

5 STEPS IN SUCCESSION PLANNING

USING 10 SLIDES IN LESS THAN 15 MINUTES

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5 STEPS

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1. Why now?
 2. Why have you been successful?
 3. Why do you want to continue?
 4. What roles can family members have in future?
 5. How do you get organised?

WHY NOW? - THE TRIGGER

1. What events have occurred or are about to occur in the family, the business or the outside world
2. Don't ignore the build up of pressure
3. Are the key stakeholders ready – succession means change for the current Owners, wider Family, the Business and Individuals **EVERYTHING IS CONNECTED**
4. Get up to date information from the family business world
5. Who will be involved in the planning?

WHY HAVE YOU BEEN SUCCESSFUL?

If you are successful, you are already doing a lot of things right.

WHY HAVE YOU BEEN SUCCESSFUL?

Reflect on the following

1. Who is 'family' for the purpose of ownership
2. Who is 'family' for the purpose working in the business
3. Is family leadership of the business important or are non-family included?
4. Does the business reflect family values?
5. How viable is it to move forward by adapting what you are doing?

WHY DO YOU WANT TO CONTINUE?

Be very, very sure that the family want to continue being in business together

1. Overall economic return – income and growth
2. Providing careers for family
3. Attachment to a place or a type of business activity
4. A way of keeping the family together
5. Family status and reputation as business owners and employers

FUTURE ROLES OF FAMILY

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1. Entrepreneurial leaders
 2. Manage what we've got
 3. Oversee and monitor the business leaders
 4. Investors who focus on the financial return above all else
 5. What talent do you have in your gene pool (the gap between what you would like and what the family is capable of becoming)

HOW DO YOU GET ORGANISED?

1. Clear policies on ownership – who can be an owner, ROI, information
2. Balance of power between owners and board of directors
3. Employment of family members
4. Owners Council and/or Family Council (ownership, family and corporate governance)
5. Written Family Constitution

5 TIPS

1. Give yourself sufficient time – ‘hurry slowly’
2. Involve the people who will be affected by the outcome
3. Seek practical consensus - *I don't necessarily agree with everything, but I don't disagree strongly enough with anything to disrupt the consensus*
4. Act with integrity and avoid putting up with something that you don't want
5. Be kind and compassionate – this is hard work for everyone

THANKS

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