

THE POWER INVESTMENT TEAM

# BUSINESS SUCCESSION PLANNING WITH PROFESSIONAL ADVICE



After working hard to build your business, you may now face another hurdle—how to hand it down after you retire or pass away. These succession management challenges can significantly impact the long term success and sustainability of your business, which is why the smart entrepreneur plans ahead.

The Power Investment Team has decades of collective experience in advising business owners on succession management. We can help business owners like you to create a future growth path that includes a smooth transition plan for your life's work.

## The challenges you face

One of the biggest mistakes among business owners is the failure to develop a comprehensive succession plan. In Canada, there are more than one million employer-owned businesses (excluding self-employed ones). Only 19% of these family businesses have a formalized succession plan in place<sup>1</sup>.

This can lead to uncertainty when the time comes to transition or sell the business. Owners without a clear road map may struggle to find suitable successors or buyers, potentially reducing the value of the business.

Why do owners neglect to make these plans? Finding and grooming competent successors is a significant task for time-strapped owners—one that involves training and development programs that require dedication and resources. Another is finding the right advice. One in three small business owners simply don't know where to begin<sup>2</sup>.

Financial considerations also introduce friction for owners tackling succession management. Determining the value of your business, calculating tax implications and arranging financing for the transition can be complex.

Business owners facing these tasks are also planning for future uncertainties, which can also pose risks. Economic fluctuations, market volatility or unexpected events may disrupt succession plans. How do you protect yourself, your business and those who will be operating it after you while planning your transition?



## Trusted expertise

The key is to tackle these challenges head-on now so that you can spend the rest of your career growing a company you will be proud to put into the hands of a successor.

Jeanette Power will coach you through your succession planning journey. As the head of The Power Investment Team, she has spent over 25 years assisting clients to plan the aspects around their personal and professional financial lives. Jeanette works with estate planning, insurance and tax specialists who offer a holistic approach to business succession planning. Together, they help ensure the long-term financial health of your business and your family.

Along with CIBC partners, The Power Investment Team will develop a robust plan, evaluate potential successors or buyers, navigate financial complexities, and address emotional concerns. Whether you are considering transferring your business to family members, orchestrating a management buyout, or exploring the option of selling to an external party, our CIBC team of specialists can help guide you through the decision-making process. Working with your accountants and lawyers, we'll help you address the complex issues that arise.

## Building a succession plan

As the team works together on your succession plan, we work with you to explore a broad spectrum of questions.

On the technical side, in-house experts will help you to evaluate your business and find ways to increase its potential value and liquidity if you choose to pursue a sale.

CIBC partners will also examine your specific circumstances to find the most appropriate structure for your business, to support a smooth and profitable transition, taking tax planning into consideration. The team's services also include planning to ensure the longevity of your business after a change in ownership.

On the interpersonal side, Jeanette's team will identify your personal goals for the transition. A candid discussion can improve your understanding of what you envision not just for yourself but also for your family members and employees. You will receive assistance to explore the expectations of other stakeholders. This ensures everyone is aligned to prevent any conflicts when the transition occurs.

We pursue a multi-stage process that begins with a sit-down session to identify your goals and objectives. This process includes you, your family and key stakeholders in your business in order to establish open lines of communication early on.



## Take the first step

After years of building your legacy, you owe it to yourself to get the maximum value from it in your retirement and to preserve it long afterwards. Contact The Power Investment Team to begin this journey and get the peace of mind that you deserve.

### The Power Investment Team

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#### Sources

<sup>1</sup> [PwC Canada's family business survey 2018](#). Contently <sup>2</sup> Getting the Transition Right, Canadian Federation of Independent Business, November 2018. <https://www.cfib-fc>

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