

How Business Owners Can Turn Business Success into Personal Wealth

For founders, MDs and business owners who are beginning to think beyond growth and want greater clarity around long-term security, flexibility and independence.



Where the real conversation starts

Most business owners we talk to are doing well - the business is growing, income is solid and things feel broadly on track - so far, so good.

But at some point, a different kind of question tends to show up. Not about your business itself, but about what your business is actually building towards.

Because here's something you might not realise: business value and personal wealth aren't the same thing. Most of what you've built lives inside the company. It's real, but you can't easily get to it, it's concentrated in one place and it depends on things continuing to go well.

How you pay yourself, what stays in the business, how your pension is set up, and what you hold personally are all interconnected, but most business owners end up making those decisions separately without connecting the dots!

That's where the gaps arrive.

Fortunately, the levers are already available to you. It's mostly just about using them with a little more intention.

4 levers business owners can use to build personal wealth

The goal isn't to take money out unnecessarily or slow growth down. It's to make sure the decisions you're already making are working together.



Lever 1: How you take income

Most business owners default to a salary and dividend mix based on what's tax-efficient in the current year. That's a reasonable starting point, but it's rarely the whole picture.

Taking income more deliberately, thinking about how much you need personally, how much stays in the business, and how that balance shifts over time, is often where the opportunities are. A small adjustment to how profits are extracted, sustained over several years, can meaningfully change the personal wealth picture without touching growth.

The following examples are illustrative only and do not represent typical or guaranteed outcomes. Individual results will depend on personal circumstances, tax treatment, investment performance and any changes to legislation.

***In practice:** for an owner taking £100k per year, restructuring the salary and dividend split alongside pension contributions is often worth exploring, the right balance will depend on individual circumstances, but the exercise frequently reveals opportunities that a purely tax-led approach misses.*



Lever 2: Pension funding alongside the business

A pension is one of the most tax-efficient ways you can build personal wealth, but it only works if it's used with a plan rather than as an annual tax decision.

Company pension contributions can reduce taxable profits where they meet HMRC's rules on business purpose, and the estate planning treatment of pensions is changing from April 2027, which makes pension funding an increasingly important part of wider retirement and legacy planning, not just an annual tax decision.

***In practice:** a business contributing consistently into a director's pension, subject to annual allowance rules, over ten years builds a personal asset, one that has never depended on the business being sold, and that exists regardless of what a future exit looks like.*



Lever 3: Assets outside the business

Your business is likely both your largest asset and your primary source of income. That's a significant concentration of risk in one place.

Building personal investments alongside the business, even modestly and gradually, means your financial position doesn't rest entirely on continued performance or a future sale going to plan. It creates options that are available now, not at an exit event that may be years away and may look nothing like you currently expect.

***In practice:** an owner who gradually builds an investment portfolio over ten years begins to build personal liquidity outside the business, one that provides genuine flexibility regardless of what happens to the business.*



Lever 4: Planning around a future exit or transition

Most business owners think about exit planning too late, often when a transaction is already in motion. By then, some of the most valuable planning opportunities have already closed.

The structure of your business, how ownership is held, and how profits have been managed all affect what you walk away with. Planning for an eventual transition, even if it's years away and the form it takes is unclear, gives you far more control over the outcome.

***In practice:** an owner who spends three years restructuring before a sale, potentially benefiting from available reliefs, where eligibility conditions are met, and managing the timing of income carefully, may retain more of the proceeds than one who begins planning once a buyer is at the table.*

You don't have a problem – you have a gap

A gap between what you've built and what you can actually access, use and rely on independently of the business.

Left unaddressed, that gap tends to pop up at the most inconvenient of moments.

A health scare that forces a decision you didn't plan for, a sale that doesn't go the way it was supposed to, a rough patch in the business with nothing outside it to fall back on, or an exit that finally happens but delivers less than expected because the planning started too late.

None of that is inevitable, but these are issues that many business owners don't consider until they're much closer to a significant life event or business transition.

So, honestly, where do you stand?

Here's a few questions worth sitting with:

1. How much of my wealth exists outside the business, in a form I could actually access today?
2. What would happen to my personal finances if the business changed unexpectedly, through illness, a difficult trading period, or a change in circumstances?
3. Of the four levers, which am I using deliberately and which am I leaving to chance?
4. Am I building personal financial flexibility alongside business value, or assuming one will follow from the other?

Working with IFP

The conversations we have with people just like you, who run their own business, rarely start with a crisis.

They usually start with a version of the questions above, a growing sense that the different parts of their finances aren't quite working together and a desire to get a clearer picture before decisions get made by default.

Some of the people we work with are just beginning to think about this stuff seriously. Others have been running successful businesses for twenty years and are starting to think about what comes next. Most are somewhere in between, doing well, but with a nagging feeling that their personal finances haven't quite kept pace with their business.

Wherever you are in that journey, the conversation is usually the same. What have you got? What do you want it to do? And is what you're doing today actually pointing in that direction?

If this has prompted something worth exploring, we'd love to have a chat.

01482 219325
informedfinancialplanning.co.uk

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