



SPRINGCHASE
— CONSULTING —



BUSINESS SUCCESSION STARTER GUIDE

*A Practical Retirement Planning
Workbook for Business Owners*

BUSINESS SUCCESSION STARTER GUIDE

PREPARING YOUR BUSINESS FOR A
SUCCESSFUL RETIREMENT TRANSITION

DESIGNED FOR BUSINESS OWNERS
PLANNING RETIREMENT

THIS GUIDE WILL HELP YOU:

- ASSESS BUSINESS CONTINUITY RISKS
- IDENTIFY SUCCESSION READINESS GAPS
- DOCUMENT CRITICAL OWNER RESPONSIBILITIES
- CREATE A PRIORITIZED TRANSITION PLAN
- PREPARE THE BUSINESS FOR FUTURE OWNERSHIP OR LEADERSHIP TRANSFER



INTRODUCTION

WHY SUCCESSION PLANNING MATTERS. FOR MANY BUSINESS OWNERS, RETIREMENT PLANNING FOCUSES ON PERSONAL FINANCES WHILE OVERLOOKING A CRITICAL ASSET—THE BUSINESS ITSELF.

WITHOUT A SUCCESSION PLAN:

- REVENUE MAY DECLINE AFTER THE OWNER'S DEPARTURE
- CUSTOMERS MAY LEAVE DUE TO UNCERTAINTY
- KEY KNOWLEDGE MAY BE LOST
- EMPLOYEES MAY BECOME DISENGAGED
- BUSINESS VALUE MAY BE REDUCED
- FAMILY MEMBERS OR SUCCESSORS MAY STRUGGLE TO OPERATE THE BUSINESS

A SUCCESSFUL SUCCESSION PLAN ENSURES THAT THE BUSINESS CAN CONTINUE OPERATING, GENERATING REVENUE, AND PRESERVING VALUE LONG AFTER THE OWNER RETIRES.



PHASE 1: BUSINESS CONTEXT ASSESSMENT

BUSINESS OVERVIEW

BUSINESS NAME: _____

YEARS IN OPERATION: _____

INDUSTRY: _____

NUMBER OF EMPLOYEES: _____

ANNUAL REVENUE RANGE: _____

RETIREMENT GOALS

1. WHAT IS YOUR DESIRED RETIREMENT DATE?

2. DO YOU PLAN TO:

- SELL THE BUSINESS
- TRANSFER TO FAMILY
- TRANSFER TO EMPLOYEES
- APPOINT OUTSIDE MANAGEMENT
- GRADUALLY REDUCE INVOLVEMENT
- OTHER: _____

3. WHAT DOES A SUCCESSFUL TRANSITION LOOK LIKE TO YOU?



PHASE 2: OWNER DEPENDENCY ASSESSMENT

CRITICAL RESPONSIBILITIES

LIST THE FIVE MOST IMPORTANT RESPONSIBILITIES THAT CURRENTLY DEPEND ON YOU.

RESPONSIBILITY	TIME SPENT	COULD SOMEONE ELSE DO IT TODAY?
----------------	------------	---------------------------------

1. _____
2. _____
3. _____
4. _____
5. _____

REVENUE DEPENDENCY

CUSTOMER RELATIONSHIPS

1. WHAT PERCENTAGE OF REVENUE DEPENDS DIRECTLY ON YOUR RELATIONSHIPS?

- 0-25%
- 26-50%
- 51-75%
- 76-100%



PHASE 3: SUCCESSION RISK ASSESSMENT

IDENTIFY YOUR HIGHEST-RISK GAPS

RATE EACH AREA:

- 1 = LOW RISK
- 2 = MODERATE RISK
- 3 = SIGNIFICANT RISK
- 4 = CRITICAL RISK

<u>AREA</u>	<u>RATING</u>
1. CUSTOMER RELATIONSHIPS DEPEND ON OWNER_____	
2. NO DOCUMENTED PROCEDURES_____	
3. NO IDENTIFIED SUCCESSOR_____	
4. FINANCIAL MANAGEMENT DEPENDS ON OWNER_____	
5. SALES PROCESS DEPENDS ON OWNER_____	
6. VENDOR RELATIONSHIPS DEPEND ON OWNER_____	
7. KEY PASSWORDS NOT DOCUMENTED_____	
8. NO EMERGENCY CONTINUITY PLAN_____	
9. LACK OF EMPLOYEE CROSS-TRAINING_____	
10. BUSINESS VALUE NOT ASSESSED_____	



TOP FIVE SUCCESSION RISKS

RISK #1

DESCRIPTION: _____

POTENTIAL IMPACT: _____

RISK #2

DESCRIPTION: _____

POTENTIAL IMPACT: _____

RISK #3

DESCRIPTION: _____

POTENTIAL IMPACT: _____

RISK #4

DESCRIPTION: _____

POTENTIAL IMPACT: _____

RISK #5

DESCRIPTION: _____

POTENTIAL IMPACT: _____



PHASE 4: BUSINESS CONTINUITY READINESS

CHECKLIST ESSENTIAL INFORMATION INVENTORY

BANKING

- BANKING INSTITUTIONS DOCUMENTED
- ACCOUNT SIGNERS IDENTIFIED
- EMERGENCY ACCESS PROCEDURES DOCUMENTED

TECHNOLOGY

- SOFTWARE INVENTORY COMPLETED
- PASSWORD MANAGEMENT SYSTEM ESTABLISHED
- CRITICAL LOGINS DOCUMENTED
- BACKUP PROCEDURES DOCUMENTED

LEGAL

- OPERATING AGREEMENTS AVAILABLE
- CONTRACTS ORGANIZED
- INSURANCE POLICIES REVIEWED
- ESTATE PLANNING DOCUMENTS UPDATED

FINANCIAL

- ACCOUNTANT IDENTIFIED
- FINANCIAL REPORTS ORGANIZED
- TAX FILINGS ACCESSIBLE
- CASH FLOW PROCEDURES DOCUMENTED



PHASE 5: SUCCESSOR EVALUATION

POTENTIAL SUCCESSOR CANDIDATES

CANDIDATE #1

NAME: _____
RELATIONSHIP: _____
STRENGTHS: _____
DEVELOPMENT NEEDED: _____
READINESS TIMELINE: _____

CANDIDATE #2

NAME: _____
RELATIONSHIP: _____
STRENGTHS: _____
DEVELOPMENT NEEDED: _____
READINESS TIMELINE: _____

CANDIDATE #3

NAME: _____
RELATIONSHIP: _____
STRENGTHS: _____
DEVELOPMENT NEEDED: _____
READINESS TIMELINE: _____



PHASE 6: KNOWLEDGE TRANSFER PLANNING

CRITICAL KNOWLEDGE AREAS

RATE EACH AREA:

HIGH = MUST TRANSFER IMMEDIATELY

MEDIUM = IMPORTANT

LOW = HELPFUL

KNOWLEDGE AREA _____ PRIORITY

CUSTOMER RELATIONSHIPS _____

SALES PROCESS _____

PRICING DECISIONS _____

VENDOR RELATIONSHIPS _____

FINANCIAL OVERSIGHT _____

OPERATIONS MANAGEMENT _____

STRATEGIC PLANNING _____

EMPLOYEE MANAGEMENT _____



PHASE 7: PRIORITY ACTION PLAN

IMMEDIATE PRIORITIES (0-30 DAYS) - FOCUS ON REDUCING THE GREATEST RISKS FIRST.

PRIORITY 1

DOCUMENT CRITICAL BUSINESS INFORMATION.

ACTIONS:

- CREATE EMERGENCY CONTACT LIST
- ORGANIZE KEY DOCUMENTS
- SECURE PASSWORDS AND ACCESS INFORMATION
- DOCUMENT BANKING RELATIONSHIPS

ASSIGNED: _____ TARGET DATE _____

PRIORITY 2

IDENTIFY OWNER-DEPENDENT ACTIVITIES.

ACTIONS:

- LIST ALL CRITICAL RESPONSIBILITIES
- IDENTIFY BACKUP PERSONNEL
- BEGIN DELEGATION EFFORTS
- SCHEDULE CROSS-TRAINING

ASSIGNED: _____ TARGET DATE _____

PRIORITY 3

PROTECT CUSTOMER RELATIONSHIPS.

ACTIONS:

- INTRODUCE SECONDARY CONTACTS
- DOCUMENT CUSTOMER HISTORY
- CREATE RELATIONSHIP TRANSITION PLAN

ASSIGNED: _____ TARGET DATE _____



PHASE 7: PRIORITY ACTION PLAN (CONT'D)

SHORT-TERM PRIORITIES (30-90 DAYS)

PRIORITY 4

DOCUMENT OPERATING PROCEDURES.

ACTIONS:

- CREATE SOPS
- DOCUMENT WORKFLOWS
- ESTABLISH REPORTING PROCEDURES

ASSIGNED: _____ TARGET DATE _____

PRIORITY 5

EVALUATE SUCCESSOR OPTIONS.

ACTIONS:

- IDENTIFY POTENTIAL SUCCESSORS
- ASSESS READINESS
- CREATE DEVELOPMENT PLANS

ASSIGNED: _____ TARGET DATE _____

LONG-TERM PRIORITIES (90-365 DAYS)

PRIORITY 6

IMPLEMENT TRANSITION PLAN.

ACTIONS:

- INCREASE DELEGATION
- TRANSFER RELATIONSHIPS
- REDUCE OWNER DEPENDENCY
- MEASURE READINESS

ASSIGNED: _____ TARGET DATE _____



PRIORITY 7

FINALIZE RETIREMENT TRANSITION STRATEGY.

ACTIONS:

- CONFIRM SUCCESSION PATH
- UPDATE LEGAL DOCUMENTATION
- COMMUNICATE TRANSITION PLAN
- ESTABLISH RETIREMENT TIMELINE

ASSIGNED: _____ TARGET DATE _____

SUCCESSION READINESS SCORECARD

CATEGORY SCORE (1-10).

BUSINESS CONTINUITY _____
DOCUMENTATION _____
DELEGATION _____
SUCCESSOR READINESS _____
FINANCIAL READINESS _____
CUSTOMER TRANSITION READINESS _____
OPERATIONAL INDEPENDENCE _____

TOTAL SCORE _____ / 70

INTERPRETATION

60-70: STRONG SUCCESSION READINESS

45-59: MODERATE READINESS; IMPROVEMENTS
NEEDED

30-44: SIGNIFICANT PREPARATION REQUIRED

BELOW 30: HIGH-RISK TRANSITION ENVIRONMENT



SUCCESSION READINESS SCORECARD

CATEGORY SCORE (1-10)

BUSINESS CONTINUITY _____
DOCUMENTATION _____
DELEGATION _____
SUCCESSOR READINESS _____
FINANCIAL READINESS _____
CUSTOMER TRANSITION READINESS _____
OPERATIONAL INDEPENDENCE _____

TOTAL SCORE _____ / 70

INTERPRETATION

60-70: STRONG SUCCESSION READINESS

45-59: MODERATE READINESS; IMPROVEMENTS
NEEDED

30-44: SIGNIFICANT PREPARATION REQUIRED

BELOW 30: HIGH-RISK TRANSITION ENVIRONMENT



FINAL REFLECTION

1. **WHAT IS THE GREATEST RISK TO YOUR RETIREMENT TRANSITION?**

2. **WHAT ACTION WILL HAVE THE GREATEST IMPACT IN THE NEXT 30 DAYS?**

3. **WHAT SUPPORT OR EXPERTISE DO YOU NEED TO SUCCESSFULLY EXECUTE YOUR SUCCESSION PLAN?**

ABOUT SPRINGCHASE CONSULTING

SPRINGCHASE CONSULTING HELPS BUSINESS OWNERS PREPARE FOR SUCCESSFUL TRANSITIONS BY REDUCING OWNER DEPENDENCY, STRENGTHENING CONTINUITY, DOCUMENTING CRITICAL OPERATIONS, AND CREATING PRACTICAL SUCCESSION PLANS THAT PRESERVE BUSINESS VALUE AND PROTECT RETIREMENT GOALS.

NEXT STEP: SCHEDULE A SUCCESSION READINESS REVIEW TO TRANSFORM THIS STARTER GUIDE INTO A CUSTOMIZED IMPLEMENTATION ROADMAP.

