

# Podcasts<sup>putting</sup> to work for Business

## Succession Planning Information Sheet

Businesses and entrepreneurs need to PLAN TO SUCCEED ! It has been said that succession plans are “the final test of greatness.” This quote formed the subtitle of a book by Craig Aronoff, Steven McClure and John Ward about family business succession.

William Bridges is an author on the topic of managing change and transition. He suggests that we think about change as starting with an ending. With this in mind, succession planning is like this - starting your business with an end in mind.

The research indicates that there are three main parts to a succession plan:

- Management of the business
- Ownership of the business
- Taxes and financial matters

### Strategies on Succession Planning:

While there is no one specific model or way to approach succession planning, there are certainly many points to consider. Your succession plan should make sense for your business, your vision of the business and how to best plan for future transitions. Some businesses start with what is called a “threat analysis” or “SWOT”; an analysis whereby you evaluate the strengths, weaknesses, opportunities and threats to you business. Using this process, you would consider things like, emerging trends, what your competitors are doing, changes you foresee in the future that might impact your business, the demographics of your companies’ human resources including the number of people nearing retirement, potential leaders within your team , the strengths of your company, etc.

- Start planning early (5 years in advance is ok but 10 years in advance ensures a much smoother transition); recognize it is a process and not an event.
- Document your plan and modify it as the situation changes.
- Seek advice from business serving organizations.
- Consider the range of options available to you.
- Identify potential successors; develop their leadership and business skills.
- Document everything, have a good system for recording the corporate history.
- Be proactive, not reactive.
- Start training staff early to advance their skill set as well as their corporate knowledge.
- Make succession planning an ongoing process (review and modify the plan) and is a priority at all levels in the business.
- Make decisions or plans on issues such as: shareholder agreements, type of business transaction, insurance, valuation, transfer of ownership, identifying successors, timelines and training plans.
- Identify your high potential employees, invest in their future to provide opportunity for them to learn more about your business. They might be able to step in when you need to take time away from your business or if you are planning to retire or sell.
- Talk to other business owners who have retired, sold the business, changed ownership, etc. to learn about their experience and how it might help you.

**There are various guides, checklists and templates that you can access at no cost:**

Leaving your business-a plan for successful transition. Alberta Employment, Immigration and Industry.

This guide is available via the internet from:  
<http://alis.gov.ab.ca/pdf/cshop/leavesmallbusiness.pdf>

### **Strategies to recruit employees, and retain employees:**

- If you have a website, create an on-line application process or at least offer the application forms on the website.
- Innovative advertisements in the paper (highlighting the benefits of working with your company).
- Provide mentoring and coaching for new employees. This ensures that they are successful in their new role and also provides seasoned employees a new opportunity.
- When applicants contact you, respond quickly. A long wait could cause them to lose interest and pursue another company.
- Hire people who have retired. There is a growing pool of individuals seeking a second career.
- Clearly and proudly communicate the benefits of working with your company. Advise applicants of the formal benefits as well as the other benefits such as a positive workplace environment, opportunity for advancement, etc.
- Work collaboratively with schools and colleges to create work based and practical intern or apprenticeship programs where the students are able to work with companies to gain work experience placements.
- Attend career and job fairs.
- Partner with other businesses to share recruitment drive efforts.
- Connect with your local employment services and college placement office/guidance counselor to ensure they are aware of your business and employment needs.
- Complete exit interviews when employees resign. This information can be very helpful in your business future and in attracting and retaining future employees.

### **Helpful Resources and Websites:**

Alberta Business Family Institute.

[www.business.ualberta.ca/abfi/contact.htm](http://www.business.ualberta.ca/abfi/contact.htm)

Alberta Employment, Immigration and Industry

[www.employment.alberta.ca](http://www.employment.alberta.ca)

Alberta Women Entrepreneurs

[www.awebusiness.com](http://www.awebusiness.com)

Alberta Chambers of Commerce.

[www.abchamber.ca](http://www.abchamber.ca)

BDC. Transitional Planning Top Questions.

[www.bdc.ca/en/business\\_tools/ask\\_professionnal/archives/top\\_questions\\_succession.htm](http://www.bdc.ca/en/business_tools/ask_professionnal/archives/top_questions_succession.htm)

Business Link Newsletter Identifying High Potential Employees.

[http://canadabusiness.ca/alberta/newsletter/November2007\\_1.html](http://canadabusiness.ca/alberta/newsletter/November2007_1.html)

Business Link. Pathfinder: Hiring and Retaining Employees.

Business.ca Mapping out the future- succession planning can also be about knowledge management.

Available from:

<http://www.itbusiness.ca/it/client/en/Home/News.asp?id=3241&bSearch=True>

Canadian Association of Family Enterprise.

<http://www.cafecanada.ca/search.cfm>

Community Futures- Putting Podcasts to Work for Business- Succession Planning

Canada Business Network- EBundle-Succession Planning  
<http://www.awebusiness.com/pages/eBundle/Resources.aspx>

Canada-Ontario Business Service Centre. Closing or Selling Your Business - A Succession Plan Info-Guide.  
[http://www.canadabusiness.ca/servlet/ContentServer?pagename=CBSC\\_ON%2Fdisplay&lang=en&cid=1121180832029&c=GuideInfoGuide](http://www.canadabusiness.ca/servlet/ContentServer?pagename=CBSC_ON%2Fdisplay&lang=en&cid=1121180832029&c=GuideInfoGuide)

Canadian Business Online. Whose next in line? Succession Planning for Entrepreneurs.  
[www.canadianbusiness.com/entrepreneur/financing/article.jsp?content=20060406\\_144300\\_2888](http://www.canadianbusiness.com/entrepreneur/financing/article.jsp?content=20060406_144300_2888)  
[www.FamilyBusinessExperts.com](http://www.FamilyBusinessExperts.com)

Community Futures  
[www.cfna.ca](http://www.cfna.ca)

Conseil de developpement economique de l'Alberta  
[www.lecdea.ca](http://www.lecdea.ca)

Government of Canada. Hiring Foreign Workers.  
<http://www1.servicecanada.gc.ca/en/ab-nwt-nu/fwp/fw.shtml>

Price Waterhouse.2006 Survey of Canadian Private Companies.  
[http://www.pwc.com/ca/eng/ins-sol/survey-rep/bi\\_0906.pdf](http://www.pwc.com/ca/eng/ins-sol/survey-rep/bi_0906.pdf)

Réseau de développement économique et d'employabilité (RDÉE) (Economic Development and Employability Network)  
[www.lecdea.ca](http://www.lecdea.ca)

Winning the succession Game Video. Available from Canadian Association of Family Enterprise.

**For more information or to listen to a Podcast  
on the topic of Succession Planning  
Visit [Podcastsforbusiness.ca](http://Podcastsforbusiness.ca)**

**or your local Community Futures office**

**Community Futures can assist you with your Succession Planning!**

