



BUSINESS SUCCESSION

IN A BOX

A way to start engaging owners in the business succession discussion.



1.0 WHAT IS IT?

A process for accountants and other Advisors to follow with their clients when working through their Business Succession issues.

A system to provide some direction for clients with some certainty about cost, timing and process.



2.0 WHY DOES BUSINESS SUCCESSION PLANNING SEEM SO HARD?

FROM THE ACCOUNTANT'S PERSPECTIVE:

- » to date there has been no structured (but straightforward) all-encompassing process to lead clients through;
- » each client's circumstances are different, so it's difficult to use a 'one size fits all' model;
- » they find their clients:
 - » procrastinate;
 - » underestimate what's involved (usually because they have no idea);
 - » say they are too busy;
 - » even if they start the process, often stop or derail the process – often because of (probably unconscious) fears about who they'll be and what they'll do after they leave their business.

THE CLIENT'S PERSPECTIVE ON BUSINESS SUCCESSION PLANNING:

- » it's easier to ignore, keep the head in the sand;
- » thinking about leaving raises fears around identity and uncertainty about the future;
- » because there has been no clearly defined process, the client is being asked to 'open the cheque book' to their Advisors with no accurate idea about likely costs – which they're reluctant to do.



3.0 A NEW MODEL – BUSINESS SUCCESSION IN A BOX

This new approach overcomes the problems perceived by accountants and clients:

- » it adopts a structured yet flexible and easy to use process which engages the Advisor and client in a manner which gives the client ownership of the outcome;
- » it adopts a modular approach and so Advisors and clients can pick and choose the modules that suit them;
- » it follows a logical sequence;
- » most importantly for the client, the cost of each step in the process is agreed in advance;

- » at the end of the process, the accountant and client will have worked together to develop the client's Business Succession Plan. The accountant and client can then work together, with other Advisors as necessary, to determine the scope involved in implementing the Business Succession Plan, and thereby develop some certainty about the cost and timing of the process;
- » the process consists of sequential steps, to allow the client to become comfortable in the process, before committing to any significant expenditure.

An analogy would be -

Advisors walking their business owner clients to a swimming pool and asking them to just jump into the deep end. Many owners are not ready to take the plunge, don't know how cold or deep the water is, and so they just walk away. This process allows Advisors to walk owners to the shallow end of the pool and ask them to just put their foot on the first step, which slowly allows them to become acclimatised to the exit planning waters, feel comfortable, take more steps, and go deeper.



4.0 BENEFITS FOR ADVISORS

This proven process will benefit the Advisor's practice in a number of ways, including:

- » help clients break through the roadblocks preventing them from selling their businesses or retiring;
- » as a result, the clients are more likely to proceed, and therefore need your assistance with the Business Succession process;
- » this will result in increased revenue for your business – over and above normal recurring income;
- » strengthen your relationship with your clients and cement your position as their most trusted Advisor – if you don't help them with their Business Succession, someone else might!;
- » develop relationships with other Advisors in the Business Succession field.



5.0 WHAT'S INVOLVED?

Transition Planning Australia has developed a comprehensive package of material to make it as easy as possible for the Adviser to introduce their clients to, and get them started on, the business succession process. TPA offers full training so that advisors can be confident in taking their clients through the process to the extent they feel comfortable in doing so. The steps involved and resources available to advisers and their clients, are summarised in –

- » TPA's Business Succession in a Box Process Flowchart and
- » BSIAB list of resources.

These resources include –

- » introductory client seminars;
- » newsletters, blogs and social media marketing;
- » sample letters to clients

- » introductory videos - see below
- » Business Succession questionnaires and programs.



GUIDE FOR ADVISORS

A Guide for Advisors is available, to assist the Advisor to:

- » introduce the client to the concepts of Transition Planning;
- » explain why it is important for the client to plan for their life after business
- » encourage their clients to complete the Retirement Readiness Quiz, discussed further below; and
- » once the client has completed the Quiz, go through the client's responses to the Quiz and to provide some guidance on the issues and next steps for them.



INTRODUCTORY VIDEOS

Introductory videos are available for the Advisor's website and marketing, covering a range of issues:

- » start thinking about your Business Succession Planning;
- » successful and unsuccessful approaches to your business transition:
 - » defining a successful transition;
 - » what can prevent an owner from creating a successful transition process;
 - » examples of unsuccessful transition approaches;
 - » how to avoid unsuccessful transition approaches; and
 - » most importantly, what's required for a successful transition;
- » three myths about time:
 - » it's too early for me to think about leaving;
 - » it will take no time to sell my business; and
 - » I don't have time to plan;
- » what to expect during the business transition process;
- » why you need to plan – it won't just happen;
- » your Business Succession Plan and your Personal Transition Plan, and the importance of both; and
- » introduction to tax and legal structure issues.



RETIREMENT READINESS QUIZ

Clients can start by completing a free online quiz - 'Retirement Readiness Quiz' - to determine the business owner's readiness to:

- » start the Business Succession process; and
- » personally transition out of the business to the next stage of life (whether that be retirement or something else).

The quiz has been designed to get them thinking about business and personal transitions, and to identify whether the owner has ALL the necessary plans in place to exit their business and retire successfully.



CLIENT MEETING TOOLS

The client's answers to the RRQ generate a report which the client authorises TPA to send to the Advisor, so that the Advisor can discuss the client's answers with them. TPA has developed the following to help facilitate that meeting (in addition to the comprehensive guidance provided in the Guide for Advisors referred to above) –

- » Client Meeting Guide
- » pre-meeting preparation notes for the Advisor
- » RRQ Issues Matrix, and
- » Client Meeting with Advisor Worksheet.

These worksheets:

- » provide a simple mechanism for advisors to identify where the client has issues in their Personal and Business Transition Planning
- » help clients understand the issues and, more importantly, the consequences (personally, financially and for the business) of not adequately addressing these issues in a timely manner
- » focus the client on the benefits of completing their business and personal transition planning, and
- » identify a way forward for the client to undertake their business and personal transition planning in conjunction with their team of advisors.



INTRODUCTORY PROGRAM – 'WHAT'S NEXT FOR YOUR BUSINESS?'

For clients who want to take the process slowly or aren't sure where to start, an introductory program is available – 'WHAT'S NEXT for your Business?'. This is an easy entry point for clients thinking about starting the process, but perhaps not yet ready to commit fully.

The program helps business owners be better equipped to think about leaving their business, and introduces them to a number of important concepts relevant to the Business Succession process.

There are different versions of this program available:

- » online;
- » one on one coaching; or
- » workshop.

When the client understands the need to complete both their Business Succession Plan and their Personal Transition Plan, there are two separate programs available to them –



DECIDE PROGRAM

(Client creates their Business Transition Plan)

For business owners to sell and exit their business in the most personally and financially satisfying way.



LIVE WITH PURPOSE WORKSHOP

(Client creates their Personal Transition Plan)

For all pre-retirees and retirees who want a meaningful, healthy and happy retirement life.

See the separate brochures on each of these programs.

Business TPC's are licensed to deliver the DECIDE Program to their clients.



6.0 ADVISOR BUSINESS SUCCESSION TRAINING

Transition Planning Australia offers a range of options for training Advisors to provide Business Succession and Transition Planning services to their clients. The options allow Advisors to provide services to the level they are comfortable with. The options for training and services are summarised in the table below.

ROLE	MARKETING SUPPORT	RETIREMENT READINESS QUIZ	BUSINESS SUCCESSION SUPPORT	BUSINESS PROGRAMS	PERSONAL AND BUSINESS PROGRAMS
Transition Advisor	X	X	X		
Business Transition Planning Consultant	X	X	X	X	
Transition Planning Consultant	X	X	X	X	X

For more information on Transition Planning, Business Succession in a Box and options for Advisors, please contact -

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