

Business Succession Planning

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BIOGRAPHY

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J. Phillip Glasscock has more than 30 years of experience in business, law, estate planning, and business succession. He is a member of the State Bar of Arizona (council member, Business Law and Securities Sections; American Bar Association and the Arizona Society of CPAs). He earned his B.S. degree with honors, from the University of Wyoming and his J.D. degree from Arizona State University. Mr. Glasscock studied business law and accounting beginning in high school. He has counseled many businesses, including the successful transition of family-owned businesses over several generations. Mr. Glasscock has successfully completed many multi-million dollar transactions and trials (plaintiff and defense). His geographical area of experience focuses on Arizona but also includes most of the US, Canada, Mexico, Europe, Russia and Asia.

JPGLAW (J. Phillip Glasscock, P.C.) is a law firm focusing on business law and estate planning. In addition to Mr. Glasscock, the firm has two attorneys. Daniel Warner concentrates on commercial litigation and bankruptcy. Aaron Kelly is “of-counsel” to the firm and is one of the leading e-commerce attorneys in the U.S.

- *Business and Estate Planning*
- *Contracts*
- *Civil Litigation*
- *Dispute Resolution*
- *Personal Injury, Employment Law*
- *Wills, Trusts, Probate, Asset Protection*
- *Business Purchases, Sales Litigation and Management*
- *Real Estate – Purchases, Sales, Leases*
- *Partnership and LLC's*
- *Corporations*
- *Arbitration*
- *Bankruptcy*
- *Trademarks*

Failing to plan is planning to fail.

It's not about you; it's about the client.

Make the client the center of attention.

You have to go to your client; don't expect them to come to you.

You need to know not only what your client has done but what your client is doing now and planning to do in the future.

Want to know what your client is doing? Take them to lunch and ask them.

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WHAT IS BUSINESS SUCCESSION PLANNING?

Many definitions:

- ✓ Planning to achieve the desired business exit strategy for the client.
- ✓ Determining what the client wants to do with the business so that after the client leaves the client has achieved his goals.
- ✓ It is the business of anticipating the future and planning for an orderly, efficient, timely and profitable exit.
- ✓ How to leave the business without leaving the lifestyle.
- ✓ The process of handing over control of the business.
- ✓ Wikipedia: Succession planning is a process for identifying and developing internal people with the potential to fill key leadership positions in the company.
- ✓ It's not about taxes or financial planning... it's about business continuity. (Intl. Succession Planning Institute LinkedIn group)
- ✓ It's not about taxes or financial planning... and it may not even be about business continuity. It's about assuring that the family members are still speaking to each other after the deal is done. (Intl. Succession Planning Institute LinkedIn group)

What Expertise Does Business Succession Planning Include?

- Business planning.
- Exit strategies. Sale to partners, transfer to family members.
- Management planning (finding, cultivating and motivating employees or outsiders to take over the business).
- Psychology, sociology and family relations.
- Financial planning.
- Business valuation.
- Tax planning.
- Insurance planning.
- Asset protection planning.
- Estate planning, including planning for death and disability.
- Disaster planning.
- Everything the business owner needs to get from the present to his goal.

Start with client goals

- ✚ How much money does the client need after leaving the company?
 - Annual income.
 - 70-80% of current spending?
 - Business related expenses generally decrease.
 - But what increases?
 - Medical costs.
 - Meals and entertainment: golf, charities, political contributions, etc.
 - Travel.
 - Gifts to family.
- ✚ How much money will it take?
- ✚ How much time will the client want to spend managing investments?
- ✚ 5% maximum safe average return on investments?
- ✚ Beware the client who "retires" into a new, capital intensive business that is out of the client's comfort zone.
- ✚ Beware of the client who invests in non-liquid investments: real estate, mortgages, etc.
- ✚ Example: \$100k take home pay.
 - Need \$80k annual retirement income pretax.
 - Back into how much liquid investment needed.
 - \$1.6M yielding 5% = \$80k per year.
- ✚ Another example: if client is earning \$200k
 - 80% is 160k
 - \$3.2M may be needed to generate that kind of return.

- ✚ Timing. The silent factor in every decision.
 - When does the client want to retire?
 - Notice that we are not dealing with death, disability or disaster planning AT THIS TIME. Don't scare the client away.
- ✚ What does the client want to do with the business?
 - Transfer to children? Who? How old are they? (time factor again).
 - Transfer to employees? Who? When will they be ready?
 - Transfer to partners? Who? When will they be ready? When will they have the money to purchase?
 - Transfer to outsiders? The sale alternative.
- ✚ What does the client want to do after retirement?
 - Travel?
 - Visit relatives?
 - Move to Florida and play golf?
 - Stay involved in the business?
 - Consulting work?
 - Get involved in charities or politics?

VALUE THE BUSINESS

(Get information on the business and its value)

✚ Just the basics. Don't bury the client in details at this point. Just get enough basic facts to proceed.

- long winded meetings and 50 page questionnaires turn off clients.
- Even the basics can be hard to obtain.

✚ The business basics:

- Business mechanics: How the business works.
 - 4 parts of any business?
 1. R&D
 2. Manufacturing
 3. Sales
 4. Finance and Admin
- Key employees and advisors.
- Key management.
- Family members.
- Outside advisors (the old four):
 - Lawyer
 - Accountant
 - Banker
 - Insurance agent
- Financial information

- Financial Statements
 - Income Statement (P&L) and Balance Sheet
 - Tax Returns
 - Couple of years if you can.
- Don't press it. Get whatever the client is comfortable giving you for now. Get the rest later.

✚ Value.

- Comparable sales and rules of thumb.
- Two times gross earnings?
- Short method
 - Average net owners' benefit over past 2-3 years
 1. Salaries
 2. Add Profit distributions
 3. Add Benefits
 4. Maybe add book value of assets?
 5. Less cost to hire replacement for owners
 6. Multiply times a factor (some people say 2-3 depending on the business, can be higher)
 - You get a number. May be value, may not be fair market value, may not be sales price to a third party, but it is a start.
 - Be careful about how you disclose this figure to the client!
 - Not standard valuation method
- IRS Rev Rul 59-60

- Notice that this is not the same analysis used by business valuation experts:
 - Comparable sales.
 - Replacement cost.
 - Cost of capital. (what would an investor pay for the revenue stream given the cost of capital and reduced for lack of liquidity and lack of control discounts).

Exit Path

- ✚ Transition to family members.
- ✚ Sale to co-owners, manager(s) and/or employees.
- ✚ Sale to outsiders.
- ✚ Liquidation.
- ✚ Choose one or more.
- ✚ Have a backup plan just in case.
- ✚ Know the timing differences involved in each choice:
 - Family members: are they ready for the transition?
 - Sale to managers and employees: can they finance the cost?
 - Sale to outsiders: how long will it take? Three years to prepare the business and two to find a qualified buyer?
 - Liquidation: how long to wind up business operations and an orderly liquidation?

FINANCING SALES TO FAMILY AND INSIDERS

- ✚ Insurance funded buy/sell agreements
 - Only effective on death.
 - Key man policy or ILIT
- ✚ Gross-up earnings
- ✚ Installment sales
 - Earn-out?
- ✚ Continued control?
 - Security in case of default.
 - Bank-style covenants.
 - Reporting
 - Audit rights
 - Affirmative
 - JV-Style annual business plan and budget authorization
 - CEO to Chairman-style transition
 - Benefits to owner and company
- ✚ Confidentiality, Non-Compete, Hands Off and Non-Solicitation Agreements so successors can't steal the business

FAMILY ISSUES

- ✚ Treating children fairly or equally?
- ✚ Have active children buy business for FMV?
- ✚ Equalization payments from business or insurance?
- ✚ Voting or non-voting shares?
- ✚ Family boards of directors?
- ✚ Deal with possible disagreements
- ✚ Integrity agreements?

KEY EMPLOYEE/MANAGER ISSUES

- ✚ Keep them from leaving during transition?
- ✚ Why leave?
 - Fear of change?
 - Disgruntled over ownership/control change?
 - Opportunity to steal business or clients?
- ✚ Retention through bonus arrangements.
- ✚ Business protection through
 - Confidentiality agreements
 - Non-compete
 - Hands off customers
 - Non-solicitation of employees

Maximize the result and avoid problems -- get expertise needed

✚ Lawyer

- Legal documents
- Company governance
- Employment law
- Buy/sell agreement
- Pre-nuptial/Post nuptial agreement
- Estate planning
- Sales documents

✚ CPA

- Projections
- Finance
- Taxes

✚ Business broker

- Sale planning three (3) years before sale
- How do you find a good broker?
- Problems?
 - Not qualifying buyers
 - No security or guarantees
 - Broker protection but no buyer protection
 - Listing only, no marketing
 - No good industry connections

✚ Insurance agent

- Key man insurance
- Irit (Irrevocable Life Insurance Trust)
- Equalization policies

✚ Banker

- Planning for ownership transition
- Bank covenants
- Lines of credit (guarantees)
- Cash account control

CONTINGENCY PLANNING

- ✚ **What parts of the business and outside factors are “mission critical?”**
- ✚ **Key players**
- ✚ **Include key advisors**
- ✚ **Don't forget ways to facilitate temporary transition**
- ✚ **Internal governance documents**
- ✚ **Powers of attorney**
- ✚ **Key components**
- ✚ **Disaster plan**
- ✚ **Computer age (backup everything!)**
- ✚ **E-commerce**
- ✚ **Backup everything**
- ✚ **Make everything redundant**
- ✚ **Immediate recovery**
- ✚ **Physical Control and security over cash and plant**

ANNUAL REVIEW

✚ Confirm client goals

- Any changes?
- Changes in client's personal situation
- Health changes?
- Family changes?

✚ Business financial progress and comparison to last year

- Any changes or trends
- Positive or negative
- What are the client's current challenges?
- Where does the client see the business/industry going in the next year, 3 years 5 years.

✚ Business growth or decline?

✚ Key management/ employment

✚ Any changes in succession plan?

✚ Status of likely successors? Less players? More players? Progress?

✚ Personal financial progress and comparison to last year

✚ Additional assets or sources of income outside of the business?

✚ Additional liabilities or risks outside of the business?

✚ Other business considerations

- Change in business value?
- Change in plans for business continuity?

✚ Opportunity for tax savings

- Income tax
- Sales tax
- Property tax
- ✚ Other
 - Estate planning?
 - Insurance planning?
 - Asset protection planning?
 - Personal financial planning?

WHY BUSINESS SUCCESSION PLANNING IS IMPORTANT

✚ To our clients.

- 50% of businesses don't have a plan but 70% of owners set to retire ... get this... before 2020.

✚ To us!

- Make money?
- Keep clients?
- How many times do you meet with your "A" clients a year?

✚ Who are your A clients?

- Ideal clients.
- B clients are the clients who you want to become A clients.
- C clients?
- D and F clients!!! Get rid of them. Refer them out.

✚ How can you get in front of A and B clients so you can maintain the A clients and grow the B clients into A clients?

- Learn what they are doing and get ahead of the game.
- Become involved in their planning.
- Tip: Annual meetings

✚ Agenda:

- Status of what you did.
- Status of what you are working on.
- Ask the client for feedback.

- Ask the client what they are planning in the future. What are you working on now? What are your next steps? What do you see in your future? For immediate, short and long term!
- You can do this without business succession planning.
- But succession planning gives you a goal to discuss with your client. A hook to return to with your client once or twice a year. Something to measure progress with.

HOW TO APPROACH CLIENTS

- ✚ Find out what they are doing in future.
- ✚ Periodic meetings.
 - What you did for the client.
 - What you are doing for the client.
 - Ask for feedback.
 - Ask what client is doing.
 - Ask for plans in future.
- ✚ Bring up succession planning or retirement planning or exit strategy.
- ✚ Give them a picture of the future.
- ✚ Fear marketing.
 - Security
 - Fear of failure.
- ✚ Ego marketing.
- ✚ Success.
 - Can make the difference being a well-traveled retiree with rolex for every day of the week.
 - Don't want to be looking for a job. Want to be driving a Rolls to pick up a new Rolex.
- ✚ Family security.
- ✚ What marketing method do you choose?
 - Know your client ... and your client's hot buttons.
 - Use your client's hot buttons.

RESOURCES

📖 Books.

📖 *How To Run Your Business So You Can Leave It In Style.* 4th Ed. John H. Brown. Published by Business Enterprise Press.

📖 *Asset Protection Planning Guide -- A State-of-the-Art Approach to Integrated Estate Planning* (published by CCH) by lead author Barry S. Engel

📖 Also, Loyd Rawls, a Board Member of the ISPA and Founder of The Rawls Group, has written books on the Succession Planning topic titled, "Seeking Succession" and "The Succession Bridge."

📖 J.K. Lasser ProEstate and Business Succession Planning. 2002

📖 Effective Succession Planning. William J. Rothwell. 2010

📖 Family and Business Succession Planning Strategies. 2009.

📖 Exiting Your Business Protecting Your Wealth by John Leonetti. 2008

📖 LinkedIn Groups

- International Succession Planning Association
- Business Succession Planning Group

📖 Facebook Groups

- Wealth Preservation and Business Planning
- Business Succession and Estate Planning Attorney

📖 Twitter

- Reuters_Wealth

- AICPA_Insiders
- BarclaysWealth
- SuccessionPlan
- SuccessionPlus

Seminars

- Business Succession and Exit Strategies, NBI, 2010
- Business Succession Planning for Economic Sustainability, Practice Development Counsel, 2008
- Effective Succession Planning, Monroe County Bar Association, 2008
- Business Succession Transition Planning for Closely Held or Family Owned Businesses, ALI-ABA, 2008

EVALUATION

Did the seminar meet your expectations?

How was the quality of the presentation?

How could the presentation be improved?

How could the materials be improved?

What else did you want included in the presentation?

What else did you want included in the materials?

Can you use any of the information presented in your business?

Client Business Succession Planning Checklist

1. Do you have written goals and a vision for the transfer of ownership and management? When do you want to start transferring management? Ownership?

2. Do you know who your successor will be? Are they ready? Are they in place or do you have a contract to put them in place?

3. How important are your family members in leadership and ownership of the company?

4. Do you have an income and estate tax minimization strategy or plan?

5. How liquid is your estate?

6. Do you have a buy/sell agreement?

7. Have you valued or appraised your business recently?

8. When and how do you want to leave your business? What is your retirement, disability or death plan?

9. Have you considered alternative corporate structures or stock transfer techniques to help you achieve your succession goals?

10. Are you dependent upon your business to meet your retirement cash flow needs? Do you have plans if it doesn't, or will you just close the doors and hope for the best?

Transfer of Ownership Checklist

1. Whom do you wish to sell to?

2. Does the potential buyer, or buyers, have as much skill as you do?

3. With your retirement, what gaps in the running of the business need to be filled?

4. Will the new owner(s) have the skills to fill those gaps?

5. If not, what is the best way of finding someone who has the required skills?

6. When should the new owner(s) be brought on board?

7. Will they need to own stock as well?

8. How much is your business worth today?

9. How much will the business likely be worth at your planned retirement date?

10. How much money do you need from the business in total? And what form can this payment take? For example, lump sum? Per year? For how many years?

11. How much money do you need to live on after retirement? What portion of that amount must come from the proceeds of the sale of your business?

Transfer of Business Checklist

1. Family Transfer

a. I like this method because:

b. This method might work for my business because:

c. This method only works if:

d. This method is not preferable because:

2. Sale to co-owners, key employees, or all employees.

a. I like this method because:

b. This method might work for my business because:

c. This method only works if:

d. This method is not preferable because:

3. Sale to a third party.

a. I like this method because:

b. This method might work for my business because:

c. This method only works if:

d. This method is not preferable because:

4. Liquidation

How can I maximize liquidation value?

Potential Purchasers

1. There persons/organizations have contacted me with an interest in buying the business:

2. The following are prospects I can contact who may have an interest in buying my business:

Financial Information Needed for Listing

1. The last three years' financial statements and business tax returns.
2. The current (year-to-date) financial statement.
3. Sales material or company brochure describing the business, market and management.

Sales Summary Outline

Executive Summary.

Outline the highlights of the business and get the reader's attention.

Reasons for Sale.

This includes a discussion of your reasons for selling the business. It is best to put your motives on the table on the table up front since it is usually one of the first questions buyers ask.

Key Investment Considerations.

Bullet points highlighting the key features of the business and emphasizes the benefits of ownership. This is the sales pitch.

Main Body.

This portion contains a description of the business's history, organizational structure, management team, products, services, markets, customers, competitors, business risks, and future opportunities. It should also include management's discussion and analysis of the historical financial information. Most importantly, it should also contain summary historical financial statements with explanations of unusual items for the last three to five years. The financial statements are important to demonstrate the earnings capacity of the business. Also show the business's potential by discussing excess owner's compensation and benefits, excessive rents paid to owners and other usual items.

Exhibits.

This section should include any relevant supporting information material which makes your business attractive such as: historical financial statements, product brochures, detailed resumes of key personnel, and support for any future financial projections that are included in the document.

Short Due Diligence Checklist

1. Legal Considerations
2. Corporate Organization
3. Financial Statements and Auditor Reports
4. Income Tax Returns
5. Agreements, Commitments and Understandings (Verbal and Written)
6. Consents, Authorizations and Approvals Required to Complete the Transaction
7. Employment
8. Insurance
9. Litigation
10. Leases
11. Identify and describe Permits, Registrations, Licenses, Authorizations and material to the conduct of the company's business required by Federal, State, Local governmental agencies, bureaus or boards.
12. Bank Accounts
13. Accounts Receivable
14. Prepaid Accounts
15. Inventory
16. Fixed Assets (machinery, equipment, tooling, leasehold improvements including office, research and development and warehousing)
17. Real Estate
18. Intellectual Property
19. Accounts Payable
20. Long-term Liabilities and commitments (other than notes payable and inventory commitments exceeding 6 months)
21. Marketing and Sales Materials
22. Research and Development
23. Environmental Issues
24. Brokers' and Finders' Fees
25. Management Resumes

Events That Trigger a Stock Transfer under a Buy/Sell Agreement

I. Death

A. Buyout (select one)

1. Mandatory purchase and mandatory sale (the typical case)
2. Optional purchase to business remaining shareholders.

B. Terms and Conditions

1. Cash funded with life insurance
2. Percentage of down payment
3. Length of installment note
4. Interest rate of installment note

II. Disability

A. Buyout (select one)

1. Mandatory
2. Optional to Business or remaining shareholders
3. Optional to disabled shareholder (or selling shareholder)

B. Terms and Conditions

1. Cash to be funded with disability buyout insurance
2. Percentage of down payment
3. Length of installment note
4. Interest rate of installment note

III. Transfer to Third Party

A. First Right of Refusal to remaining shareholders

B. Terms and Conditions

1. Percentage of down payment
2. Length of installment note
3. Interest rate of installment note
4. Price to be paid: price offered by third party or value stated in agreement? Or lower of the two?

IV. Termination of Employment

A. Buyout (select one)

1. Mandatory
2. Optional to business or remaining shareholders
3. Optional to terminating employee/shareholder

B. Terms and Conditions

1. Percentage of downpayment
2. Length of installment note
3. Interest rate of installment note
4. Price
5. Covenant Not to Compete

V. Retirement

A. Buyout (Optional to business or remaining shareholders)

1. Mandatory
2. Optional to business or remaining shareholders
3. Optional to decreased/retiring shareholder

B. Terms and Conditions

1. Percentage of down payment

2. Length of installment note
3. Interest rate of installment note
4. Price
5. Covenant Not to Compete

VI. Involuntary Transfer Due to Bankruptcy or Divorcee

- A. Buyout (Optional to business or remaining shareholders)
- B. Terms and Conditions
 1. Percentage of down payment
 2. Length of installment note
 3. Interest rate of installment note
 4. Price

VII. Business Disputes

- A. Buyout (select one)
 1. Mandatory- the "Texas Shootout"
 2. Option to sell or liquidate by any shareholder
- B. Terms and Conditions
 1. Percentage of down payment
 2. Length of installment
 3. Interest rate of installment note
 4. Covenant Not to Compete
 5. Price

Continuity Checklist

Successor Manager:

Business Operations: _____

Financial, Tax and Accounting Decisions: _____

Internal Administration: _____

Legal Issuer: _____

Upon my death or permanent disability, the business should be:

- Sold to an outside third party.
- Sold to employees, specifically _____
- Transferred to family members; specifically _____
- Continued
- Liquidated

Consult the following professional advisors:

Name	Expertise	Phone Number

The following people may want to purchase my business:

- Has Expressed Interest
- I think might be interested

Name	Company Name
<input type="checkbox"/> Has Expressed Interest <input type="checkbox"/> I think might be interested	
<input type="checkbox"/> Has Expressed Interest <input type="checkbox"/> I think might be interested	

Owners Considering a Family Transfer

1. I want to leave the business on _____. Remember, leaving for some means just stepping back and allowing others to run it. For others it means getting out entirely. Or it may be selling or giving away part or all of your ownership interest.

2. I need \$_____ in a lump sum (or \$_____ per year of after-tax income) when retire.

3. The child(ren) should run and own the business:

4. My children can be treated fairly by doing the following:

5. I can keep the family happy by doing the following:

Owners Considering a Family Transfer

1. Who can be given the responsibility to continue and supervise:
 - 1) Business operations?
 - 2) Financial decisions?
 - 3) International administration?

2. How will these people be compensated for their time and, most importantly, for their commitment to continue working until the company is transferred or liquidated? Consider key person insurance on your life to fund this need at the company level. Use the money to offer the key employees a "stay bonus," a cash bonus receivable by them if they stay and see the company through its transition.

3. Should the business, at your death or permanent incapacity be:
 - 1) Sold to an outside third party?
 - 2) Sold to employee(s), and if so, to whom?
 - 3) Transferred to family members?
 - 4) Continued?
 - 5) Liquidated?

4. Who should be consulted in the transfer process described above?

If the business is to be sold, list the names and contact information of businesses which have expressed an interest in acquiring your business.

5. If the business is to be sold, list the names and contact information of business which have expressed an interest in acquiring your business.

Notes:



*Business
Succession
Plan
Outline*

I. Goals

- a. Make the decision to implement a business succession plan
- b. Create a business plan with realistic timeframes
- c. Create a strategic plan with realistic timeframes
- d. Identify the stakeholders for your business
- e. Create a personal financial plan with realistic timeframes
- f. Create a retirement plan with realistic timeframes
- g. Create a team of advisors for your succession planning effort
 - i. Attorney
 - ii. CPA
 - iii. Insurance agent
 - iv. Banker
 - v. Anyone else?

II. Alternatives

- a. List your business exit desires and alternatives
- b. Analyze and rank the desires and alternatives
- c. Select your desired option(s) for your exit strategy

III. Valuation

- a. Obtain professional advice to determine the value of your business
- b. Determine the value of your business
- c. Determine a current value of your business assets & liabilities
- d. Determine the goodwill value of your business

IV. Business Structure

- a. Identify and quantify your business debt
 - b. Recruit and retain productive employees
 - c. Structure business to maximize value
 - d. Document key processes and procedures used in your business
- V. Taxes**
- a. Identify tax implications of your current business
 - i. Income
 - ii. Estate
 - iii. Sales
 - iv. Property
 - b. Evaluate alternative tax strategies
 - c. Plan and implement tax strategy to minimize your taxes but keep in mind that the ultimate goal is usually to maximize business value upon exit.
 - d. Annual reviews with tax advisor
- VI. Legal**
- a. Retain a good business and estate planning attorney
 - b. Review and analyze legal structure and risks
 - c. Integrate business into estate plan
 - d. Buy/sell agreement for owners?
 - e. Confidentiality agreement for employees?
 - f. Bonus agreement for employees (to retain them through the succession)
 - g. Estate planning documents and funding
- VII. Successor**
- a. Develop specific criteria for your successor
 - b. If successor is not already on staff, recruit and select successor based upon your criteria
 - c. Communicate selection of successor to stakeholders
- VIII. Development**
- a. Develop a list of skills and mileposts for successor

- b. Develop a training/development plan for your successor
 - c. Develop a coaching/mentoring plan for your successor
 - d. Establish a timeline for your successor plan
- IX. Contingencies**
- a. Develop a contingency plan (based on the “What ifs?”)
 - b. Research and identify insurance needs (disability; personal life; critical illness; business; key person; etc.)
 - c. Select and train key employee(s) to take over in case of emergency or unforeseen event
 - d. Communicate your plan to stakeholders and advisors
- X. Implementation**
- a. Document the roles, responsibilities and expectations concerning the transition of ownership
 - b. Identify key players to make sure the process of succession is carried out
- XI. Timelines**
- a. Identify your timeframe for the management transition
 - b. Identify your timeframe for transition of ownership of your business
 - c. Identify your deadline for your complete exit from your business
- XII. Communication**
- a. Document the succession plan and timelines
 - b. Document how to proceed with the succession plan in the event of an unforeseen event (accident, illness, death)
 - c. Document the transition or exit strategy including whether and how to inform family, employees, clients, vendors, community and stakeholders