

Cambyses Financial Advisors LLC

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Succession Planning Service Profile

Succession Plans prepare you, your key employees, and your business to “hand over the reins” when the current management and owners leave the business.

A Succession Plan;

- Identifies your company’s and key persons’ long and short term needs,
- Prepares you if any key person quits, retires, becomes disabled, or dies,
- Identifies the skills, training, and resources required to replace the key person,
- Identifies candidates who can replace the key person, assesses their readiness for the role, and their need for additional training, education, and resources
- Assigns responsibility for providing the training and resources and establishes timelines for them,
- Budgets resources to carry out the plan for both the company and the key person,
- Implements and monitors the capital accumulation plan, and
- Provides a fall-back solution if the plan requires acceleration (usually resulting for an unanticipated quit, disability, or death).

The first six points are arguably the most important; they concern the most likely exit scenario, planned withdrawal or attrition of key managers and owners. Oddly, they are also the most neglected need in many small businesses.

The last item is the province of a “buy-sell” agreement. Buy-Sell Agreements are often negotiated early in your business’ life, and neglected thereafter. The Buy-Sell Agreement is, however, only one element of an effective succession program.

A well designed Succession Plan answers fundamental questions:

- What do current managers and owners envision the company will look like when they are ready to exit the company?
- Who will make it look that way?
- What resources, skills, money, and time are needed to accomplish that new look?
- Where will those resources come from?

It also meets some fundamental objectives: It satisfies the

- Goals and needs of the transitioning managers and owners,
- Needs of the other stakeholders, including successors, and
- Retains the relationships the business needs as it continues.

Cambyses Financial Advisors LLC—Succession Planning

Cambyses' Succession Planning Service Offer:

Cambyses Financial Advisors (CFA) and our affiliated companies can:*

- Analyze, roughly value, design, implement, and monitor your succession strategy, or
- Review and assist you to revise, implement, or monitor existing succession strategies.
- Facilitate implementation and management of the strategy.
- Manage investments and portfolios for sinking funds and reserves required to implement your strategy.
- Provide tax and estate advisory services for you and your key personnel. .

Cambyses' Approach to Succession Planning:

When engaged for Succession Planning Services, CFA (with your assistance):

- Identifies and engages Stakeholders;
 - Who is key to the success of the transition?
 - Who could scuttle it?
- Identifies and quantifies the stakeholders' goals and objectives
- Develops and analyzes scenarios that reflect the stakeholders' goals and objectives and documents their sensitivity to changes in assumptions.
- Designs and Implements a plan based on the scenarios; providing or assisting in the development of
 - Personnel transition strategies
 - Financial and insurance vehicles
 - Legal documentation
 - Financial documentation
 - Time lines, goals, trigger events, and responsibilities
 - Contingency plans
- Communicates with stakeholders and other employees. (Unfounded rumors have scuttled more agreements than we can count.)

During the engagement, you will interface primarily with Steven J Roy and Nastaran Motiei, Managing Members of Cambyses Financial Advisors LLC. Tax and estate services, if requested, will be performed solely by Steven J Roy.

Other Cambyses personnel may be engaged in analysis of information and administrative or ministerial activities in connection with the engagement. Neither Cambyses Management Associates nor its personnel may render legal services in connection with the engagement. We will rely on your legal counsel or mutually acceptable specialized counsel for those functions.

If outside consultants are required for any portion of the project, CFA will seek your cooperation and approval before engaging them.

* You are not required to obtain all services or products necessary for this engagement from Cambyses Management Associates or its affiliates. Some products or services may be obtainable from other sources at lower cost.