



## Business Succession Planning Checklist

The Succession Planning Checklist is based upon the Business Succession Planning Model and is to be used in conjunction with the Model. For detailed information, refer directly to the Model.

### A. Goals and Objectives

- Identify need for succession plan
- Develop vision, goals and objectives
- Establish personal retirement goals
- Identify family/stakeholder goals
- Establish a team of professional advisors

### B. Decision Making

- Involve family members in the decision-making process
- Establish method for dispute resolution
- Communicate wishes to family/stakeholders

### C. Successor(s)

- Identify successor(s)
  - Ownership
  - Management
- Identify required training for successor(s)
- Provide training to build vision for the future of the business
- Provide support to successors

### D. Estate Planning

- Address taxation implications to the owner/business upon sale or transfer of ownership
- Develop an estate and personal financial plan for owner, spouse and succeeding generation
- Detail retirement income needs
- Provide for active/non-active family members

### E. Contingency Planning

- Identify potential problem areas
- Develop “What If” scenarios (action plans)

### F. Corporate Structure and Transfer Methods

- Transferred or sold to family members?
- Define roles and responsibilities for family members and key employees
- Fill key management positions
- Identify role(s) for retiring owner
- Restructure the business, if required
- Consult with professionals (lawyer, accountant, financier)

### G. Business Valuation

- Obtain professional input into determining a fair market value for the business
- Determine what is to be sold
- Consideration to: profitability, business location, inventory level, financing of buyout

### H. Exit Strategy

- Determine method of transfer
- Timeline for succession plan implementation
- Publish the Plan so that affected individuals are aware
- Communicate regularly with all affected parties

### I. Implementation/Followup

- Review the Plan regularly and update

Contact your local CF office for further assistance: 1.877.851.9997