



know where you stand

Mahony Horner Lawyers

Business and Personal Succession Planning

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AUSAE Compliance Symposium

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Introduction

- Regrets — I've had a few
- Critical to any business
- Start planning now
- A cautionary tale

Personal Succession Planning - Toolbox

- Enduring Powers of Attorney – a “no-brainer”
- Wills – We’re all going to die!!!
- Trusts
 - Family Charters/Memorandum of Wishes
 - Relationship Property Agreements

Business Succession Planning

- Plan for the future
- Needs versus objectives, strategy
- Challenges

Business Succession Planning

What is it?

- Assessing current and future needs, objectives
- Matching needs to capabilities
- Sale, promotion, retirement, resignation

Tip: combine financial planning, insurance arrangements, and personal asset and estate planning

Business Succession Planning

Challenges:

- Size
- Resources
- Employees

Business Succession Planning

Challenges (continued):

- No organisation training or development
- Poor communication
- Timing

Business Succession Planning

Overcoming challenges:

- Communication
- Training
- Preparation

Business Succession Planning

Options – who will succeed?

- Family
- Management Buy-Outs
- Mergers and Acquisitions
- Liquidation and Shutdown

How to Prepare Your Business for Sale

How to Prepare Your Business for Sale

Vendor Due Diligence

- Key advisors
- Image and profile
- Leases
- Customers/clients
- Staff
- Spending
- Business structure and governance
- Health and safety
- Confidentiality

How to Prepare Your Business for Sale

Key Advisors

- Lawyer
- Accountant
- Business broker

How to Prepare Your Business for Sale

Image and Profile

- Like selling a house
- How is the website looking?

How to Prepare Your Business for Sale

Leases

- Documentation
- Negotiation
- Key Information
 - NBS rating
 - Rent reviews
 - Outgoings
 - Expiry

How to Prepare Your Business for Sale

Customers and clients

- Can you produce a written contract?
- The value of a full appointment book
- Avoid surprises
- Protect yourself

How to Prepare Your Business for Sale

Staff

- Employee Retention
 - Incentives
 - Communication
- Employment Agreements

How to Prepare Your Business for Sale

Spending

- Trim the fat
- Funding sources

How to Prepare Your Business for Sale

Business Structure and Governance

- Shareholder consent to major transactions
- Efficient Management
- Compliance – minute book, share registry

How to Prepare Your Business for Sale

Other Aspects

- Health and Safety
- Confidentiality agreement

Talk to us!



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