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You are probably familiar with Aesop's Fable about the goose that laid golden eggs.

There was once a Countryman who possessed the most wonderful Goose you can imagine, for every day when he visited the nest, the Goose had laid a beautiful, glittering, golden egg.

The Countryman took the eggs to market and soon began to get rich. But it was not long before he grew impatient with the Goose because she gave him only a single golden egg a day. He was not getting rich fast enough.

Then one day, after he had finished counting his money, the idea came to him that he could get all the golden eggs at once by killing the Goose and cutting it open. But when the deed was done, not a single golden egg did he find, and his precious Goose was dead.

You are likely thinking this Countryman desperately needed a good CPA, who could have advised him that killing his goose would not produce future revenues. It is also possible that Aesop left out an important part of the story – chiefly, that the Countryman was facing a large tax bill and needed more production out of his miraculous goose. Hence, a proactive CPA could have helped this foolish Countryman with egg allocation strategies. "Egg Allocation Strategy" also has a much nicer ring than "Tax Planning."

Consider that your successful business owner clients own a goose (their business) or geese (if they own multiple businesses) that are laying golden eggs or profits. And, in reality, what would have been the most logical thing for the Countryman in our story to do, especially if he had a great CPA advisor? He would have allocated a portion of his golden eggs to protect this wonderful goose. This article will briefly

business owners and CFOs. Retained earnings are taxed, so some golden eggs must be sacrificed to amass retained earnings.

II. Employee Benefits

Attracting and keeping talent can be a powerful approach to protect the goose. And employee benefits almost always reduce taxable income. Utilizing golden eggs for employee benefits such as bonuses, profit sharing, retirement plans and health care is often a good strategy because it enables companies to keep good employees and recruit top talent. In a survey by SHRM on job satisfaction and engagement, the vast majority of employees (92 percent) indicated that benefits are important to their overall job satisfaction. And, according to Harvard Business Review, incentivizing employees also increases productivity and with profit sharing in particular, feelings of loyalty also increase. Investing in employee benefits does have its downsides. Namely, it can be complicated to measure and determine results in addition to the skyrocketing cost of health care.

III. Capital Expenditures

Capital expenditures (CapEx) are an investment and provide a way for the business to support and expand its operating capacity by investing in machinery and equipment, buildings and improvements, transport vehicles or hardware and software. Most capital expenditures can be depreciated over time and some can be depreciated fully in the first year (Section 179 Purchase). Decisions regarding CapEx can be challenging. Will the capital expenditure truly improve the business and its operations? Will it deliver a meaningful, powerful ROI? How does a CapEx expenditure compare to simply leasing newer or additional equipment? Because CapEx expenditures usually reduce liquidity or increase debt (or both), they should be evaluated thoroughly.

IV. Real Estate

Golden eggs can also be allocated to real estate. The benefit of real estate is that it has

V. Debt Reduction

Paying down debt can save interest payments, freeing up cash-flow for other uses. However, debt isn't always bad for a company and can be utilized to fuel growth. Debt almost always comes with strings attached. Debt covenants can put the company at the mercy of its creditors if the business experiences a profit crunch, sometimes enabling the lender to seize the goose.

VI. Acquiring Other Businesses

Successful businesses can acquire another company to support growth. They can also benefit from gaining new capabilities, tapping into new markets, gaining a competitive advantage or market share, diversification and opportunities to decrease costs. These advantages come at a cost and also come with complexities, including employee overlap, potential culture clashes, potential service shortfalls and the need to establish trust.

VII. Captive Insurance

Many successful business owners choose to own their own insurance company, known as a captive insurance company (captive). Captives can help businesses protect their golden geese because they can provide the business with both more insurance company and more money.

A captive is a licensed insurance company that is owned by the business or business owner(s). In addition to being able to replace commercial insurance to help control costs, captives can write unique policies for the operational and strategic risks most likely to impact a business. They can also gain access to re-insurance pools and reinsurance markets to provide a backstop for risks they insure.

Captives also receive favorable tax treatment – just like commercial insurance

need to be prepared for the future. It's quite possible that the coming years will be equally tumultuous, and now is a great time for you to work with your business owner clients going beyond tax planning to golden egg allocation strategies.

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Randy Sadler started his career in risk management as an officer in the U.S. Army, where he was responsible for the training and safety of hundreds of soldiers and over 150 wheeled and tracked vehicles. He graduated from the U.S. Military Academy at West Point with a Bachelor of Science degree in International and Strategic History with a focus on U.S. – Chinese Relations in the 20th century. He has been a Principal with CIC Services, LLC for 7 years and consults directly with business owners, CEOs and CFOs in the formation of captive insurance programs for their respective businesses. CIC Services, LLC manages over 100 captives.

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