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NEVER is there a time that is more crucial for companies and enterprises to maintain their resilience and strength than during this ongoing Covid-19 pandemic.

In light of current uncertain circumstances, many companies, not only in Malaysia but globally, are facing a looming crisis of dwindling revenue, overstretched credit and even bankruptcies for some.

Adding to the complexity, the Minister of Entrepreneur Development and Cooperatives (Medac) highlighted that the majority of Malaysian micro entrepreneurs do not have any form of protection or insurance to fall back on during current challenging times.

For some, such implications could have heightened the urgency for business sustainability, especially business owners who wish an assured and secured future for their businesses and leave behind a financial legacy for generations to come.

To allay those fears, it is essential that you should start planning and structuring your assets, liabilities and wealth in order for them to be passed on when the time comes.

That is the core of legacy planning, a topic that is both intimidating, yet necessary – one which life insurance and family takaful provider Sun Life Malaysia aims to unpack here in order for you as business owners to fully appreciate and absorb the implications.

Sun Life Malaysia CEO and president/country head Raymond Lew said, "Many business owners can attest to this statement – building a lasting business takes perseverance and good planning.

"While there's no silver bullet in building a business legacy, it takes all three areas of profit, purpose and legacy planning to ensure a business will survive unforeseen disruptive events."

ENSURING THE LONGEVITY OF YOUR BUSINESS



Legacy planning: Thinking ahead is a crucial element and a long-term guideline to ensure the business will stand the test of time.

In running any business, both profit and purpose are necessary for the business to survive and grow, while legacy planning serves as the long-term guideline to ensure the business will stand the test of time, Lew explained.

Upholding longevity in business is a challenge, but a crucial one.

According to Sun Life Malaysia, the pandemic shone light on the importance of legacy planning, particularly, succession and retirement planning, which is part of leadership responsibilities.

Wealth distribution planning

Planning ahead your wealth distribution bestows you the benefit of preparing for the unexpected, and helps ensure your business or wealth is passed on to the right beneficiary in order for your business to progress forward.

This can be a family member who you believe can steer the busi-

ness as steadfastly as you, or a trusted commandeer who has for a while commandeered the business in your stead.

In Malaysia, the lack of preparation in this area is the leading cause of disagreements over leadership and business succession.

Take the time to develop a will and an estate plan to safeguard your interests should anything unforeseeable occur. Proper and early wealth distribution planning will also protect your family members from ensuing unpleasantness.

For example, putting in-place a buy-sell agreement as it provides your heirs with a lump sum payment for their shares if they are not prepared to take on the business. This ensures the business can continue to run smoothly even when the key person is no longer around.

Ultimately, the aim is to share what has been built and ensures a lasting legacy.



Sun Life Malaysia CEO Raymond Lew: The DNAs of a resilient business entity includes profit, purpose and legacy planning.

Net worth building

Wealth accumulation and building is a progressive journey and takes time, consistency and persistence. Besides looking at increasing profitability now, businesses also need to forecast ahead in order to build a strong balance sheet with sound financial planning.

This ensures your business and accumulated wealth continues growing for you and the next generation to come. Some of the ways you can start is creating an emergency fund, keeping debt to a minimum, investing or developing a contingency plan, distributing your business income and more. In the end, the aim is to accumulate wealth and build a lasting legacy.

Business protection

It is a foreseeable fact that this pandemic's effects will last for a while, so the protection of key

members of your business now becomes more important.

"Having adequate insurance protection for key executive members is a stark practice among Malaysian businesses. This should be the number one priority if businesses want to secure their legacy.

"Yet, not many see its importance until they face the downsides of losing their key person," Lew added.

There is no precise formula in determining how much keyman insurance is adequate, however Sun Life Malaysia can derive a final figure based on the size of the business and number of employees; the amount of revenue generated by the key person for the business; the amount of outstanding debts in the business; the cost of hiring and training a replacement for the key person; and if the business can continue operations should the key person pass away.

Typically, for large family businesses, the recommendation is to purchase a larger policy in order to ensure the business survives and will continue to thrive even after the demise of those key persons.

The aim is to protect the business for years to come and pass on a lasting legacy.

Your business is the result of many years of toil and labour, and Sun Life Malaysia believes all that can be maintained as a legacy for your next of kin or for those you trust to carry your business forward.

All that is needed is effective planning and strategy in the form of business legacy planning.

Visit Sun Life Malaysia at www.sunlifemalaysia.com today for details.