

Family Business Transition Team

Related Practices

Business Services

Corporate Finance

Corporate Governance

Estate Planning & Administration

Mergers & Acquisitions

Private Equity, Venture Capital & Mezzanine Finance

Overview

In the United States, family businesses are big business. Recent research confirms that between 80 and 90 percent of all U.S. businesses are either family-owned or controlled by a family. Family businesses generate more than half of the U.S. Gross National Product (GNP). However, family businesses may be the most vulnerable sector of the American economy since fewer than a third of family businesses survive the transition from first- to second-generation ownership. Another 50 percent fail to survive the transition from second- to third-generation.

Dykema's Family Business Transition (FBT) team was created expressly to handle those issues that present themselves when privately held companies and their owners begin to explore the transition of their businesses, whether intra-family or to outside parties.

The FBT is a multi-discipline group comprised of Dykema attorneys in Corporate Finance, Mergers & Acquisitions, Private Equity, and Tax and Estate Planning/Administration. These practitioners draw upon their talents and experience to provide business and tax counsel, transactional assistance and legal representation to family businesses of all sizes.

Services

Among the services offered by the Family Business Transition team:

- **Transactional guidance**—helping business owners examine and evaluate prospective purchasers and ESOPs (Dykema is experienced working with strategic buyers, commercial banks, private equity firms and other purchaser entities)
- **Deal structuring**—whether mergers, joint ventures, ESOPs, asset purchases, recapitalizations or other mechanisms, Dykema FBT professionals are experienced with, and connected to, important capital market participants
- **Wealth preservation**—often, the transition of a family business, whether an inter-generational transfer within a family or a transaction with an outside party, can be a once-in-a-lifetime event. In the case of an inter-generational transfer, the goals include finding a tax efficient way to make transfers and to integrate that gift strategy with the rest of one's estate plan. For a transaction with an outside party, conversion of equity into cash is sought. In either case, owners need to rely upon outside counsel to help plan in advance, evaluate options, perform due diligence and—most importantly—explain the tax consequences, so that the transaction can be concluded successfully, achieve optimal value and, to the extent possible, protect against unnecessary taxation.

As family business transitions can be complex, it is prudent to draw upon experienced outside counsel that fully understands all financing options, is familiar with today's private equity purchasers and transaction structures, is highly knowledgeable about tax and estate planning, and has demonstrated excellence in providing sophisticated business counsel as well as top-tier legal representation.

Family Business Transition Team (Cont.)

Publications

"Five Steps For More Effective Family Business Transitions," (co-authored)
October 2014
Small Business Digest

Speaking Engagements

Succession Planning and Implementation: The Good, the Bad and the Ugly
November 17, 2016

Transitioning Closely Held Business
May 3, 2016

Driving Enhanced Value in a Transaction Through Preparation
September 18, 2014