USING A PERFORMANCE UNITS PLAN AS A RETENTION TOOL

Help keep your best people through the transition that matters most.

If you're approaching a sale or a generational handoff, your company's value walks out the door every evening. Buyers and successors pay for a business that can run without you — and that depends on the leaders you've spent years developing. A **Performance Units Plan** is a form of **phantom stock**: it gives those key people a powerful, growing reason to stay through the transition, paid in cash and tied to the very value you're working to maximize — with no equity transferred.

HYPOTHETICAL EXAMPLE

Built to survive the handoff

A family-owned manufacturer was transferring ownership to its third generation. The leaders driving the company's growth were exactly the people a successor — or an outside buyer — could not afford to lose during the handoff.

EBS designed a Performance Units Plan that vested over time and paid out down the road, tying those key leaders' wealth to the rising value of the business and giving them a concrete reason to stay through the transition. Ownership changed hands on schedule — with the leadership bench intact and helping to protect the company's value.

How a PUP retains your key people

01 Golden handcuffs, by design

Awards vest over a period you choose and pay out down the road. The value a key person forfeits by leaving grows with every year they stay.

02 Tied to the number a buyer pays for

Unit value tracks rolling three-year adjusted EBITDA — a metric that may drive your sale price. Your key people are now working to grow exactly what you're trying to maximize.

03 Helps protect your deal value

A buyer may pay more for a business whose leadership is motivated to stay through the transition. A PUP may help support transition planning.

04 Funded, no surprises in diligence

EBS models the liability and a funding approach up front, so the plan is a known, controlled commitment — not a question mark that surfaces during due diligence.

Approaching a sale or succession?

Make sure your best people are there to see it through.
Call either of our offices below — a short conversation is enough to know if it's a fit.

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Performance Units Plans are a form of nonqualified deferred compensation and are not equity ownership interests in the company. Such arrangements may be subject to ERISA, Internal Revenue Code Section 409A, and other legal, tax, accounting, and regulatory requirements depending on plan design. Companies should consult their legal, tax, and other professional advisors before implementing any plan.

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