

Business Succession Planning = Business Success!

All good things must come to an end. Whether biology catches up to us, our priorities change or something else happens, all businesses need an "end game". Business Succession can be fairly lucrative, or a financial disaster, depending on planning and your willingness to ask for help. Right now, we are working with Emporia Main Street member businesses that gave us time to help with succession planning, and most of those businesses now have a smooth transition plan in place. An example of a past success is in the transition from Jock's Nitch to Flint Hills Laser Expressions. Within my first two weeks on the job, the owner of Jock's Nitch informed Main Street that he needed help with succession planning. He was leaving, and he needed some options. We worked with Rick Robidou, and now Flint Hills Laser Expressions carries much of what made Jock's Nitch successful, plus many items unique to Flint Hills Laser (Rick does some cool stuff!). We like as much time as possible to help plan, but there are some guidelines to help you plan the transition of your business



Options for Transition:

- Retain family ownership and management control
- Retain ownership, but hire outside management
- Sell to someone other than family
 - a. Management buy out
 - b. Sell to employees
 - c. Sell to an outsider
- Close the doors and liquidate the assets (*this is generally the most expensive and risky option*)

Getting started:

- Develop a retirement plan
- Ask for Help
- Set your goals for transition
- Be flexible

Implementation

- Create a succession team that may include Main Street, your accountant, lawyer, banker, any business advisors and an appraiser.
- Determine a plan for different Transition Options (see above)
- Determine the value of the business
- Create financing options for people interested in business purchase (the more flexible you are, the more likely you'll sell)

During the transition:

- Be reasonable
- Carry on business as usual
- Keep the transition confidential
- Keep your professionals (accountant, lawyer, etc.) involved
- Make sure everything (building, web site, displays, etc.) are in tip-top shape
- Put together common information that a buyer may need
- Seek to create a competitive situation

- Stay on a time schedule

Ensure the success of the business, post transition:

- Sign a no-compete contract
- Write down all business processes
- Produce clean financial statements
- Have a clear marketing plan/budget
- Produce clean, accurate customer information in a usable form
- Communicate with your employees
- Step up your housekeeping.

Whether you are growing, changing or transitioning your business, you don't have to go through it alone. BUT, if you want our help, please get Emporia Main Street involved as soon as possible. The more time we have to work with you and your business, the better results we can help produce for YOU (and your business)!

Back to home page: www.emporiainmainstreet.com