

Succession planning

The business owner perspective

For many business owners, passing over the reins isn't easy, especially after years of dedication and effort to grow the business yourself. Breaking the process down into stages, however, will not only make it easier for everyone involved, it can be financially beneficial as well. It also allows you the flexibility to make changes during the years up to your retirement.

In any case, it gives you, the business owner, the time to consider all options while still in control. Here is the Grant Thornton LLP approach to help make a smooth transition of your business.

Stage 1 – Deciding what you want

When planning for the next generation to succeed you in the business, there are several questions that need to be addressed. For example, if your eventual successor is one or more of your children, there is a good chance that he or she will benefit from a post-secondary education and perhaps even some relevant work experience with another company. Of course, in order for them to apply their education and experience, this has to happen before you fully retire.

Other important questions include: when do you want to retire, how long will you need to support yourself (and possibly your spouse), who will manage the business, and will the business be able to support both yourself and your successor? To find the answers to these questions and more, your Grant Thornton adviser will work with you to make the process less of a burden.

Stage 2 – Communication

Now that you have a general idea of what your wishes and needs are, it's time to communicate these ideas to your family and successor. This can be emotional for everyone, however, if it is approached in an objective and unbiased manner, with clear directions and reasons for your course of action, you can help minimize family conflicts that can occur. To make this easier, your Grant Thornton adviser can help facilitate family meetings and be there to help explain the business transition decisions from a tax and financial point of view.

Stage 3 – Easing into retirement

Families and businesses are all different, making every case unique. Most have the same objective, however, to continue the family business and be successful. Chances are that your chosen successor does not have the experience and knowledge needed right away, and could benefit from your continued involvement, even if you are not directly managing the business any more.

Of course, these matters can be complicated, and our staged approach described above is a simplified starting point. The most important step is to start early, well before you plan to retire. Your Grant Thornton adviser will work with you to provide the best practical solutions to ensure your objectives are met.

About Grant Thornton in Canada

Grant Thornton LLP is a leading Canadian accounting and advisory firm providing audit, tax and advisory services to private and public organizations. Together with the Quebec firm Raymond Chabot Grant Thornton LLP, Grant Thornton has more than 3,100 people in offices across Canada. Grant Thornton LLP is a Canadian member of Grant Thornton International Ltd, whose member and correspondent firms operate in over 100 countries worldwide.

About Grant Thornton International Ltd

Grant Thornton LLP is a Canadian member firm of Grant Thornton International Ltd (Grant Thornton International). Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered by the member firms independently.

For more information about our services, please visit our [Web site](#) or [contact](#) a Grant Thornton adviser near you.

