

SUCCESSION PLANNING 101: BUILDING “SUCCESS” INTO YOUR SUCCESSION PLAN

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Sooner or later you have to pass on your business or wind it up. If nothing else, illness, death or old age will eventually force your hand. But most owner managers have no succession plan in place and no plans to make one.

Triggering Events

Any one of following events can force a succession crisis upon you or your family:

- Your death.
- Your critical illness or disability.
- The death, critical illness or disability of a spouse or a loved one.
- An offer to buy the business that you “cannot refuse”.
- The loss or potential loss of a key employee.
- The loss or potential loss of some other key relationship.
- Actual or impending increase in competitive forces.
- Actual or impending loss in competitive advantage.
- The need for increased capital expenditure or other funding requirements.
- Company financial difficulties.
- Demands from the next generation.
- Loss of enthusiasm for the business.
- The desire to retire or do something else with your life.

This is not an exhaustive list. There are bound to be unique things about you and your business that could trigger unique challenges or succession issues.

Most of these events are beyond your control. Many of them are not foreseeable. One of them will happen eventually, and could catch you unaware.

Having a succession plan in place can help you be prepared, and can even increase the value of your business.

THIS IS A 7-PAGE DOCUMENT.