

Succession and Transition Program

The Succession and Transition Program provides current and future business owners with an effective method of transitioning business ownership (and ultimately ensures your business is worth more) when it comes time to sell.



THE SUCCESSION & TRANSITION PROGRAM ACHIEVES 3 KEY OUTCOMES

1. To provide exiting owners with an effective sell down of equity, taking into account timing, price and lifestyle considerations
2. To provide new owners the opportunity to buy in to the business on a structured basis that minimises their risk whilst maximising their opportunities
3. Ensuring that the business transitions to its next phase in a seamless fashion

A risk that many business owners take is ignoring succession planning until it's too late. Prevention is the best cure. The best time to start planning for succession is when you buy or start your business.

Every business will undergo a change of ownership at some stage. If it isn't planned, then it will be imposed on you by a triggering event such as ill health, partnership dispute, key staff or major clients leaving, or a sudden realisation that this is not what you want to be doing anymore. This will result in an unstructured disposal of the business and loss of opportunity as a seller.



ACCOUNTANTS AND
BUSINESS ADVISORS

Succession and Transition Program

THE 6 STEP PROCESS

STEP 1.	Assess the current value of the business by conducting a Business Valuation Assessment.
STEP 2.	Educate the current business owner about what is involved in transitioning ownership.
STEP 3.	Document owner's vision, details of the process, likely timelines and the involvement required from current and future owners (conduct a Business Life Plan).
STEP 4.	Develop the business transition strategy which includes considerations such as: <ul style="list-style-type: none">▪ Agreeing price and business value methodology▪ Timing of equity sell down▪ Funding of buy in▪ Joint assessment of the business's SWOT▪ Roles and responsibilities▪ Remuneration and incentive structure▪ Business model▪ Growth strategy▪ Governance▪ Terms of shareholder agreements and other documents▪ Goals and action plans
STEP 5.	Offer or assist in obtaining tax, legal and estate planning advice.
STEP 6.	Provide ongoing support.

THE BENEFITS OF EARLY IMPLEMENTATION OF THE SUCCESSION & TRANSITION PROGRAM

1. You are able to leave on your terms and in a time period of your choosing without the decision being imposed on you
2. Able to determine if there is a business value gap
3. Weaknesses in the business are able to be identified and the necessary changes implemented to improve the bottom line, ensuring your business is worth more when it comes time to sell
4. Use benchmarking as a value driver
5. Realise that growth will help meet sale expectations
6. Learn to manage risk events
7. Protect yourself with correctly written shareholder agreements
8. Implement a transition program which will educate, align strategies and provide advice and support to new owners
9. Achieve life balance
10. Assess and confirm preferred exit option
11. Choice of business involvement post succession