Planning to start a business

A financial checklist

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It takes a lot of passion and planning to get a business up and running—and keep it running. If you're like many business owners, you might find it difficult to set aside time to plan your personal finances. We get that. Your Northwestern Mutual advisor can help.

They'll ask deeper questions and listen closely to better understand you, your business, and how you think about money. Then your advisor will take a holistic approach to planning for your business and your future. Their expertise can reveal blind spots and opportunities others might miss. So, you can look forward to better outcomes for you and your business.



Did you know?
A strategic plan can increase the chances of growth and long-term success for businesses.

What to consider as you open and run your business:

☐ Offer an attractive benefits package. Whether you're a sole proprietorship or you're hiring employees, think about coordinating your personal needs with the needs of your business.

- Protect your family and your employees' families. Life insurance coverage can help make sure that household expenses are paid if something unexpected happens.
- Protect your income and your employees' income. Disability insurance can help replace lost income if you or your employees become too sick or injured to work.
- Plan for retirement. If you're self-employed, maximize your retirement savings through a SEP IRA or solo 401(k) plan. If you have employees, consider sponsoring a retirement savings plan. It can offer tax advantages for you and your business.

☐ Make risk management a top priority. Take control of things that could stand in your way of success.

- A buy-sell agreement can be ideal for multiple owners, like two partners who own a consulting firm. Each partner would buy a life insurance policy for their partner. If one owner passes away, retires, or becomes disabled, there will be a smooth transition of ownership. The policy will outline the sale of the business owner's interest to the remaining owners or the business itself.
- Business overhead expense insurance can cover expenses if you become disabled and are unable to earn income to support your business. Its cash benefit can be used to meet day-to-day business expenditures, such as paying salaries and utility bills.
- Coverage for key people is designed to minimize the business impact of the disability or death of a key employee. It can help pay for recruitment and training of a new candidate so that your business can continue to grow.
- Credit insurance will cover your accounts receivables and protect your business in case of non-payment.1
- An emergency fund helps to shelter your business from unexpected expenses or uncertain economic times.

1 Not all products and services discussed are offered by Northwestern Mutual.

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☐ Attract and keep top talent.

- Reward yourself and your key talent. Consider an Executive Benefits Package that includes permanent life insurance (to provide tax-advantaged supplemental retirement income2) and disability insurance or long-term care benefits. Your advisor can also discuss business retirement plan options for your top talent and help you create customized strategies for your business.

☐ Balance income and investing.

- Pay yourself *and* grow your business. For many owners, driving the success of their business is a passion. But it's better to keep a balanced focus on your income needs and investing in your business. Your advisor can help you keep this in perspective so that you can achieve your personal goals and what you've envisioned for your business.

☐ Schedule regular meetings with your advisor.

- Talk through any changes. As your business grows, your investment and insurance needs will change, too. Your financial professional understands that your plan is an ever-changing map of where you're headed. With expertise and sound advice from your financial professional, you'll find the key to your success is based on your unique vision.

A BETTER WAY TO MONEY™

STARTS HERE.

For over 165 years, we've been committed to helping our clients succeed. And we're good at it.

Better conversations | Better solutions | Better outcomes



See how a holistic plan can make a difference for you and your business.

[2] Utilizing the cash value through policy loans, surrenders, or cash withdrawals will reduce the death benefit and may necessitate greater outlay than anticipated and/or result in an unexpected taxable event. Not for use in New Mexico.

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