



South Coast

Business Succession Planning:
What Everyone Needs To Know

Presentation Overview

- **Who Benefits From Successful Business Succession**
- **What is “Good” Business Succession Planning**
- **Why Plan For Selling, Retiring, and/or Transfer**
- **When to Plan For Business Succession**
- **How to Plan For “Successful” Business Succession**
- **Resources and Guides To Help**

Who Benefits From Successful Business Succession

- Business Owner (And Family Unit)
- Business Purchaser, Assumer (Family/Manager)
- Employees and Their Family Units (workforce)
- Suppliers, Customers, and Competitors (why?)
- Community (Service/Goods, Tax Base, etc.)
- Complementary Businesses and Opportunities
- Two Retired Gentleman Yarning On The Wharf



What is “Good”

Business Succession Planning

- Having A Plan or Possible Plans “In Advance”
- Know Your Business Takeover Market
- Consider Possible Alternatives To Exit The Business
- Focus On Valuation And Facilitation of Takeover
- Ensure Potential Wrinkles Are Handled in Advance
- Seek Professional Guidance (Financial and Legal)
- A “Bonus” Is To Always Know Your End Goal



Why Plan For **Selling, Retiring, and/or Transfer**

- Ultimately, To Get Out Of Business On Your Terms
- Maximize Financial and/or Personal Satisfaction
- Ensure Business Continuation (Legacy, Service, etc.)
- Reduce Stress and Avoid Taking Wrong Direction
- Get The Best Timing For You, The Business, etc.
- Keep The Business An Asset and Not A Liability
- Know When To Hold Them and When To Fold Them

When to Plan For Business Succession

- The First Day In Business Is Not Too Early
- At Least A Few Years, Five or More Better
- Overall Succession Timing May Depend On:
 - Overall Business, Financial, and/or Market Environment
 - Type of Succession Option(s) Explored/Chosen
 - Grooming Process of Successor (Family, Key Employee)
 - Transitional Phases (When No Other Alternative)
 - Personal Circumstances (Last But Not Least)

How to Plan For “Successful” Business Succession

- Appropriate Physical Maintenance and Upgrades
- Review Of Financials and Adjust Plans Accordingly
- Plan Carefully At Critical Crossroads/Opportunities
- Know The Lending Environment/Requirements
- Manage Relationships Employees, Customers, Vendors, etc.
- Review Possible Post Succession Plans
- Seek Professional Guidance (Financial and Legal)



Resources and Guides To Help

- Canada Business Network:

<http://www.canadabusiness.ca/eng/page/2819/>

- Canada Business Development Bank:

http://www.bdc.ca/EN/advice_centre/

- Atlantic CBDCs:

<http://www.businessatlantic.ca/>

Conclusion

- Everyone Has A Stake In Small Business Succession
- “Good” Succession Planning is Just That – “Planning”
- Business Succession Planning is “Win-Win” For Everyone
- It Is Never Too Early To Start Planning...Often It Is Too late
- The Simple Things Make All the Difference
- There’s Lots Of Resources Available ...Worth The Time