licensed
  - Fully Life/Living Benefits Insurance Licensed
  - Team level financial planning
  - Team level estate planning
- Direct access to advanced planning accounts:
  - Individual Pension Plans (IPP)
  - Retirement Compensation Arrangements (RCA)
  - Family Trusts/Prescribed Rate Lending
- Direct, included, access to other RBC Wealth Management Planners:
  - HNW Business Planners
  - HNW Estate/Trust Planners
  - Lawyers (Will & Estate Consultations)
  - Accountants (Compass Financial Plans)

HOW: Discovery

Master Plan?

- What is your “Master Plan” and why?

  - Sell business at arm’s length
  - Sell business to key employees
  - Pass down business to adult children
  - Take business public
  - Wind up
  - Other

HOW: Discovery

Structure?

- How is your business structured and why?

  - OPCOs
  - HOLDCOs
  - Family Trusts
  - Share Ownership
  - Other

- How is your compensation structured?

HOW: Discovery

Value?

- What is your business worth?

  - Chartered Business Valuator (CBV) Involvement?
  - Can you structure a share sale?
  - Are you set up properly for the LCGE?
  - What if you have to sell assets?
  - Are there actual buyers out there?

HOW: Discovery

Risk?

- What is your plan for the unexpected and why?

  - Death
  - Disability
  - Critical Illness
  - Partnership agreements
  - Will/POA/Representation Agreement structure

HOW: Discovery

Personal Affairs?

- How do your personal affairs fit into your business plan and why?

  - Debt
  - Retirement savings (RSP, TFSA, Non Registered)
  - Education and disability savings (RESP, RDSP)
  - Liquidity
  - Insurance
  - Banking
  - Trusts

- Who are your other professional relationships with and why?

The Final Product

1) Formal written "Business Ownership Plan"

2) Formal Recommendations and Action Plan

3) Formal presentation to you and your other professionals (lawyer, accountant, other)

4) Proper introduction to other professionals as required

Business Owner Planning

- Ownership structures
- Holding company management and structure
- Individual pension plans for key employees
- Transition and exit strategies

Wealth Planning

- Retirement planning
- Will review
- Trust services (domestic & offshore)
- Charitable giving plans / foundations
- Wealth / estate preservation

Tax Planning

- Minimization strategies
- Deferral strategies
- Funding strategies
- Domestic and offshore planning

Family Wealth Advice

- Family governance
- Family trusts
- Multi-generational wealth transfer
- Education / literacy on finances, wealth, & legacy
- Funding education for family
- Living / care costs

Let’s Get Started

Jeremy Stephen
Senior Portfolio Manager & Wealth Advisor
250-356-3975
jeremy.stephen@rbc.com

Matt Hillyard
Senior Portfolio Manager & Financial Planner
250-356-3976
matt.hillyard@rbc.com

Matthais Wilke
Associate
250-356-3470
matthais.wilke@rbc.com

Disclaimer

Wealth Management
Dominion Securities