



LEGACY LAW

**EXTRACT FROM INTERVIEW ON  
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## **Top Seven Steps to Successful Succession Planning**

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1. **Start Early.** Most families don't talk about a plan for the continuance of the family business. Even fewer complete a plan that can be successfully carried out. Developing a good plan takes time, often years. The sooner you start with succession planning the better. Begin discussing the issues before a crisis.
2. **Communication.** Ground rules need to be established and the best way to do this is to involve a skilled non-family facilitator or mediator who can lead the necessary discussions. Potentially high emotions will need to be kept under control, the conversations kept on topic and various relationships respected. It is almost impossible for anyone personally involved in the succession planning issues to manage all these elements in a safe and neutral manner.
3. **Involve all stakeholders.** Successful planning includes all family members in the discussion. Make sure attention is paid to the personal feelings, ambitions and goals of everyone concerned and do not let your expectations override their needs. Treat all family members as individuals and do not assume they want the same things as you do or as each other.
4. **Seek the advice of outside experts.** Your lawyer and financial adviser can help you put together a succession plan. However, don't ignore the emotions and family conflicts that play critical roles in the success of your family business succession plan. Silence, not talking about succession, ignoring the emotions and conflicts in the family, these are the main reasons why family business succession planning often fails.
5. **Document values, wishes and goals.** Having these included is a much better way to flesh out the intention behind legal documents which can be dry. And besides people will more easily remember family mantras like "Whatever you do, don't fight" than a clause in a document about dispute resolution.
6. **Implement the plan.** Start implementing the plan as soon as possible so any unforeseen consequences can be dealt with in a timely fashion and whilst those in control still have the power to change it. It is always going to be far better dealing with these issues in a productive manner around the boardroom table than in the morgue or the divorce courts.
7. **Review the plan.** Things always change. The law and relationships certainly do. Plans put in place several years ago should be reviewed to ensure they can achieve what they aim for in light of the positions of the stakeholders and the law.