

*Business Readiness Guide*

*for*

*Deploying Service Members*

*Created by:*



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## Supporting Veterans & Service-Connected Vermonters

Vermont Small Business Development Center (VtSBDC) recognizes the unique needs of business owners who are deployed to serve in the military, and we have been actively supporting Veterans and Service-Connected Vermonters for over ten years. Often businesses are forced to close or become severely stressed during a deployment. VtSBDC works with service members and their families and business partners to prepare their businesses to be as healthy as possible going into a deployment. Additionally, VtSBDC Business Advisors assist the person who is responsible for the business on a day-to-day basis while the service member is deployed. Our goal is to ensure the business remains profitable and sustainable during their absence by addressing the challenges for both the service member and those who run the business during deployment.

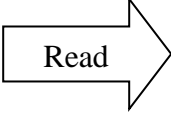
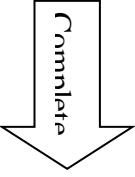
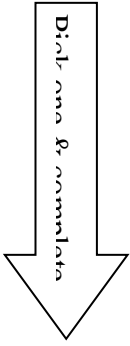
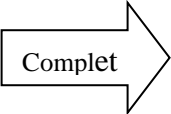
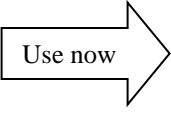
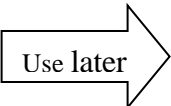
At VtSBDC, we have witnessed the outstanding work of the military in helping families and members prepare for the deployment on a personal level, however we found that the information related to being a business owner was not as readily available.

Through a previous funding source, the "***Business Readiness Guide***" was created. This guide is easy to use, and can be incorporated into all materials given to the deploying service members and families that either own or are associated with a business.

We offer this guide to all those throughout Vermont who can benefit from it, and those SBDC contacts in our network across the country. Thank you for your service and please remember that we are here now, and we will be here to support you when you return to your business.

Linda Rossi, State Director

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## **Introduction**

As you work your way through the long list of preparations for deployment, the most commonly missed piece is getting a business ready for the changes that will take place. This guide was designed specifically to help make the process easier.

Changes that happen in business during a deployment will not only affect service members who own a business themselves, but also members who play a key role in another person's business. This guide will walk you through the basic steps of making decisions, and then start you on the road to preparation by completing checklists and recording information.

This *Guide* has five sections that will be used in order:

**Section 1 – Stay Open or Close the Business.** Your first decision is whether to close a business or keep it open (whether the closure is permanent or temporary). This is a big decision to make, but an important one that needs to be thought through completely before you proceed. In section one you will walk through some of the questions that should be considered prior to making a decision.

**Section 2 – Checklists.** Here you will choose one scenario that most closely fits your ownership situation and proceed through a checklist that applies to your decision to stay open or close. There will be no need to complete more than one checklist unless your role in the business changes prior to deployment.

**Section 3 – List of Important Names and Information.** After you have completed section two it is important to record your decisions and communicate the information to people who will need it in your absence.

**Section 4 – Sample Letters and Announcements.** These can be used as a guideline for communicating with customers and vendors.

**Section 5 - Post-deployment.** Some hints for the adjustment upon your return.

**Notes:** We have left room for you to take notes while you are completing sections. These will come in handy later.

This *Business Readiness Guide for the Deploying Service Member* was written specifically for you, so we would like your feedback. If there are additional tools to add or changes that you would like us to make to the *Guide* please contact us and we will review them for inclusion in the next revision. **Email to: sbdc@vtsbdc.org**

## Section 1

# *Stay Open or Close the Business*

In order to make a decision about your business you first need to answer some important questions about how your decision will impact you and the people around you. Answer these questions before you decide what to do. After evaluating your answers we suggest you speak with an attorney and an accountant.

	Yes	No	Stay Open	Close	Notes
<i>Do I plan to operate the business upon my return?</i>					
<i>Does the business provide income necessary for me and/ or my family to live while I'm away?</i>					
<i>Do I have financial obligations in the business that have to continue in my absence?</i>					
<i>Is the business financially stable now?</i>					
<i>Is there someone who can operate the business for me while I am away?</i>					
<i>Are there customers or vendors that will be significantly affected if I close?</i>					
<i>Are there significant changes that need to be made to the business now?</i>					
<i>Can the changes be made in my absence?</i>					
<i>If revenue falls off in my absence will the business survive?</i>					
<i>If sold, will I want to start up again when I return?</i>					
<i>Do I have time to sell my business before I leave?</i>					
<i>Do I know someone who would like to buy my business now?</i>					
<i>Do I know what my business is worth?</i>					
<i>Do I have a business plan?</i>					

*If you need help answering any of these questions, contact your nearest SBDC for a counseling session to walk you through the process.*

## **Section 2 - Scenario 1**

### **Service Member is the *Only Business Owner***

Now that you have answered some questions about staying open or closing, here are some checklists to walk you through the process. Choose the Checklist that applies to your decision and follow it through to the end. After you have finished the checklist continue to the next sections to ensure that you have prepared thoroughly:

**Checklist 1A      **Keep the business open****

- ❖ Keep the business going as is with someone filling in for you
- ❖ Subcontract business to another company
- ❖ Temporarily transfer customers to a competitor

**Checklist 1B      **Close the business temporarily****

**Checklist 1C      **Close the business permanently by selling or dissolving the company****

**Notes:**

# *Checklist (1A) – Keep the Business Open*

<b>Completed</b>	<b>Task to Complete</b>	<b>Notes</b>	<b>Contact Name</b>	<b>Contact Number</b>
	<i>Notify Business associates of deployment</i>			
	<i>Notify employees</i> ❖ <b>Who will they report to?</b>			
	<i>Prepare list of your duties</i>			
	<i>Decide who will take over your duties, then go over the list to determine training needs</i>			
	<i>Hire, subcontract or assign duties and complete training</i>			
	<i>Notify regulatory and professional organizations (local, state, federal)</i>			
	<i>Notify Customers</i> ❖ <b>Who will take over their accounts?</b>			
	<i>Notify Suppliers</i> ❖ <b>Who will handle ordering and A/P?</b>			
	<i>Notify Attorney</i> ❖ <b>Assign authority</b> ❖ <b>Review ownership</b>			
	<i>Notify Accountant</i> ❖ <b>Tax reporting</b> ❖ <b>Training needed for reading statements?</b> ❖ <b>New point of contact</b>			
	<i>Notify Bank and Lenders</i> ❖ <b>Signing authority</b> ❖ <b>New point of contact</b>			
	<i>Notify Insurance companies</i> ❖ <b>Signing authority</b> ❖ <b>New point of contact</b> ❖ <b>Change in business status or rates?</b>			
	<i>Take inventory of business assets</i>			

# Checklist (1B) – Close the Business Temporarily

Completed	Task to Complete	Notes	Contact Name	Contact Number
	<i>Notify Business associates of deployment</i>			
	<i>Notify employees</i> ❖ Who will handle the final payroll? ❖ When can they leave?			
	<i>Decide who will take over your duties, then go over the list to determine training needs</i>			
	<i>Notify regulatory and professional organizations (local, state, federal)</i>			
	<i>Notify Customers</i> ❖ Who are you recommending?			
	<i>Notify Suppliers</i> ❖ Pay balances due and set up for return			
	<i>Notify Attorney</i> ❖ Review ownership ❖ Assign authority for details that come up after departure			
	<i>Notify Accountant</i> ❖ Tax reporting ❖ New point of contact ❖ Assign authority			
	<i>Notify Bank and Lenders</i> ❖ Signing authority ❖ New point of contact			
	<i>Notify Insurance companies</i> ❖ Signing authority ❖ New point of contact ❖ Change in business status or rates? ❖ Keep account open?			
	<i>Take inventory of business assets</i>			



# Checklist (1C) –Close Permanently

Completed	Task to Complete	Notes	Contact Name	Contact Number
	<i>Notify Business associates of deployment</i>			
	<i>Notify Attorney</i> ❖ Review ownership ❖ Assign authority for details that come up after departure			
	<i>Notify Accountant</i> ❖ Tax reporting ❖ Assign authority for details that come up after departure ❖ New point of contact			
	<i>Determine the value of the business</i>			
	<i>Notify Bank and Lenders</i> ❖ Debt remaining? Negotiate repayment			
	<i>Notify employees</i> ❖ Who will handle the final payroll? ❖ When can they leave?			
	<i>Notify Customers</i> ❖ Who are you recommending?			
	<i>Notify Suppliers</i> ❖ Pay balances due			
	<i>Notify Insurance companies</i> ❖ Change in business status or rates? ❖ Keep account open?			
	<i>Notify government, regulatory and professional agencies (local, state, federal)</i>			
	<i>Call a Business Broker to sell or make contacts with potential buyers</i> ❖ Leave authority for someone else to sell? (Be careful with this one...)			
	<i>Sell Assets</i>			

## **Section 2 - Scenario 2**

Service Member has *Part Ownership* in a business

As the part owner of a business you need to work with the other owners to decide what will be done while you are away. Choose the checklist that applies to your situation:

**Checklist 2A      Keep your ownership in the business and do one of the following:**

- ❖ Change nothing (your role in the business now is minimal)
- ❖ Pass your responsibilities on to another owner
- ❖ Hire someone to take over your duties

**Checklist 2B      Transfer your ownership in the company**

**Notes:**

## *Checklist (2A) – Part Ownership - Continue*

Completed	Task to Complete	Notes	Contact Name	Contact Number
	<i>Notify Business partners of deployment</i> ❖ <b>Decide course of action</b>			
	<i>Notify employees</i> ❖ <b>Who will they report to?</b>			
	<i>Prepare list of your duties and responsibilities</i>			
	<i>Decide who will take over duties and go over the list to determine training needs</i>			
	<i>Hire, subcontract or assign duties and complete training</i>			
	<i>Notify regulatory and professional organizations (local, state, federal)</i>			
	<i>Notify Customers</i> ❖ <b>Who will take over their account?</b>			
	<i>Notify Suppliers</i> ❖ <b>Who will handle ordering and A/P?</b>			
	<i>Notify Attorney</i> ❖ <b>Assign authority</b> ❖ <b>Review ownership</b>			
	<i>Notify Accountant</i> ❖ <b>Tax reporting</b> ❖ <b>Training needed for replacement?</b> ❖ <b>New point of contact</b>			
	<i>Notify Bank and Lenders</i> ❖ <b>Signing authority</b> ❖ <b>New point of contact</b>			
	<i>Notify Insurance companies</i> ❖ <b>Signing authority</b> ❖ <b>New point of contact</b> ❖ <b>Change in business status or rates?</b>			
	<i>Take inventory of business assets</i>			

## *Checklist (2B) – Part Ownership – Transfer*

Completed	Task to Complete	Notes	Contact Name	Contact Number
	<i>Notify Business associates of deployment and closure</i>			
	<i>Notify employees</i>			
	<i>Notify Attorney</i> <ul style="list-style-type: none"> <li>❖ Review ownership</li> <li>❖ Decide course of action for sale</li> <li>❖ Hire Broker</li> <li>❖ Assign authority for details after departure</li> </ul>			
	<i>Notify Accountant</i> <ul style="list-style-type: none"> <li>❖ Review ownership</li> <li>❖ Decide course of action for sale</li> <li>❖ Assign authority for details after departure</li> <li>❖ Tax reporting</li> </ul>			
	<i>Notify Customers</i> <ul style="list-style-type: none"> <li>❖ If appropriate</li> </ul>			
	<i>Notify Suppliers</i> <ul style="list-style-type: none"> <li>❖ If appropriate</li> </ul>			
	<i>Notify Bank and Lenders</i> <ul style="list-style-type: none"> <li>❖ Loans outstanding? Are you a guarantor on any of them?</li> <li>❖ Assign authority for details after departure</li> </ul>			
	<i>Notify Insurance companies</i> <ul style="list-style-type: none"> <li>❖ Signing authority</li> <li>❖ New point of contact</li> <li>❖ Change in business status or rates?</li> </ul>			
	<i>Notify regulatory and professional organizations (local, state, federal)</i>			
	<i>Take inventory of assets</i> <ul style="list-style-type: none"> <li>❖ Sell assets to partners?</li> </ul>			

## Section 2 - Scenario 3

Service Member is the *Spouse or Life-partner* of a business-owner

As the spouse or life partner of a business owner you probably have more responsibilities than you realize. Even if you have no direct dealings or ownership of the business, chances are you are there for support and back up. Whether it's as the primary skill provider, doing the books or plowing the driveway, you probably have a bigger impact than you realize. Choose the checklist that applies to your situation:

### **Checklist 3A      Continue doing business**

- ❖ Change nothing (you have little or no interaction with the business activities)
- ❖ You will train your spouse/partner to do your jobs
- ❖ You will pass your responsibilities on to another person in the company
- ❖ You will hire someone to take over your duties

### **Checklist 3B      Close the business (see Checklist 1C)**

**Notes:**

# Checklist (3A) – Spouse or Life Partner-Continue

Completed	Task to Complete	Notes	Contact Name	Contact Number
	<i>Notify partner of deployment</i> ❖ <b>Decide course of action</b>			
	<i>Notify employees</i> ❖ <b>Who will they report to?</b>			
	<i>Prepare list of duties</i>			
	<i>Decide who will take over duties and go over the list to determine training needs</i>			
	<i>Hire, subcontract or assign duties and complete training</i>			
	<i>Contact resources to assist partner with duties if needed</i>			
	<i>Notify Customers</i> ❖ <b>Who will take over their account?</b>			
	<i>Notify Suppliers</i> ❖ <b>Who will handle ordering and A/P?</b>			
	<i>Notify Attorney</i> ❖ <b>Assign authority (POC)</b> ❖ <b>Review ownership</b>			
	<i>Notify Accountant</i> ❖ <b>Tax reporting</b> ❖ <b>Training needed for replacement?</b> ❖ <b>New point of contact</b>			
	<i>Notify Bank and Lenders</i> ❖ <b>Signing authority</b> ❖ <b>New point of contact</b>			
	<i>Notify Insurance companies</i> ❖ <b>Signing authority</b> ❖ <b>New point of contact</b> ❖ <b>Change in business status or rates?</b>			
	<i>Take inventory of business assets</i>			
	<i>Put together emergency plan</i>			

## Section 2 - Scenario 4

Service Member is *Named to Inherit* a business owned by someone else

This is probably not something you would like to think about, but what if a family member or associate passes away while you are deployed, and you are the person named to take over a business? If you know you are named to take over a business in a will or estate, there are certain things that should be done in your absence. If this is not done, the business could suffer for lack of planning.

- 4A.** You (and possibly others) are named as executor to an estate with an actively running business and expected to take over the operations upon the owner's death.

### *Checklist (4A) – Named to Inherit*

Completed	Task to Complete	Notes	Contact Name	Contact Number
	<i>Notify Party that has named you in their will or estate plan</i> ❖ Discuss confidentiality and possible legal and tax issues.			
	<i>Contact Attorney (if appropriate)</i> ❖ Review ownership designation ❖ Decide who will act on your behalf and draw up agreement. ❖ Decide course of action for maintaining business or sell if appropriate ❖ If more than one person is to inherit, decide what the responsibilities will be.			
	<i>Request inventory of assets</i>			
	<i>Request financial information</i>			

### Section 3 - List of important names and information

In order to leave others in a position to best function in your absence there needs to be a list of important names, contacts, and documents available to them. This list can be kept in a confidential place or held by a trusted person who can give out the information as needed.

	Company	Contact	Phone/Email
<b><i>Insurance Companies</i></b>			
❖ Health			
❖ Life			
❖ Fire, Theft & Property			
❖ Auto			
❖ Business Liability			
❖ Workers Compensation			
<b><i>Bank</i></b>			
❖ Checking and savings			
❖ Loans, Lines of Credit			
<b><i>Other Creditors</i></b>			
<b><i>Other Creditors</i></b>			
<b><i>Credit Card Companies</i></b>			
<b><i>Equipment Leases</i></b>			
<b><i>Payroll Company</i></b>			
<b><i>Licenses &amp; Permits to do Business</i></b>			
<b><i>Customer List</i></b>			
<b><i>Supplier List w/ terms</i></b>			
<b><i>Attorney</i></b>			
<b><i>Accountant</i></b>			
❖ Bookkeeper			
❖ Taxes			
<b><i>Landlord</i></b>			
<b><i>SBDC office</i></b>			
<b><i>Contracts and grants</i></b>			
<b><i>Inventory of business assets</i></b>			
<b><i>Copy of Business Plan</i></b>			



## Section 4 - Sample letters and announcements

### Keep the Business Open

Dear \_\_\_\_\_

This letter is to make you aware that I have been ordered to active duty with the \_\_\_\_\_ (U.S.Army, etc...), and will be leaving on \_\_\_\_ (date).

While I am away I will be leaving my business in the very capable hands of \_\_\_\_\_ (Name) who has an excellent working knowledge of (business name) and will make sure that you continue to receive an outstanding product (or service).

Thank you for your support, and I look forward to working with you again upon my return.

Sincerely,

Your name

### Close the Business Temporarily

Dear \_\_\_\_\_

This letter is to make you aware that I have been ordered to active duty with the \_\_\_\_\_ (U.S.Army, etc...) and will be leaving on \_\_\_\_ (date).

After long consideration I have decided to temporarily close my business during my absence, with the full intention of re-opening upon my return.

The last official date of my business will be (date). Therefore, I will be contacting you soon to make sure that our business has been settled in a timely manner prior to closing.

Thank you for your continued support and I look forward to working with you again upon my return.

Sincerely,

Your name

**Close the Business Permanently**

Dear \_\_\_\_\_

This letter is to make you aware that I have been ordered to active duty with the \_\_\_\_\_ (U.S.Army, etc...) and will be leaving on \_\_\_\_ (date).

I have weighed all of my options carefully, and after long consideration I have decided to close my business prior to the deployment.

The last official date of my business will be (date). Therefore, I will be contacting you soon to make sure that our business has been settled in a timely manner prior to closing.

Thank you for your continued support; it has been a pleasure working with you.

Sincerely,

Your name

**Note to Concerned Parties**

Dear \_\_\_\_\_

This letter is to make you aware that I have been ordered to active duty with the \_\_\_\_\_ (U.S.Army, etc...) and will be leaving on \_\_\_\_ (date).

While I am away, \_\_\_\_ (Name) will be handling your account.

Please offer \_\_\_\_ (Name) the same courtesies that you would offer me, and note that \_\_\_\_ (Name) has limited authority to enter into contractual, legal or financial arrangements made on behalf of the business. If any of those are required, please contact \_\_\_\_\_ to obtain official documentation and authorization.

Thank you for your continued support and I look forward to working with you again upon my return.

Sincerely,

Your name

## Section 5 - Post-deployment

Before you leave understand that you may still have some loose ends to clean up upon your return. If you decided to keep your business running or shut it down temporarily you should go back to the checklist to remember what you did in preparation for the departure. It will be tempting to jump back in and skip right to your old routine, but it's important to review **EVERYTHING** and make sure that you have taken necessary steps to get your business up and running in a logical and legal manner. The people who helped keep things running in your absence need and deserve time to adjust to your return, and you need to take the time to sit with them and go over the details of what happened in your absence.

Remember that **NO ONE RUNS YOUR BUSINESS LIKE YOU DO!** So relax, and keep an open mind while you listen and understand how things were run and how others had to adjust to having an important person away from the business.

If you shut the business down completely and you have been considering starting a different business there are many resources available to you through your local SBDC office. If possible, take some online courses to help you get started when you return. If you would like to go back to your old business with a clean slate, the same resources can help you start fresh with a solid business plan and performance objectives.

Contact the National Small Business Development Center Office at <https://americassbdc.org/> to find an advisor near you and to get information about online courses and training available to Veterans and Service members.

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