

## Tomorrow's **Task** or Today's Business **Imperative**

Every owner eventually exits their business. It is critical that business owners develop detailed exit strategies that manage both when and how to leave their business

P: 1300 753 222

W: [www.pkf.com.au](http://www.pkf.com.au)

## Succession Management



# Business Owners Need a Succession Planning Partner

PKF's succession planning process develops individually tailored exit plans for business owners. We understand that building, developing, and managing a business is more than simply a job. That's why we aim to ensure that when you do exit:

- > Your financial rewards are maximised.
- > Your business is ready to continue successfully.
- > Your transition from business owner is a smooth and natural progression.



## The Needs of the Owner; the Needs of the Business – Understanding Both

Research shows that many small to medium size business owners are considering the prospects of retiring. However few have ownership or management succession plans in place.

A succession plan greatly improves the chances of your business continuing successfully after you exit. This is especially true where the exit occurs suddenly or unexpectedly, due to ill health for example. Transferring leadership of a business should not be rushed. Rather a succession plan provides a calculated progression that places you and your business in an optimal position for your exit.

At PKF we recognise that personal and family interests are always at stake. This is regardless of whether the business is being passed onto family members or sold to an external party. Your PKF adviser will spend time with you to understand the needs and expectations of you and your family. The succession plan that we develop with you will balance your personal circumstances with the needs of the business.

PKF's business advisers' roles are two-fold; as mentors and as consultants.

## Family Succession

Many small to medium sized businesses are family owned and often passing the business onto the next generation is the preferred succession choice. Keeping the business in family possession may be desirable but you also need to be confident that it is a sound business decision.

The successful continuation of your business clearly has special personal significance. The expectations of different family members' and their roles within the business and family are crucial. Our succession process addresses the special circumstances and issues that arise when business succession occurs within a family.

Succession management planning ensures the necessary business skills and values are developed by your chosen successor before the transition occurs. This allows a personal succession choice to simultaneously be a shrewd business decision.

## Mentoring

Achieving a successful transaction to the next generation is the final great achievement for many business owners. While many accounting firms have the resources and ability to produce succession management plans the service PKF provide is the exception.

At PKF we understand that business succession can be a personally and emotionally complex issue that may involve a degree of conflict within the family unit itself. Our formal training programme has been developed in consultation with experts to assist us recognise those issues and aid you solve these succession issues in conjunction with associate specialists for any necessary support. Our role as mentors is to help you find the path that is right for you, your family and the business. The combination of business experience with a formal training programme provides PKF business succession consultants with the necessary tools to meet your objectives.

Starting to develop a succession plan during the years before you plan to exit, when there is no immediate pressure for answers or action, allows you sufficient time to fully consider every available option. Confidence in your succession plan and its ability to facilitate a smooth succession should remove much stress from the time of your exit allowing you to concentrate on personal changes.

## Consulting

The successful implementation of a business succession plan requires the expertise of more than one person. PKF advisers have experience in all areas of succession management. This includes tax, valuation, financial planning, business improvement consulting, and financial statement analysis.

Your PKF business succession consultant acts as both your primary adviser and the bridge between you and experts at PKF and external consultants as required; ensuring that your succession plan is meaningful and successful in financial and non financial ways.

As a business owner contemplating a future exit plan, your primary concern is to maximise your company as a financial asset. PKF's advisers can work with you to optimise your business' appeal to potential purchasers.

The changes we recommend may be subtle or significant. Either way PKF will recommend them based upon experience and expertise, knowledge of your business, and an understanding of its position within your industry sector.

PKF offers a complete range of accounting and financial services. Our advisers can help you address all succession related issues and can provide the necessary services or refer you to an expert in that field.

