

Business Succession Planning Checklist

1) Define Succession Goals & Vision

- Outline the company's long-term objectives (e.g., growth, stability, family involvement).
- Identify values and principles to guide the succession plan.
- Determine whether the business will stay family-owned, go to external parties, or explore other ownership models.

2) Identify Key Roles and Candidates

- List essential leadership and operational roles to ensure business continuity.
- Assess potential internal successors (family members, employees) and external candidates.
- Evaluate each candidate's skills, experience, and suitability for future roles.

3) Develop a Leadership Transition Plan

- Define the timeline for the current leadership's exit and transition phases.
- Identify necessary training and development to prepare successors for their roles.
- Create a mentoring or shadowing programme to support successors' development.

4) Legal & Financial Considerations

- Review and update ownership structures, partnership agreements, and corporate bylaws.
- Set up or update shareholders' agreements to outline share transfers and voting rights.
- Arrange wills and estate planning to ensure smooth transfer of ownership.

5) Tax Strategy and Financial Planning

- Consult with financial advisors to explore tax-efficient transfer methods (e.g., gifting shares, trusts).
- Plan for inheritance tax, capital gains tax, and other potential liabilities.
- Review the business's cash flow and financial health to support a smooth transition.

6) Communication & Stakeholder Engagement

- Hold meetings with stakeholders (family members, board, key employees) to discuss the plan.
- Develop a communication strategy to keep employees informed and minimise uncertainty.
- Create clear documentation of roles, responsibilities, and authority levels within the plan.

7) Contingency Planning

- Identify potential risks (e.g., illness, departure of key personnel) and establish backup plans.
- Create a risk management strategy for unexpected events.
- Develop an emergency action plan to ensure business continuity.




8) Prepare a Financial and Operational Roadmap

- Outline a roadmap for the company's future operations under new leadership.
- Ensure financial plans and budgets align with the succession goals.
- Set clear KPIs and milestones to monitor progress and assess performance.

9) Implementation and Review Schedule

- Formalise the succession plan and communicate it to key stakeholders.
- Set a timeline for periodic reviews of the succession plan.
- Schedule regular updates with legal, financial, and business advisors to adapt the plan as needed.

Final Tips For Success

-  **Stay Flexible:** Regularly review the plan to accommodate changes in business goals or family dynamics.
-  **Engage Advisors:** Seek guidance from accountants, tax advisors, and legal professionals throughout the process.
-  **Document Everything:** Keep all plans, agreements, and processes clearly documented for easy reference.