



OSWEGO
PRIVATE WEALTH MANAGEMENT

Building Value Outside
the Business



Many business owners find the bulk of their wealth within their businesses. However, planning for a successful future often means wrangling financials outside the business too. This is especially important when markets may not be as favorable to small and mid-sized businesses as they have been in the past. Here are three things to consider to help you build value outside of your business.

1. KNOW YOUR BUSINESS' REAL VALUE

Before you begin strategizing about the best way to build value outside your business, it's a good idea to know what your business is actually worth. In many cases, business owners use rules of thumb, comparisons to competitors, or good ol' fashioned wishful thinking to estimate company value. And it's not uncommon for business owners to overestimate their company's value.

However, using inaccurate estimates of business value can make it difficult, if not impossible, to create a strong plan to build value outside the business. After all, if you think you have everything you need based on inaccurate assumptions, it's far too easy to take your foot off the planning pedal.

By working with a professional who can more accurately estimate your company's value—such as via a Calculation of Value—you can begin to create a more focused plan to build value, both inside and outside the business.

In other words, when you know what you have now, you can carve a clearer path toward getting what you'll need for later.

2. DIVERSIFY INVESTMENTS

Any good financial advisor will tell you that diversifying your investments is one of the most basic things you can do to build value.

With the advent of self-service investment tools and newer asset forms (e.g., cryptocurrency), it seems easier than ever to diversify investments.

Nonetheless, it's prudent for business owners to be responsible when diversifying their outside investments. Even as technology allows easier access to investing, you should still consider how a diverse portfolio works toward your goals in the long term.

The past few years have shone brightly as a bull run in many markets. It may be tempting to try to catch that lightning again. But history often shows that disciplined investing, especially with professional help, makes longer-term planning more successful and manageable.

3. MINIMIZE TAXES

In addition to building value outside your business, it's just as important to minimize how much value you lose. This often comes in the form of taxes.

For example, if your company is a C corporation, you may face double taxation (once for corporate income, once on your personal income). This could reduce the amount of money available to build wealth outside your business.

Likewise, given the inherent complexity of the US Tax Code, it's possible that you're simply paying more than you must by no fault of your own.

Legally minimizing your tax burden, often with the help of a professional, could give you more capital to invest outside the business. This, in turn, could help you build more value toward the future you envision on your terms.



We strive to help business owners identify and prioritize their objectives with respect to their businesses, their employees, and their families. If you are ready to talk about your goals for the future and get insights into how you might achieve those goals, we'd be happy to sit down and talk with you. Please feel free to contact us at your convenience.



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