know where you stand

Mahony Horner Lawyers
Business and Personal Succession Planning

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AuSAB 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!

know where you stand

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