
BUSINESS ADVISORY SERVICES

SUCCESSION PLANNING


Paper 570-039


CONTENTS

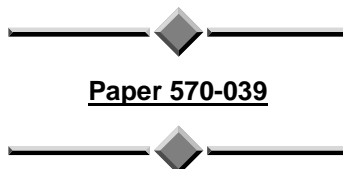
	Page
1. Outcome Of One-On-One Meetings	3
2. What Is Included In A Succession Planning Assignment?	3
3. Work Programme/Budget/Quotation Form	4
4. Work Programme Quotation	4
5. Work Programme Timetable	4
6. Proposal Document	4
7. Assignment Control Form	5
8. Current Owner's Strategies	5
9. Strategic Plan For Succession Planning	5
10. Succession Plan Questionnaire	5
11. Business Plan For Family Businesses	5
12. The Business Questionnaire	6
13. Management Questionnaire	6
14. Directors Questionnaire	6
15. Advisory Board Questionnaire	6
16. Employees Succession Issues Questionnaire	6
17. Do You Have Enough Money To Retire	6
18. Corporate Structure	6
19. Ownership Options	6
20. Legal Issues In Succession Planning	7
21. Family Charter/Constitution	7
22. Family Council	7
23. Taxation Implications – Sale Of A Business	7
24. Succession Planning – Personal Due Diligence List	7
25. Succession Planning – SWOT Analysis	7
26. Identification Of Succession Issues	7
27. Succession Planning Report	7

FORMS

[BAS017 - SME Needs' Analysis Questionnaire](#)
[BAS018 - Chief Financial Officer Services](#)
[BAS019 - Strategic Management Consultancy](#)
[BAS020 - Business Evaluation Workshop Checklist](#)
[BAS224 - Work Programme/Budget/Quotation Form – Succession Planning Consultancy](#)
[BAS224 - 1 Work Programme Timetable – Succession Planning Consultancy](#)
[BAS244 - Proposal For Succession Planning Consultancy Assignment](#)
[BAS284 - Assignment Control Form – Succession Planning Consultancy](#)
[BAS951 - Succession Planning – Current Owner's Strategies Questionnaire](#)
[BAS952 - Strategic Plan For Succession Planning](#)
[BAS953 - Succession Plan Questionnaire](#)
[BAS954 - Business Plan For Family Businesses](#)
[BAS955 - The Business Questionnaire](#)
[BAS956 - Management Questionnaire](#)
[BAS957 - Director's Questionnaire](#)
[BAS958 - Advisory Board Questionnaire](#)
[BAS959 - Employee Succession Issues Questionnaire](#)
[BAS961 - Do You Have Enough Money to Retire?](#)
[BAS962 - Corporate Structure](#)
[BAS963 - Ownership Options](#)
[BAS964 - Legal Issues in Succession Planning](#)
[BAS965 - Family Charter/Constitution](#)
[BAS966 - Family Council](#)
[BAS967 - Taxation Implications – Sale Of A Business](#)
[BAS980 - Succession Planning – Personal Due Diligence List](#)
[BAS981 - Succession Planning – SWOT Analysis](#) (Strengths, Weaknesses, Opportunities and Threats)
[BAS990 - Identification Of Succession Issues](#)
[BAS995 - Succession Planning](#)

BUSINESS ADVISORY SERVICES

SUCCESSION PLANNING



Paper 570-039

1. Outcome Of One-On-One Meetings

The suggested procedure for commencing a client's relationship with business advisory services is to conduct a one-on-one meeting with the client using the SME Needs' Analysis. (BAS017).

You might also discuss:

- Chief Financial Officer Services (BAS018).
- Strategic Management Consultancy (BAS019).
- Business Evaluation Workshop Checklist (BAS020).

This will assist the client to identify the work on which they're interested in receiving a proposal from you.

Our strong recommendation is that no business advisory services work should be commenced unless a written proposal has been submitted to the client.

This paper relates to the proposal and work programme for succession planning.

2. What Is Included In A Succession Planning Assignment?

The following is a summary of the items that could be included in the succession planning assignment. Checklists have been prepared for each of these items and more detailed comments are made later in this module, relating to each individual checklist.

- Current Owner's Strategies
- Strategic Plans
- Succession Plan
- Business Plan
- The Business
- Management
- Directors
- Employees
- Exit Options
- Estate Planning
- Business Valuation
- Risk Management
- Retirement Planning
- Clients/Customers
- Corporate Structure

-
- New Owner's Options
 - Legal
 - Family Charter
 - Family Constitution
 - The Family
 - Advisory Board
 - Shareholder's Agreement
 - Taxation Issues
 - Superannuation

3. Work Programme/Budget/Quotation Form

This form allows you to specify the actual work which will be undertaken for the client, including details of the individual team members to be used in the project and an estimate of their hours to attend to the various work assignments.

4. Work Programme Quotation

After you have reviewed items contained within item 3 above to determine the work to be undertaken and you have placed time estimates alongside the various items, you can then complete the calculations of the number of hours to be spent on the assignment, multiply the hours by the normal charge out rates, add any envisaged outlays and any super profit that you wish to incorporate. This will give you the total fee to be charged. The payment schedule can then be determined.

5. Work Programme Timetable

A Work Programme Timetable template has been prepared incorporating each item within the Work Programme/Budget/Quotation Form (BAS224). In a separate form, known as the Work Programme Timetable (BAS224-01), you can record the work to be undertaken including pre-agreement work. This enables you to plan how the assignment is going to be completed.

6. Proposal Document

A template for the Proposal for Succession Planning Consultancy is available (BAS244). Obviously you can edit the document if you wish and it also requires some additional information to be inserted. The proposed document includes comments on:

- Methodology to be used on the assignment.
- Our approach which summarises the work that you are going to undertake for the client.
- Outcome of Assignment – we recommend that you list what you envisage the outcomes will be.
- Timetable - after you have completed the Work Programme Timetable (BAS224-01) you will be able to calculate the estimated completion date so that information can be inserted under the Timetable heading.
- Quotation - is the amount that you have calculated in the quotation document.
- Key personnel to be involved in the assignment - should be listed.
- Your payment terms - should be stated you then need to ensure that, once the client has accepted, the administration section raises the tax invoices in accordance with the payment schedule.

-
- Additional work – it is very important to include this clause because it is not unusual for additional work to be added to the initial assignment. To prevent any misunderstanding by the client our recommendation is that you supply a separate quotation for each item of additional work.
 - Acceptance of Quotation – we recommend that you make sure the client signs off on the work to be undertaken and that a copy of the signed “Acceptance of Quotation” form is filed in your records.

7. Assignment Control Form

The system includes an Assignment Control Form (BAS284) for Succession Planning Consultancy which will assist the accountancy business to assign who is responsible for the various aspects of the assignment and to record the date the segment was completed.

8. Current Owner's Strategies

The questionnaire on current owner's strategies poses a number of questions for the current owner to answer relative to:

- Whether they consider themselves in business for a long term e.g. life or are they developing a business so they can exit, basically by a sale.
- Have they considered the reliance the business has on them and can they be replaced?
- What are their personal goals?

These questions are asked in the current owner's strategies questionnaire. (BAS951).

9. Strategic Plan For Succession Planning

The strategic plan for succession planning questionnaire is available (BAS952).

The key items covered relate to:

- professionalising the family business by encouraging strategies to be developed for employment of family members;
- remuneration packages for family businesses;
- employment of external management and team members;
- appointment of a board of directors; and
- appointment of external persons to the board of directors.

10. Succession Plan Questionnaire

A Succession Plan Questionnaire is available (BAS953).

11. Business Plan For Family Businesses

Has the business developed a business plan, including Budgets and Cashflow Forecasts for, at least, the next three years? A questionnaire relating to business plans for family businesses is available - (BAS954).

12. The Business Questionnaire

A questionnaire relating to the business is available (BAS955). This questionnaire includes a number of questions relative to the actual business operations and the business' preparedness for a succession event.

13. Management Questionnaire

A questionnaire relating to management is attached in (BAS956).

The management questionnaire discusses the treatment of family and non-family members in management positions and raises discussion on bringing in outside management to assist in the management of a family business.

14. Directors Questionnaire

A questionnaire relating to directors is attached in (BAS957).

15. Advisory Board Questionnaire

A questionnaire relating to advisory board is attached in (BAS958).

16. Employees Succession Issues Questionnaire

A questionnaire relating to employees is attached in (BAS959).

17. Do You Have Enough Money To Retire

A questionnaire relating to do you have enough money to retire is attached in (BAS961).

18. Corporate Structure

A questionnaire relating to corporate structure is attached in (BAS962).

19. Ownership Options

A questionnaire relating to ownership options is attached in (BAS963).

20. Legal Issues In Succession Planning

A questionnaire relating to the legal issues in succession planning is attached in (BAS964).

21. Family Charter/Constitution

A questionnaire relating to Family Charter/Constitution is attached in (BAS965).

22. Family Council

A questionnaire relating to family council is attached in (BAS966).

23. Taxation Implications – Sale Of A Business

A questionnaire relating to taxation implications – sale of a business is attached in (BAS967).

24. Succession Planning – Personal Due Diligence List

A questionnaire relating to succession planning – personal due diligence list is attached in (BAS980).

25. Succession Planning – SWOT Analysis

A questionnaire relating to succession planning – SWOT analysis is attached in (BAS981).

26. Identification Of Succession Issues

A questionnaire relating to identification of succession issues is attached in (BAS990).

27. Succession Planning Report

A questionnaire relating to succession planning report is attached in (BAS995).

AN IMPORTANT MESSAGE

The forms and commentaries contained in this paper are provided as a guide only and should not form the sole basis for any advice in relation to the particular situation of any person without first obtaining proper professional advice.

This paper is provided on the understanding that ESS BIZTOOLS PTY LTD (ACN: 078 451 439) will not be responsible as a result of any use made by users hereof of the forms or commentaries of this paper without first obtaining specific professional advice. Neither shall ESS BIZTOOLS PTY LTD be responsible for any errors or omissions contained in these papers. ESS BIZTOOLS PTY LTD expressly disclaims liability whether under contract or negligence and whether to a direct purchaser of these papers or to any other person who may borrow or use them in respect of any loss or damage flowing there from whether direct or consequential. In particular and without limiting the extent of this disclaimer ESS BIZTOOLS PTY LTD accepts no liability if any form or commentary contained herein, whether used in its original form or altered in some way by the user, proves not to be valid or not to attain the end result desired by the user. This exclusion shall extend both to the user and to any client of the user who may suffer loss as a result of the use of these papers and it shall apply even though ESS BIZTOOLS PTY LTD may have been negligent in the publication or preparation of these papers. The user acknowledges that it has not made known to ESS BIZTOOLS PTY LTD any particular purpose for which these papers are required and that it has not relied on ESS BIZTOOLS PTY LTD' skill or judgement to provide a paper suitable for any such purpose.

INTELLECTUAL PROPERTY NOTICE

The authority to use all copyright, trademarks and other intellectual property rights comprised in this paper is held exclusively by ESS BIZTOOLS PTY LTD (ACN: 078 451 439). Neither these rights nor any part of this paper may be used, sold, transferred, licensed, copied or reproduced in whole or in part in any manner or form whatsoever without the prior written consent of ESS BIZTOOLS PTY LTD (ACN: 078 451 439).