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Family Business: The Recipe for Success Can Be Complicated by Relationships

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IN THIS SPECIAL REPORT, ACCOUNTANTS, bankers and lawyers offer financial, legal and management best practices for New Jersey-based family businesses—keys to success for this generation and the next. The nuances and dynamics of steering a family business in the right direction can be best implemented early in the life cycle of the company, where short-term and long-term planning can map out the future—including a succession plan. Here is a roadmap of insights and advice for these unique enterprises for which success or failure is all or mostly “relative(s)”

[excerpt]

Marcum LLP

By Daniel Roche, CPA/ABV, ASA, Advisory Partner, National Business Valuation Service Line Leader

Marcum’s Advisory group has a long history of assisting family-owned businesses both in business valuation and dispute resolution. One recent Marcum client was a family-owned construction company, where an older generation of shareholders was trying to structure a deal enabling the younger generation to buy them out. Unfortunately, family dynamics were contentious, and litigation was threatened.

Marcum was engaged to fairly value the business and assist our client in structuring a settlement that allowed them to realize full value for their shares while preserving the business for the next generation. We were able to meet the condensed timeline enforced by the pending litigation by leveraging the artificial intelligence capabilities of Marcum's technology consulting group to process large amounts of data quickly and efficiently. We were able to perform the due diligence, value the business, help structure a successful settlement, and achieve a great result for both the older and younger generations.