

# “Why are you in business?” is not a question to consider lightly.



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**A**t first, the answer to this question seems obvious: to provide a service or product to generate income. But, at its heart is a more vital question about goals and the reasons why business owners devote so much of their lives to work. It's a question about what long-term success looks like—both professionally and personally—and, unfortunately, it's a question most entrepreneurs don't have time to consider.

As **Kevin C. Leahy, CPA, CFP®, president & CEO of Connecticut Wealth Management, LLC (CTWM)** points out, daily operations are time-consuming, so many business owners just don't have the time to think beyond the short term. “The phrase we use is, ‘It's Monday and you're just trying to get to Tuesday.’ Entrepreneurs are busy making things happen, but the most important issue—long-term goals—gets overlooked in the process.”

The related risks can be financial, impacting growth opportunities and business value. They can also be personal, like an owner's ability to retire as they wish. Key to avoiding these risks is to start planning sooner and work with professionals to break these multifaceted goals down.

“Success is not always financial, for example,” Leahy said. “Sometimes it's putting someone in place to handle the day-to-day, so the owner has more time for family. Regardless, business owners must have a conversation about what success is in order to plan how to get there.”

## **BUSINESS IS PERSONAL. AND VICE VERSA.**

For many entrepreneurs, that conversation turns into a realization of how much their business, personal, and personal-financial lives are connected. As Leahy shared, “An owner's personal financial plan and having the flexibility to do what you want in life really depends on the value of the business. For most owners, 80% or more of their net worth is the business, which is why it's important to view the business as an asset, and not just a source of income.”

It's also one of the reasons Leahy strongly urges entrepreneurs to get outside help in determining or confirming both corporate and personal goals, so the associated financial planning doesn't ignore the intersection of the two.

But if time is at a premium, how can a business owner give this any thought? Leahy's suggestion: outside assistance from a firm like CTWM to identify goals, build a plan, and execute. And oftentimes, the missing link is accountability. “Major corporations have Boards of Directors, CFOs, and others to provide internal and external perspective. Smaller businesses typically don't, but that doesn't mean they can't get the same support.”

## **TAKE A STEP BACK AND GET AN OUTSIDE PERSPECTIVE.**

Leahy shared that CTWM was founded to provide the clarity business owners need to make decisions. Sometimes it's through technical analysis and other times it's simply being a sounding board. “An example is hiring a CFO,” Leahy shared. “The salary can feel significant, especially when viewed as an added cost. But this addition can add value in numerous ways, including more time to think strategically about the business or simply enjoy some personal time.”

Central to entrepreneurial support is planning. Leahy stressed CTWM's ultimate goal is to ensure business owners meet theirs. “It's critical to operate with an ultimate goal in mind. A good planner works backwards from that goal and a target date, maximizing the likelihood of success and minimizing the reliance on luck. So, I urge owners to begin the conversation. They'll see quickly how valuable an outside perspective and support with strategic planning, value protection and succession strategies can be to ensure achievement of goals—in business and life.”