[Insert your business logo]

The is a generic business succession template; please contact a business attorney in you State for specific requirements.

Your Business Name

Succession plan

**Date:** Select a date

[Use the italicised guidance throughout this template for help completing your succession plan.
You may wish to remove this text before you finalise your plan.]

| Download the latest version of this template from: California Business Lawyer & Corporate Lawyer  |
| --- |

# Key details

## Registration details

|  |  |
| --- | --- |
| **Business name** Registered or proposed name. |  |
| **Date registered** | Select date |
| **State registered in** | Select state/territory |
| **Business structure** | Select structure |
| **Employer Identification Number (EIN)** |  |
|  |

## Contact details

|  |  |
| --- | --- |
| Name |  |
| Phone |  |
| Mobile |  |
| Email |  |
| Address |  |

**Contents**

[Key details 2](#_Toc77760719)

[Registration details 2](#_Toc77760720)

[Contact details 2](#_Toc77760721)

[The succession 4](#_Toc77760722)

[Business and succession details 4](#_Toc77760723)

[Proposed business structure 5](#_Toc77760724)

[Key personnel changes 5](#_Toc77760725)

[Registration changes 6](#_Toc77760726)

[Legal considerations 7](#_Toc77760727)

[Insurance 7](#_Toc77760728)

[Succession timetable 8](#_Toc77760729)

[Contingency and risk management 8](#_Toc77760730)

[The finances 9](#_Toc77760731)

[Current value of the business 9](#_Toc77760732)

[Retirement income/payment 9](#_Toc77760733)

[Sale details 9](#_Toc77760734)

[Buyout details 9](#_Toc77760735)

[Taxation 10](#_Toc77760736)

[Supporting document checklist 11](#_Toc77760737)

# The succession

## Business and succession details

|  |  |
| --- | --- |
| **Owner(s) covered** | [Example: Jordan Lee.] |
| **Planned succession type** | [Example: A partial succession. The current owner will become an advisory board member.] |
| **Successor details**Who will take over as successor. | [Example: A family member or business partner.] |
| **Succession communication plan**How and when we will communicate the change. | [Example: We will discuss the change with all staff face to face and via email six months before the transition.]  |
| **Succession timeframe** | [Example: The succession process will start 1 July 1 20XX and be finalised after 3 years.] |
| **Restrictions on succession** | [Example: The successor may not change the business name.] |

## Proposed business structure

[Briefly outline what the organisation might look after the succession.]

Example of a proposed organisation chart

## Key personnel changes

*[List the positions in your business and who will fill them when the succession happens.*

What training and skills will this person need for their new role? Learn [about staff development and training](https://business.gov.au/people/employees/staff-development-and-training) and [hiring new staff](https://business.gov.au/people/employees/hiring-employees).]

Our staff and the jobs they’ll do.

| **Job title** | **Name** | **Skills and experience required** | **Training required** |
| --- | --- | --- | --- |
| [Example: Owner.] | [If unknown, add 'Vacant'.] | [Example: Business management experience and Bachelor of Marketing.] | [Examples: on the job coaching, formal training in financial management] |
|  |  |  |  |
|  |  |  |  |

### Skill retention strategies

[How will you make sure staff skills are maintained? Do all staff have a manageable workload? How will you ask staff to take on new jobs?]

|  |
| --- |
| [Example: The manager regularly checks in with staff, all staff attend monthly team meetings, we offer free courses to maintain staff skills and involve staff in our professional development planning process.] |

### Training programs

[What training programs will you organise for possible successors? Are these in-house or run by external providers?]

|  |
| --- |
| [Example: The current owner shows the successor how to use all the necessary systems needed to run the business.] |

## Registration changes

*[Learn how to* [*cancel registrations*](https://www.business.gov.au/Registrations/Cancel-registrations)*,* [*transfer business ownership*](https://www.business.gov.au/Change-and-growth/Restructuring/How-to-change-business-ownership) *and what to consider when* [*changing your business structure*](https://www.business.gov.au/planning/business-structures-and-types/business-structures/changing-your-business-structure)*.]*

|  |  |
| --- | --- |
| Registration transfers | *[Examples: business name, ABN, ACN, goods and services tax, intellectual property, domain name, local licences/permits]* |
| Change of business structure | *[Example: The business will change from sole trader to partnership structure.]* |
| Other transfers | *[Examples: contracts, lease, memberships]* |

## Legal considerations

|  |  |
| --- | --- |
| Contracts/legal documentsAny existing legal terms of succession.New contracts required. | *[Example: New partnership contract needs to be drawn up.]* |
| Buy-sell agreementIf in a partnership. | *[Example: The remaining partner(s) may buy my partnership share.]* |
| Will or testament of business owner/s.What happens to the business or share if the owner dies. | *[Example: Will specifies that the business owner’s share goes to family members.]* |

## Insurance

*[What* [*insurance*](https://business.gov.au/risk-management/insurance) *policies do you currently hold in the event of a disability, death or injury?]*

|  |
| --- |
| *[Example: Accident and liability insurance and loss of income insurance.]* |

## Succession timetable

*[Detail each phase in the succession process*. *For example, you could include planning, operational (financial, developmental, legal), training and handover phases.]*

| Phase | Succession action items | Start date | End date |
| --- | --- | --- | --- |
| *[Example: Handover.]*  | *[Example: Successor will attend current owners meetings and meet and greet sessions with important stakeholders.]* | *[Example: One month before transfer.]* | *[Example: Day of transfer.]* |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

## Contingency and risk management

[Detail risks to the succession and how you’ll manage them. What can go wrong while the succession plan is being implemented? What is the potential impact to your business? [Find out what risks may exist for your business.](https://www.business.gov.au/risk-management)]

The risks that exist and how we will protect our business from them.

| Succession risk | Likelihood | Impact | Contingency |
| --- | --- | --- | --- |
| *[Example: The anticipated successor does not accept the role.]* | Select likelihood | Select impact | *[Example: Approach second and third preferences.]* |
|  | Select likelihood | Select impact |  |
|  | Select likelihood | Select impact |  |

# The finances

## Current value of the business

*[Learn how to* [*value your business*](https://www.business.gov.au/Finance/Seeking-finance/How-to-value-a-business)*.]*

Market value of business.

|  |
| --- |
| $      |

## Retirement income/payment

[Detail any retirement payments required from the planned succession date. What are the terms? Is it a one-off payment or will there be regular payments?]

|  |
| --- |
| [Example: The business pays the owner out for their share through a lump sum payment.]  |

## Sale details

*Learn what steps you need to take if you're* [*selling your business*](https://www.business.gov.au/exiting/selling-your-business/)*. If you put your business on the market during the succession, what is the minimum sale price you require? How long do you plan to have the business on the market? Who’ll get the proceeds?]*

The steps we will take to sell our business.

|  |
| --- |
| *[Example: The minimum sale price that will be accepted is $XXX,XXX. It will remain on the market for 6 months or until purchased. The profits will be distributed among partners based on their stake in the company.]* |

## Buyout details

*[If you are in a partnership and you plan to arrange a buyout, what is the value of your share? What is this in percentage terms? What is the value you will sell to existing partners, family members or external third parties?]*

|  |
| --- |
| *[Example: The value of my share is $XXX,XXX, or X% of the total business. I will accept $XXX,XXX to be bought out. I am open to my share being sold to existing partners.]* |

## Taxation

*[Find out what* [*taxes you need to pay*](https://www.business.gov.au/exiting/selling-your-business/how-to-sell-your-business#Finalise-your-tax-and-legal-issues) *if you are selling or transferring your business.]*

|  |
| --- |
| *[Example: I will need to pay capital gains tax if I am bought out.]* |

# Supporting document checklist

Attached documents (where relevant):

[ ]  Contracts

[ ]  Registrations

[ ]  Legal documents

[ ]  Business valuation statements

[ ]  Handover documents

[ ]  Succession communication plan

[ ]  Successor details