



# Succession planning Tips for private companies contemplating a transition

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## **Presenting Speaker**

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## **Guest Panelists**

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# Overview

Private business succession: why is it important?

Getting started by setting goals

The role of the CFO or interim CFO

# Private business succession

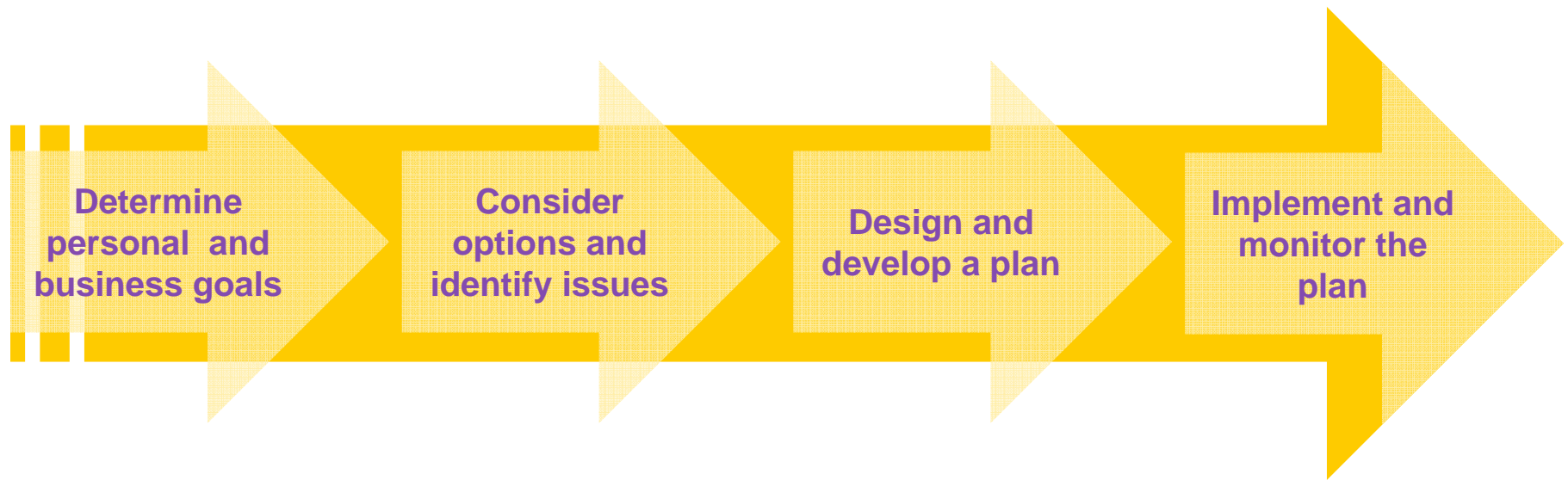
- Transfer of control and ownership
- Family members as owners and employees
- "Who runs what" versus "who gets what"
- "Triggered events"

# Reasons not to plan

- Too busy
- Don't want to retire
- No intention of dying
- No one can do what I do
- Not enough money
- Family pressures



# Roadmap



# Personal goals

- Retirement
- Wills
- Shareholders' agreement
- Vendor financing
- Family legacy

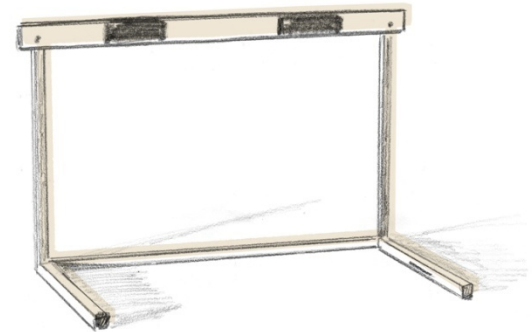
# Business goals

- Strengthen depth and breadth of the management team
- Increase profitability
- Maintain client service commitments
- Improve operational alignment



# Exit strategy

- Sale or merger (private or public)
- Management or employee buy out
- Family succession
- Wind up the business



# Family dynamics

- Choosing one child over another
- Conflict between siblings
- Children not involved in the business
- Conflict with spouse



# Business issues

- Identify a leader and successor
- Identify key roles to be filled
- Retention of key employees
- Co-operation of business partners including lenders, suppliers and customers

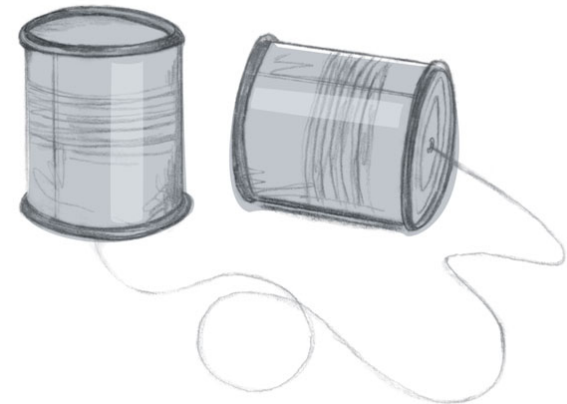
# Develop the plan

- Skill assessment
- Mentoring
- Tax and legal advice
- Document



# Communication

- A communication strategy is vital
  - family
  - key employees
  - stakeholders



## Implement and monitor

- Integrate roadmap milestones into operational plans for the business
- Circumstances change—family and business
- Review regularly against business plans

# Benefits for the owner

- Ability to retire
- Supportive family
- Retirement funding
- Minimize tax liability
- Estate planning



# Benefits for the business

- Strategic and measurable process
- Bolster management talent
- Focus workforce
- Financial sustainability
- Attractive to investors or purchasers



# The role of the CFO or interim CFO

- Quarterback
- Coach
- Sounding board





# Questions and Answers