

# How to Implement an ESOP

Implementing an ESOP is a lot like putting an addition on your home.

## 1 Gather Information

Key information must be obtained when considering an ESOP. A preliminary review of this information can help you clarify your financial and other objectives.

- ✓ Succession plan priorities and goals of the selling owner(s)
- ✓ Alternatives to an ESOP and the pros and cons of each
- ✓ Historical and projected financial results of the company

## 2 Determine if an ESOP is Right for You



In some situations, a preliminary review may determine that an ESOP is not suitable. SES ESOP Strategies can assist owners in finding the best non-ESOP structure to fit their unique situations.

## 3 Create Your ESOP Floorplans

If an ESOP is the best choice for accomplishing the objectives, we examine the size, structure and financing terms, among other areas, to ensure the feasibility of a successful transaction. This analysis will model how the ESOP will impact the company, the selling owners and the employees.

90%

- Company stock value
- Financing options
- Debt capacity analysis

Over 90% of companies that go through Step 3 with SES ESOP Strategies implement an ESOP.

## 4 Construct Your ESOP

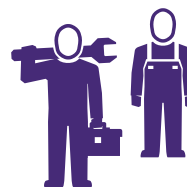
Once the company and its owners determine the appropriate ESOP structure, the implementation stage begins.

**A team of professionals is engaged to complete the sale of stock to the ESOP in compliance with IRS/DOL regulatory requirements.**



## 5 Ongoing Upkeep and Maintenance

Stevens & Lee, SES ESOP Strategies' affiliated law firm, provides legal services to maintain the qualified status of the ESOP, and a third-party administration team provides annual plan record keeping and administration services.



SES ESOP Strategies, together with our affiliated law firm, Stevens & Lee, and investment bank, Griffin Financial Group, has one of the largest core groups of multidisciplinary ESOP professionals in the country.

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