

Let's Get Started With Your Plan

This section covers three planning stages:

1. Developing a personal financial plan
2. Developing a business ownership transition plan
3. Closing the deal and transitioning to life after business ownership

Closing the deal and transitioning to life after business ownership.

To drill into topics where you want more information, check out the embedded **Learn More** function.

To help plan meetings with advisors such as accountants, lawyers, financial advisors and business bankers, use **Make Notes** to note topics you want to address as Advisor Meeting Questions. Also note the '**Save Notes**' feature, and our customized print centre. You decide what information you use, and how and when you use it.

Start by Visualizing Life after Business Ownership

Identify some personal objectives for this new life stage following business ownership. Your financial advisor will use this information to help create a personal financial plan. Visualize your priorities.

Will you:

- Become more active in areas of personal interest, such as community involvement, charitable, teaching or mentoring activities.
- Plan more time for family, friends, traveling or hobbies.
- Focus on personal development whether increasing physical activities or continuing education.
- Look for new business opportunities.

You should also factor in health circumstances and whether you will be moving.

Not only will these factors influence financial decisions, but a clear vision of what you want the next phase of your life to look like will help you take steps now to prepare yourself physically, emotionally and spiritually.

Where You Are Today

As part of planning your exit from your business, review your personal finances. You need to know where you are today, where you want to be, when you want to get there, and the route you plan to take.

Complete this quick and simple matrix to prepare a snapshot of your current financial situation. It will serve as a starting point for a conversation with your financial advisor.

[See net worth chart](#)

Where You Will Be Tomorrow

With a clear vision of your life after business ownership, the next task is to ensure you have sufficient financial resources available to support your desired lifestyle.

Your financial advisor will identify post-retirement income needs based on your retirement goals and then implement financial strategies to ensure you have the resources you need.

[See post-retirement income chart](#)

Build a Roadmap to Ownership Transition

Implemented correctly, a strategic roadmap will help increase the value you ultimately receive from the business sale.

Your roadmap should include strategies to:

- Protect and enhance your business value over time

The sale price is driven by the value of the transferable revenue streams that the new buyer can generate from the work you have done.

- Identify and list the key transferable value drivers in your business
- Construct a business plan which protects and enhances the key value drivers over time
- Implement the business plan, monitor results to goals over time, and modify as circumstances change

Identify the intended buyer

- Identify the ideal structure for your business and holdings

Should you incorporate or not? Should you be selling shares or just the assets? Should you consider an estate freeze or other tax minimization strategies? Good financial advice will pay off.

Establish a Value for Your Business

Determining the right value is an essential step in transition planning.

The following considerations will factor into the value calculation:

- The market demand for similar businesses
 - Historical revenue and profits
 - The degree to which revenue and profits are expected to be sustained or grow in the hands of a new owner
 - Client retention and the anticipated effect on future revenue potential
 - Client demographics - are you serving a growth market or will your clients retire soon?
 - Opportunities to up-sell clients/patients
 - Skill level, age and experience of your team
-

If you know people who have sold a business in your sector, get their perspective on what drove their sale prices.

A Chartered Business Valuator (CBV) can also be a good option. They have likely seen situations similar to yours before and can call on a wealth of experience to help establish a realistic sales price. While they will charge a fee for their services, it may prove money well spent.

The Choice of Your Successor is Critical

- Your business is more likely to prosper in the hands of the right buyer, protecting the legacy you created.
- If future payments to you require a healthy business, the right owner will reduce the risk of interruption to your income stream.
- The right owner will reduce the degree to which you may be called on to continue active involvement.

Using brokers who specialize in your sector is one way to identify the right successor. A good broker will provide several candidates.

Business associations or the local chapter of your professional body may help by identifying younger members seeking to acquire a business. Ask around discretely. Such bodies may also have a confidential listing service online or in their members' magazine.

Once you have identified the right candidate, consider tactics to help them succeed.

- A written training plan can be valuable when cultivating a family member or employee to take over.
- You may negotiate a period when you will remain involved as a consultant.

Create a Communication Plan

The words 'retirement' and 'new owner' can cause concern among clients and staff. A solid communication plan reduces the risk of costly business disruptions.

Staff

If you are frequently away during the day without explanation, rumours may start. You may want to enter something plausible in your calendar, creating a smokescreen until a deal is close.

At that point, assemble the team and explain your plans. To the degree possible, provide information which assures them about their futures.

Clients/Patients/Suppliers

When both parties have committed to the deal, let key clients or patients and suppliers know what is happening. This is best done by letter, followed up with a phone call or meeting with larger clients or suppliers.

To avoid concerns, explain that nothing drastic will change. If you will still be involved for the foreseeable future, make this clear.

Some clients or suppliers might be expecting this news. However, it is an issue that requires diplomacy. Coaching can be a sound investment.

Useful Links

[Advisor Locator](#)

[Branch Locator](#)

[Support and Resources](#)

This document was created using assumptions that are believed to be reasonable. Results may differ, perhaps to a material degree

This plan is not intended to be a blue print of your financial future, but rather a tool to be used to guide and compare relative financial decisions

This Transition Assessment is prepared for the general information and education of clients relative to their own particular situation based on the data provided by the client. To the extent that the data provided is incomplete or inaccurate, so too are the resulting recommendations. Please review all data thoroughly to ensure it is correct.

All legal decisions must be made only with the counsel of a qualified attorney. We make no attempt to give legal advice, nor do we draft or in any way modify legal documents.

Likewise, any suggestions pertaining to income tax or accounting strategies should be implemented only with the advice of a qualified accountant.
