

## Your Competition Wants Your Best Employee



As a small business owner, you know that your employees are your greatest asset. In particular, your top performers – the ones who generate the most revenue, innovate your processes, and lead your team – are invaluable to your success. But here’s a sobering truth: your competition knows this too. They would love nothing more than to lure your best employee away from you with promises of higher pay, better benefits, or a more enticing career path.

So, how do you protect your business and retain your most valuable team members? The answer may lie in key-person coverage and other strategies collectively known as “Golden Handcuffs.”

### What is Key-Person Coverage?

Key-person coverage is a life insurance policy designed to protect your business against the financial loss that would occur if a critical employee were to leave, become disabled, or pass away unexpectedly. It ensures that the business has the resources to recover, recruit, and train a replacement, or even buy time to reorganize.

But key-person coverage isn’t just about mitigating loss; it can also serve as a retention tool. When paired with creative compensation packages, this type of

coverage sends a strong message to your star employees: “We value you, and we’re willing to invest in your future to keep you here.”

## How Do Golden Handcuffs Work?

“Golden Handcuffs” is a term for any financial incentive that encourages employees to stay with your business long-term. It could include deferred compensation, stock options, bonuses, or a supplemental retirement plan. When structured thoughtfully, these benefits are designed to vest over time, meaning employees must remain with your company for a set period to reap the full rewards.

For example, let’s say you use a strategy like Kai-Zen, which we at Professional Planning Services have successfully implemented for our clients. Kai-Zen combines premium financing with high-value life insurance policies to create substantial benefits for key employees at a fraction of the cost. Employees receive access to long-term financial security and enhanced benefits, while you, the business owner, create a powerful incentive for them to stay.

## Why Should You Invest in Key-Person Strategies?

1. **Retain Top Talent:** By offering unique and valuable benefits, you make it difficult for competitors to poach your best employees.
2. **Enhance Morale:** Key employees will feel valued and appreciated, fostering loyalty and commitment.
3. **Mitigate Business Risk:** If a key employee leaves unexpectedly, you’ll have financial resources to soften the blow.
4. **Attract Top Talent:** These benefits make your company more appealing to high-performing candidates when you’re hiring.

## How We Can Help

At Professional Planning Services, we understand the unique challenges small business owners face. We’ve helped numerous companies implement key-person strategies using innovative tools. By working with us, you can:

- Identify the key employees critical to your success.
- Develop a customized plan to retain them long-term.
- Protect your business from the financial fallout of losing a top performer.

Don’t wait for your competition to make the first move. Secure your team and your business’s future today with key-person coverage and Golden Handcuffs.

Contact us at Professional Planning Services to explore how we can help you safeguard your most valuable asset: your people.

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