

Future Proofing Your Business

What you need to consider

Have you considered what will happen to your business when you want to move on and seek new opportunities, retire, or perhaps find yourself in a situation where you are no longer able to work?

It's important to consider your options and decide what you would like to happen. By putting the necessary plans in place, you can make your intentions a reality and realise the value of all the hard work you've put into your business.

It's also about managing risk. If someone in your family suffers a sudden decline in health you may find yourself dealing with your new priority and relying on the key people in your business to keep it ticking over. It's essential that you have plans in place to deal with the challenges that life throws at you.

Succession planning is a key ingredient in the management of a business. Too few business owners think these issues through, yet most expect to retire on the proceeds of the sale of their business.

Planning ahead for the sale of your business is crucial if you wish to achieve the best possible price. It pays to have your affairs in order.

Selling to third parties

If you're relying on selling your business to a third party, it will be thoroughly scrutinised through the process of 'due diligence.' All your financial information, customer details, supplier and customer agreements, leases, employment agreements and more will be reviewed by the potential buyer to ensure they get value for their money. Having clear records and processes in place means it will be easier to establish the value of your business.

Involving the people who already know your business

A business owner may hope to pass on the ownership to someone who already knows the business – a family member or a key employee. This will become even more important in the future when an aging population means that there may be more sellers than willing buyers.

Members of your management team who know the business and see its potential could be the best sale option for you – however they may not have the money to invest. With the right approach, key

employees can be financed into the business and banks can be utilised to bridge the gap.

Get started now

Even if you intend to remain in the business for five years, starting now will give you time to strategise, identify risks and opportunities, and sell when the time is right for you and the market. If you intend to sell to someone within the business it may take time to ease them in. Thinking about the future can help you to fine tune what you have now and identify areas for improvement.

How can we help?

We're experienced in assisting small and medium-sized businesses in all aspects of business, including succession planning and sales. Some of the ways in which we can help are:

- Discussing your plans, goals and timelines
- Reviewing the legal aspects of your business for compliance and possible improvements (this may include review of your shareholders' agreement, company constitution, supply agreements, terms of trade, intellectual property, leases and employment agreements)
- Critically reviewing your business from a potential buyer's perspective
- Referring you to accountants who can help you maximise the business's potential and assist in the succession planning process
- Referring you to financial institutions who know how to deal with management buy-ins
- Preparing the necessary documents to sell your business
- Negotiating with buyers on your behalf to achieve the best result.

We are also able to advise you on your wider business and personal affairs, including business structures, estate planning and trusts and winding up your company. If you require more information, please contact our Personal Planning and Business Solutions Team.