



5 Financial Systems

Every Founder Between \$5M–\$50M Needs to Install

You've built an incredible business — but most founders outside the business have accounts scattered everywhere, idle cash, and a retirement plan that hasn't been reviewed in years. Without structure, money leaks through taxes, bad investments, and poor decisions. These 5 systems close the leaks.

01	02	03	04	05
Liquidity	Tax Planning	Risk Mgmt	Investment	Legacy

millswealthadvisors.com

"Founders in this range don't have money problems — they have systems problems. When there's no structure, money leaks: through taxes, bad investments, and poor financial decisions."

01

LIQUIDITY SYSTEM

Have the right money, in the right place, at the right time.

Most owners keep too much cash inside the company — exposing it to liability — or too little personally, forcing investment sales at the worst moments.

Operating Cash: What the company needs monthly. Not too little (forced borrowing), not too much (excess liability exposure).

Personal Reserves: ~3 months of living expenses held outside the business.

Tax Reserves: Funds set aside throughout the year so April is never a surprise.

Opportunity Capital: Ready cash to move on the right deal immediately — without selling other investments at the wrong time.

ACTION CHECKLIST

- **Define 4 cash buckets**

Set explicit target balances for each and review quarterly.

- **Move excess from company**

Only operating cash stays in the entity — distribute the rest.

- **Automate transfers**

Set up recurring transfers on payroll/distribution cycles.

- **Review quarterly**

Adjust targets as revenue and personal expenses change.

REAL-WORLD**EXAMPLE**

A client needed cash urgently and feared he'd have to sell investments at a loss. Because his liquidity system had a funded personal reserve bucket, his advisor transferred the money immediately — no market timing, no stress, no borrowing from family.

02

TAX PLANNING SYSTEM

Keep more of your money — this year and every year of your lifetime.

Most business owners think about taxes once a year in March — far too late. A tax planning system means quarterly reviews and lifetime optimization.

Team coordination: CPA, attorney, and financial advisor must be aligned. Siloed advisors cost you money.

Quarterly projections: Verify your tax reserve bucket is correctly sized each quarter. Adjust estimated payments before surprises happen.

Account diversification: Balance pre-tax (401k/IRA), Roth, and taxable accounts for maximum flexibility in retirement.

Event sequencing: Never sell your business and other major assets in the same tax year. Plan the sequence 2–3 years in advance.

ACTION CHECKLIST

- **Quarterly tax reviews**

Meet with your CPA quarterly — not just at year-end.

- **Coordinate your team**

CPA, attorney, and advisor communicate directly.

- **Assess Roth balance**

Heavy in pre-tax? Start shifting new contributions to Roth.

- **Model your exit**

Run projections 2–3 years before a planned business sale.

REAL-WORLD**EXAMPLE**

A client had \$3–4M in a traditional 401(k) and didn't need more pre-tax savings. Redirecting new contributions to a Roth 401(k) wasn't better that year — but it was far better for lifetime tax efficiency and passing wealth to his children tax-free.

03

RISK MANAGEMENT SYSTEM

Protect your wealth no matter what happens around you.

Liability, lawsuits, accidents, or health crises can wipe out decades of wealth. The Risk Management System closes the gaps before they become catastrophic.

Corporate veil discipline: Large cash balances inside the operating entity undermine your LLC protection. Distribute regularly.

Umbrella insurance: A single policy layered above your auto, home, and other policies. Most business owners skip this — a costly mistake.

High limits + high deductibles: Higher deductibles lower premiums; higher limits ensure full coverage on large claims. Maximize UM/UIM coverage.

Estate planning and trusts: Work with an estate attorney to protect your family and business assets with the right trust structure.

ACTION CHECKLIST

■ **Audit business cash**

Cash > 1–2 months of expenses? Distribute the excess.

■ **Add umbrella policy**

Layer it above all underlying policies with no gaps.

■ **Raise limits & deductibles**

Maximize UM/UIM limits on every auto policy.

■ **Review estate documents**

Trusts, beneficiaries, and succession docs current?

REAL-WORLD

EXAMPLE

A client faced a massive claim from an accident on his farm. Because he had a high-deductible umbrella with high limits, nothing came out of pocket. A PI attorney confirmed: high UM/UIM limits consistently produce better outcomes even when you're not at fault.

04

INVESTMENT SYSTEM

Invest with a framework and purpose — not based on headlines or hunches.

Business owners often neglect their investment portfolio because the company is their primary asset. That's a mistake — especially as you approach a sale.

Allocation framework: Roughly one-third in equities, one-third in real estate, and one-third in reserves. Translate this into a personal allocation across stocks, bonds, real estate, and alternatives.

Match assets to expenses: Short-term needs (1–3 years) go in conservative assets. Only money you won't touch for 5+ years belongs in aggressive growth.

Volatility playbook: Decide in advance what you do if markets drop 20%. A written plan prevents panic-driven decisions at the worst possible moment.

ACTION CHECKLIST

■ **Write your investment policy**

Document target allocation, risk tolerance, rebalancing rules.

■ **Separate short/long-term**

Fund near-term needs conservatively; invest long-term aggressively.

■ **Diversify asset classes**

Equities, fixed income, real estate, alternatives — in proportion.

■ **Build a volatility playbook**

What's your plan if markets fall 10%, 20%, 30%?

REAL-WORLD

EXAMPLE

A client was 'diversified' across dozens of stocks with no coherent strategy — overlapping exposures and no rebalancing rules. After building a written investment policy her portfolio became cohesive and matched her actual timeline and goals.

05

LEGACY SYSTEM

Make sure your wealth outlasts you — for generations.

The Vanderbilts were wealthier than the Rockefellers — yet the Rockefeller family still thrives today while the Vanderbilt fortune is largely gone. The difference: a legacy system.

The What: Wills, trusts, beneficiary designations, and succession plans that legally direct where assets go.

The How: Governance guidelines for how inherited assets should be managed, invested, and distributed across generations.

The Why: The most overlooked layer. Future generations must understand the values behind the wealth. Without the why, even the best trust structure fails.

Families that teach the why consistently produce heirs who grow the wealth further. Those who only hand over legal documents see it gone in 2–3 generations.

ACTION CHECKLIST

■ **Update estate documents**

Wills, trusts, and all beneficiary designations current?

■ **Choose the right trust**

Match trust type to your family's specific goals.

■ **Document the 'why'**

Write a family mission statement or letter of intent.

■ **Prepare next generation**

Ongoing conversations about money, values, and responsibility.

REAL-WORLD

EXAMPLE

Clients who explain why they structured their estate as they did — the values, not just the mechanics — consistently produce heirs who amplify the wealth. Those who hand over only documents see it gone within two or three generations.

01 Liquidity

Right money, right place,
right time

02 Tax Planning

Year-round strategy, lifetime
optimization

03 Risk Mgmt

Protected no matter what
happens

04 Investments

Framework-driven,
allocation-matched

05 Legacy

Wealth with purpose, across
generations

Ready to install these 5 financial systems? Schedule a complimentary review and let's assess where your financial architecture stands today.

[Schedule a Call](#)