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7 steps to **successful
business transition**



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In all successful businesses the issue of succession from the current owner to the next generation comes up, and one question that often arises is: when is the most appropriate time to begin planning for succession?

The start-up phase is obviously too early, but all too often business owners wait until the last minute - when many options are closed before beginning the process. By giving the planning process timely attention, it becomes much less onerous and by definition, is likely to be far more successful..

There are generally seven stages of business succession:

1. **Survival**

Once the business has survived the start-up stage, the founder should begin giving consideration to succession, regardless of his or her age.

2. **Commitment**

The founder must commit to the concept that the business has to continue in order to create opportunity for those to come. This commitment must be communicated extensively and often; many businesses are built around one individual which can restrict development. Documentation of processes, establishing and communicating clear values and goals all help.

3. **Recruitment**

The organisation cannot survive unless it is staffed with the best people. Recruiting good people will always pay dividends and is a key item in succession planning. Retention of those key people is essential to build the strength of the business and increase the chances of a successful transition.

4. **Development**

Investing time in developing your family members (if applicable) and other management team members and allowing them to exercise authority and control is key to a successful transition. Let them learn while there is experienced support available.

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5. Selection

Having developed a successful transition plan and recruited the right people, selecting a successor or successors becomes easier. By empowering a broad range of key people, the selection process is simplified and options are enhanced.

6. Announcement

Having come this far, it is time for the founder to announce his or her future plans. This gives key management people and family successors a clear path to the future and a definite goal; balance is key here to ensure that sufficient time is taken to ensure a smooth transition but not so much that it becomes a lingering process. The actual timing will vary immensely from business to business and each set of personal circumstances. It is often helpful to have an external facilitator during this time who can help ease the process.

7. Implementation

In implementing the succession plan, the founder must be ready to step aside and allow his or her successors to take over. Particularly in family run businesses, we often see the founder remain in the wings, which can restrict the development of the business.

We can help with the preparation for transition, with identifying the right people to take over or with preparing a business for sale if a suitable successor cannot be identified. It is a process we have been involved with on many occasions and, as mentioned above, having an external facilitator on board who knows the business and has the trust of all parties can be hugely beneficial.

Contact us now to arrange a **FREE** no obligation initial meeting to discuss your current plans and see how we can help.

Baranov

A S S O C I A T E S

Business growth accountants

...making The Dream a reality

01582 809 320 | hello@baranovassociates.co.uk | www.baranovassociates.co.uk

Disclaimer: This list is meant to prompt careful review of your existing arrangements only and is not designed to be a replacement for professional advice tailored to your precise needs and circumstances.

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