

# Are you planning for succession?



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## Do you have an end game?

You've grown your business gradually and now your mind turns towards collecting your reward from your investment of capital, know-how and years of effort. Achieving the most money for your business requires the same diligence it took to grow it. So, how can you ensure you receive a return for your efforts?

Effective Successions Planning is the key to protecting, growing and realising the maximum value for your business. It is a strategic process that allows you smoothly transition the ownership and/or management of your business.

Research shows that business value can be impacted by a number of issues, including:

- Complacency of business owners in addressing succession
- Business owners often being unaware of all their succession options
- Generation Y lacking the aspiration to be a business owner
- Increased house prices restricting the funding options for successors

## Why is Succession Planning a key-issue now?

Do you remember what you paid for petrol when you started in business? Maybe less than 60 cents a litre? Times change, markets change and so does the business environment. Not long ago, business entry costs and competitive forces were lower and business growth could be funded by borrowing against increasing house prices. Business success demands focus by you in the operation, but ultimately, issues of succession and retirement will creep up. By then, getting the price you need could be elusive.

The next generation of business owners, Generation Y, face a completely different business environment. Start-up and acquisition costs are higher, regulatory barriers are higher, and completion has increased. Business funding opportunities are also more limited in comparison.

You're a business owner and you understand the driving forces behind competition, supply and demand. So when:

- More businesses are for sale – lower prices result
- With fewer qualified buyers – it becomes a Buyer's market
- In a Buyers market – they can be selective and value driven

Thus, it is important to start planning your succession early to ensure the right strategies are in place well before your planned exit or withdrawal from your business operations.

**Talk to HBA Encompass about Succession Planning options for our business today.**