



# Successfully Navigating the Transition Between Business and Personal Wealth

An Entrepreneur's Guide by Caprock

# Expert Guidance to Optimize the Outcome of Your Business

Caprock has a long history of working with entrepreneurs like you. In fact, we are entrepreneurs ourselves. We understand the challenges — and opportunities — associated with building, managing, and eventually selling your business.

No one knows your organization better than you. Still, you've undoubtedly encountered obstacles when operating your company and had the foresight to hire a team of specialists to help you work through them. That's good business.

Similarly, when it comes to successfully executing liquidity events, such as the sale of that business, you may be in uncharted waters and need **expert guidance to optimize your outcome**. That's where we come in.

At Caprock, our role is to help successful entrepreneurs **devise a long-term strategic plan** well ahead of a transaction that maximizes post-transaction value. Then we act as an ongoing advocate allowing you to navigate all the complexities associated with significant wealth. Whether you are a first-time business seller or a serial entrepreneur, we understand your unique financial needs and have the solutions and expertise to put your mind at ease.



## SERIES OF Interconnected Events

Selling a business isn't a single event — it's a series of interconnected ones. The sooner you engage a partner to explore the nuances of your specific transaction, the greater the chance you can put together an integrated plan that grows and protects your wealth now and well into the future.

# Common Pitfalls

Exiting a business comes with a set of hurdles. And if you don't know where to look, it can be easy to stumble over one – or many – of them. Even issues that may seem minor can quickly manifest into big problems.

## COMMON ERRORS Before the Transaction

Lack of integrated tax planning

Family giving without a plan

Inadequate estate planning

Charitable gifting mistakes

Not knowing how or  
when to exercise options



## FREQUENT PITFALLS After the Transaction

Lack of a long-term asset  
allocation and transition plan

Navigating SEC rules and regulations

Poor execution related to  
concentrated positions

Failure to maximize  
executive benefit

Lack of financial privacy

A skilled team of professionals and a well-thought out transition plan can help you circumvent these mistakes and perils.



# Creating the Transaction Plan

## 1. PRE-TRANSACTION

Maximizing the post-transaction value of a sale starts long before the transaction closes. Indeed, with added time comes more flexibility to accomplish our two primary objectives for you: to mitigate taxes and to begin implementing family planning.

This includes everything from a QSBS stacking strategy to gifting low-basis stock at a discount to maximize your lifetime gifting exemption.

**“Caprock helped us learn the space beyond the jargon and taught us how to leverage the field.”**

**– ROB G., ENTREPRENEUR**  
*Caprock client*

## 2. POST-TRANSACTION

During this phase of the process, the focus turns to liquidity planning and capital deployment. Chances are, this is not your last venture. We'll work hard to build a long-term asset allocation model that considers what you want to accomplish during the next chapter of your life.

But more than that, we appreciate that once you sell your business, you'll face a unique challenge — exchanging something you know well (the business) for something you may not (a large amount of cash).

To that end, we transition that cash sum into an allocation strategy that meets your family's investment return, cash flow, and liquidity needs while integrating any earn-outs, future cash payments, or go-forward liabilities.



## Creating the Transaction Plan (Cont.)

**30%**  
OF ENTREPRENEURS  
ARE SERIAL  
ENTREPRENEURS  
- INC.COM

### 3. INTEGRATED TAX PLANNING

Besides getting the best possible valuation, a properly structured tax plan is the most significant part of any deal. Without one, it can significantly impact your future net worth. Some successful entrepreneurs think about one or two key components of this process, but fewer have a holistic plan that accounts for all of them together.

We will create a blueprint to alleviate personal, estate, and transaction-related tax burdens impacting the value of your business. If you don't have a plan that considers all these things at once, you don't have a plan at all.





# Structured for Managing Complex Wealth

## The Caprock Difference

Caprock launched in 2005, born of a desire to deliver a world-class, high-touch, and well-coordinated family-office experience for affluent families and successful business owners.

We function as an outsourced and objective Chief Investment Officer and Chief Financial Officer to successful families like yours—who often have balance sheets as complex as some corporations.



In partnering with you, we bring order and structure to your financial affairs by overseeing the entirety of your wealth management and legacy planning needs.

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**IT'S THE RIGHT MOVE.**

# It's the Right Time.

Caprock provides you with an experienced team that offers knowledgeable advice and customized solutions to assist you in avoiding frequent obstacles, fostering a smooth transfer, and the protection and expansion of your wealth.



**Let's start a conversation.**

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