



## THE IMPORTANCE OF SUCCESSION PLANNING

Succession planning involves a road map to smoothly transition a business from the existing owner to a new owner, whilst simultaneously maintaining the performance of the business.

A good succession plan will help your business transition smoothly to the new owner. By planning your exit strategy early, a business owner can maximise the value of the business in order to meet future needs.

Succession planning is not something that should only be thought about when the owner is inching closer to retirement, but should be an ongoing process. Ideally succession planning should commence years ahead of time. Unexpected events such as a serious illness or death of the business owner, have the potential to put the future of the business at stake. As such, having a succession plan drawn up and ready, can help the business survive through such testing times.

A few considerations as a part of succession planning include:

- Consideration of the groups operating structure. Is it the most effective structure from a future saleability point of view?
- Are the buy-sell agreements, wills, shareholders agreements, insurance covers etc. still current and appropriate?
- What is the current value of the business? Has a recent business valuation been undertaken?
- What are the taxation implications of sale/transfer of business?
- In a family owned business, is there training for family members so they understand the responsibilities of being a business owner?
- Are there personal guarantees provided by the current business owners?

At Williams Hall Chadwick we adopt a collaborative approach involving your trusted business advisors including legal advisors, financial planners and lenders, to develop a succession plan that is achievable and realistic and helps maximise the value of the business.

If you would like to have a discussion with us about the development of a succession strategy for your business, please contact Williams Hall Chadwick for assistance.