

Business Succession Planning



Client Name

Date:

Critical Questions to Ask Yourself

Effective business succession planning is **extremely important** to your business. Getting it wrong will carry a high cost for you personally and for the value of your business.

Unfortunately, businesses can become paralysed by the unplanned and unexpected exit of a partner, substantial tax benefits on a sale of a business are missed due to poor structuring, and retirement plans are shattered due to much lower than expected business valuations or lack of potential exit strategies.

Here are some critical questions to ask yourself (and your business co-owner):

Question	Your Answer
1. How much do you believe your business to be worth if you were to sell it?	
2. How do you expect to realise the value of your business?	
3. Do you have a potential buyer in mind? Who is it?	
4. If you were to sell the business today, what access would you have to the Small Business Capital Gains Tax Concessions?	
5. Is the business totally reliant on the personal skills of you and/or your business Partner for its profits?	
6. Without you, is there actually a business to sell?	
7. If you were required to buy out your co-owner's share, what financial resource would you use?	
8. Does your current life and key person insurance policy/s cover the debts of the business?	
9. If you passed away suddenly, what role would your spouse and/or family want to play in the continuing operation of the business?	
10. Do you have a legally binding agreement in place with your co-owners that guarantees the fair and equitable treatment of your spouse and/or family, regardless of which options they choose?	
11. If your business Partner passed away suddenly, would you want to work with the inheriting relatives of your co-owner?	
12. At what age do you wish to retire?	
13. What annual income do you require when you have retired?	

The Next Step...

The key is to have a plan in place **BEFORE** an accident happens or a situation arises. In many cases, significant value is lost due to the lack of planning for the unexpected.

Please fax or e-mail this Questionnaire to the Brian or Matthew at Hern Financial Services for a Fixed-Fee quote for the preparation of a Business Succession Plan tailored to your circumstances.

Hern Financial Services

Fax: 08 8373 7129

e-mail: mcarberr@hern.com.au