

# What is the “LIFE CYCLE” of Business?

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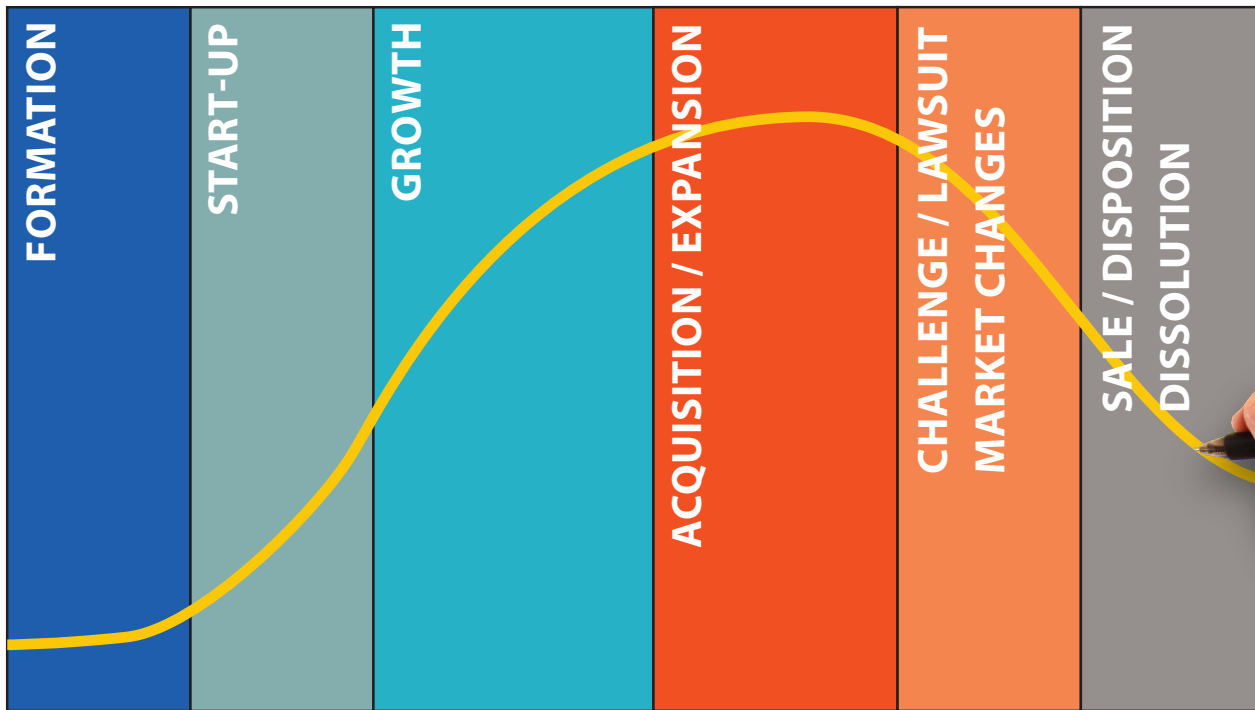


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**AB ALLEN • BARRON** INC.  
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# Business Life Cycle



*What is the “Life Cycle” of a business?*

*What is the purpose or strategy of starting*

*or acquiring a new business and what do you plan to accomplish?*

Every business or corporation has a Life Cycle.

The steps in the Life Cycle of any business include:

- Formation
- Start-up
- Growth
- Acquisition / Expansion
- Challenge / Lawsuit / Market Changes
- Sale / Disposition / Dissolution

Where is your company within its own Life Cycle? What strategies, investment and action must be taken to take it to the next level? There are many stages in the Life Cycle of any business and Allen Barron is uniquely positioned to serve LLCs and corporations at every step along the way.

# A Single Source Business Partner Based in San Diego

**ALLEN BARRON** provides extensive domestic and international business experience and expertise to support your company as you navigate each step of this Life Cycle. Our business advisory services group is led by Richard Barron who has served as CEO for many closely-held and publicly traded companies and as the Director of Manufacturing Operations for Northern Telecom. He contributes extensive experience and expertise to local, regional, national and international business owners and their management teams. The business advisory group works with our clients to get to the root of challenges facing your business, while offering a palette of solutions to accomplish your goals.

**JANATHAN ALLEN** heads the legal, accounting and tax divisions of Allen Barron. She is a seasoned tax attorney and CPA who represents clients before federal, state and local agencies including the IRS, FTB, Commissioner of Labor, US Department of Labor, BOE and EDD. Allen Barron helps clients to develop and execute sound strategy and operational efficiency. We are a single source business, legal, tax and accounting firm here in San Diego providing proven business expertise in challenging times for domestic and international business clients.

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# IT BEGINS

## With a Sound Business Strategy

In a recent CNN story, it was noted that the failure rate of California's small to mid-sized businesses is 69% higher than the national average. That is a staggering thought. The national average for business failure is almost 75% within 3 years. The primary focus of any business owner or management team, especially in a young LLC or corporation, should be: "What actions can I take to ensure that we are in the small percentage that survive and prosper?"

A successful business is based upon sound strategy. There are basically two types of strategy that guide most area businesses:

**DEFINED STRATEGY** – A proactive well-conceived and executed plan that generates measurable results which inform decisions and natural modifications along the way.

**DEFAULT STRATEGY** – usually a reactionary pattern one "falls into" when there is no defined plan for where you are going or what you intend to accomplish.

The Business Advisory, legal and tax professionals at Allen Barron help you to ask the right questions. We keep your mind focused upon the principal tasks at hand, the information that you will need to make important decisions, as well as the processes and systems that must be in place to ensure business prosperity. We help you to develop actionable measurable plans to help ensure success no matter where you are in your company's Life Cycle.

The development, modification, implementation and measurement of effective business strategy is an ongoing part of any thriving business.



# OPERATIONS ARE THE ENGINE to Execute a Sound Business Strategy

It doesn't matter if you are a small business or a mid-size corporation, the operational aspects of your business will lay the foundation for the success or failure of your company. Operations encompass many aspects of any business including:

- Management / C-Level Executives
- Employees / Independent Contractors / HR
- Accounting and IT Systems and Processes
- Contracts and Legal Services / Compliance
- Tax (Company Returns, Payroll, Sales & Use)
- Supply Chain Management / Vendors
- Production / Provision of Goods & Services
- Customer Relations

Each aspect of your company's operations should have its own sub-systems, data and information collection processes that feed real-time insight

into every aspect of your business. The executive "dashboard" should efficiently identify those areas that are functioning well, and the issues that require attention. The information gathered informs management decisions and strategic planning.

We help you to implement initial operational controls over every aspect of your company which are scalable as the business grows and prospers. Even a one-person operation is responsible for capturing transactional details and financial data that will be used to create financial statements and tax returns. Allen Barron works with businesses of all sizes to tailor operational processes and systems that free you from the hassles of accounting and tax issues while reducing taxes and increasing profitability.





# Business Formation and Start Up

Business formation involves some of the most important decisions an entrepreneur or business owner will make. How will your new company be structured? Will it be an LLC, S-Corporation or C-Corporation? Would a California Professional Corporation or PC be the best choice for your organization?

Business formation is much more than registering with the Secretary of State and filing a few pieces of paperwork. Your corporate documents including the operating agreement and by-laws should be carefully crafted based upon the unique circumstances surrounding your new enterprise.

- What are your intentions for your company?
- Will you build it, and then sell it?
- Do you intend to pass it on to your heirs?
- Will the company be a multi-state or multi-national concern or simply "You, Incorporated?"
- What are the specific responsibilities of the owners and what happens in the event of a death, incapacitation, divorce, personal bankruptcy or other major event in the personal life of one of the owners?

We advise on all aspects of business formation and help you to get your new company up and running in a cost-effective manner, while providing the protections needed to protect your company and help it to grow.



# GROWTH: The First Few Years of Business

Once your company is established and operational the first few years are crucial to long term success. During this time you are refining the process for delivering goods and services. You are searching for ways to increase new business while reducing existing costs and overhead.

This is also a time when new employees join the team and your company assumes many new responsibilities and tools including but not limited to:

- Payroll and accounting
- Corporate Policies and Procedures
- Employee Handbook
- Employment Agreements
- Trade Secret and Non-Disclosure Agreements
- Hiring, Disciplinary Procedures and Termination Policies

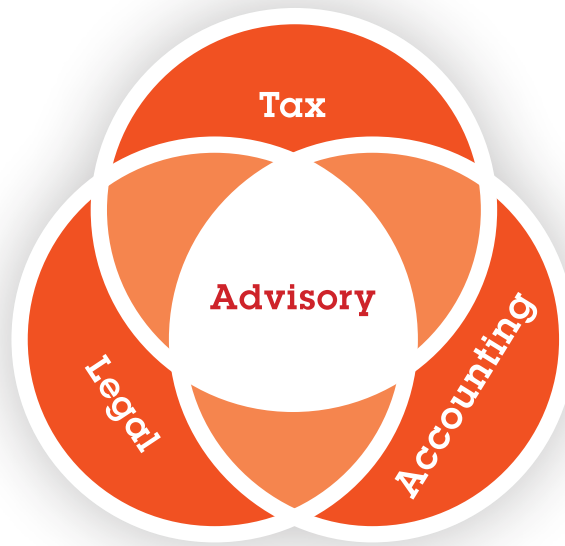
## Primary Reasons for Business Failure:

- Failure to Plan
- Absence of Measures / Metrics
- Failure to Forecast / Predict / Recognize / React to Market Changes
- Lack of Genuine Long Term Business Opportunity

You will need business contracts for everything from your relationships with vendors to the agreements between your business and its customers. More than anything, you will need trustworthy business advice and counsel to help you avoid the pitfalls that cause other companies to fail.

Allen Barron provides all of these services while leveraging economies of scale to reduce costs. Our Business Advisory Team adds the experience and sound counsel informed by decades of successfully running businesses just like yours.





- **What is the Life Cycle of a Business?**
- **What are the Reasons for Most Business Failure?**
- **How does Business Strategy Inform Every Decision?**
- **How can Allen Barron Improve Your Success at Each Step in the Business Life Cycle?**



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