

Sian Bushell –Top Ten Tips for Succession & Good Business Governance

1. Plan for succession as soon as your children are born. This means that there is time to ensure that all children are treated fairly without endangering the core business.
2. It is good business governance to review succession at least once a year to ensure that everything is on track and consider any changes that may have happened.
3. Talk about succession with the family frequently and openly so that it does not become a taboo subject. Include all family members who are linked to the business including in-laws.
4. Have a proper plan for retirement. What does retirement mean to you? Put a date on when you will be stepping back from the responsibility of running the business. Where will you be living? Have you enough pension? If not where will the top up for the pension be coming from? If it is from the family business work out exactly how much will be needed each year so that it can be part of the business budget.
5. Everyone should have a Will – no excuses! The contents of the Will should be discussed with the beneficiaries.
6. If a young family member is coming back into the family business, have a proper plan of integration. This will include where they will live, what hours they work, payment, responsibilities and how to include them in the decision-making.
7. Consider Power of Attorney for those in the business.
8. Have proper, regular, business meetings to ensure effective communication between everyone working within the business.
9. When considering succession, the assets and the business should be thought of separately.
10. Use good professionals at every step. Always check with a tax expert before taking any course of action. Always have a proper partnership agreement. Having a clear idea of what you want to achieve means the professionals can work to what you want far easier. However remember succession is not just about tax. Any plan has to work for the family.