



HELPING
BUSINESSES AND
BUSINESS FAMILIES

Succession Planning: Doing It Right for Business and Family

Cornwall Business Association

May 12, 2009

The Best Succession Plan . . .

- Starts with smart parenting
- Ends by bringing family members and others into sometimes difficult discussions

When Kids are Young . . .

- Bring them to work to see what you do
- Allow them to participate
- Show them that money comes from dedication and hard work
- Let them see the joy and meaning in what you do

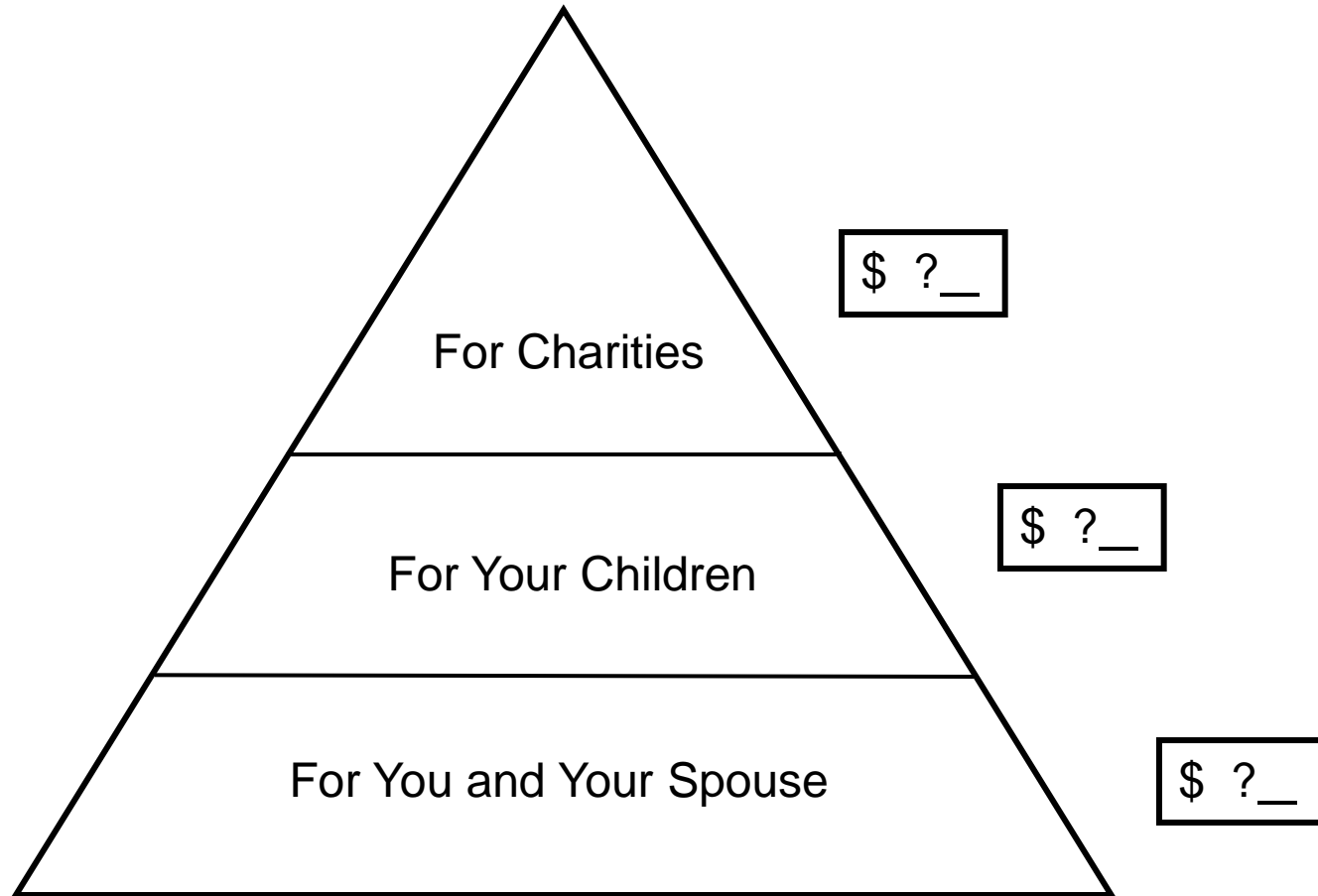
When They are Teenagers . . .

- Stress the importance of a university education
- Encourage them to pursue their own dreams, however different from yours
- Recognize that your dreams are yours and should never be imposed on them
- Support their career choices

In your 60s, you should . . .

1. Determine what you want to do with your money and assets (Financial Plan)
2. Discuss and agree on the next chapter in your life with your spouse (Lifestyle Plan)
3. Decide what to do with your business (Succession Plan)
4. Document your wishes while minimizing taxes on death (Estate Plan)

Financial Plan



Lifestyle Plan

- Re-visit “the deal” with your spouse
- Agree with your spouse on a plan going forward and commit to honouring it
- Do a “fire-drill” or “pre-mortem” for your untimely demise

Succession Plan

- Bring potential successors, key stakeholders into discussion
- Sell all or part of business? Keep it in the family?
- If keeping in family, consider Board of Advisors, Family Council
- Do a “fire-drill” or “pre-mortem” for your untimely demise

Estate Plan

- Wills to dispose of assets on death while minimizing taxes, probate fees
- Powers of attorney to allow others to make decisions for you if you are disabled
- Life insurance to fund taxes on death
- Shareholders agreement to provide for governance, exit strategy for next-of-kin

A Few Helpful Tips . . .

- Don't make anyone else responsible for your financial independence
- Approach succession planning as a change of jobs, not retirement
- Be humble – acknowledge that this is a new skill set for you to acquire

If You Have More Questions

- www.equitasconsultants.com
- rprehogan@equitasconsultants.com
- 613-569-7001