

# Is Your Family Business

# T

# B

# M

**ACCOUNTANTS**

## Prepared for the Future?

*Did you know that only around 30% of family-owned businesses survive to the second generation?*

*The reason for this high failure rate is the lack of a Succession Plan. Does your business have one?*

A good succession plan considers not only how to transfer the ownership of the business but also the actual management of the business. Some of the issues

to consider when developing a plan are:

- ✓ What are your personal goals and vision for both the business and the transfer of ownership and management?
  - ✓ Have family members and key management staff participated in the formulation of your goals and vision?
  - ✓ Who do you want to own and/or manage the business? Who is your successor?
  - ✓ Check that family members actually want to be involved with the business.
  - ✓ Perform a skills audit of family members and key management staff to determine those best suited to managing the business without you there.
- 
- ✓ Consider any potential for family conflict.
  - ✓ Are there written buy-sell agreements in place?
  - ✓ Do you have a contingency plan should you even become incapacitated through an illness or injury?
  - ✓ Have you discussed the best method for transferring your business ownership to minimise or eliminate potential taxes and other imposts?

**- Those who fail to plan, plan to fail! -**

Level 1, 23 Greenhill Road Wayville South Australia 5000

Postal Address: PO Box 10167 Adelaide BC 5000

Telephone: (08) 8373 3799 • Facsimile: (08) 8377 7355