

# SUCCESSION PLAN TEMPLATE AND GUIDE

## BUSINESS.GOV.AU

A good succession plan creates a smooth transition between old and new ownership and reduces disruptions to your business when you're away. The business.gov.au Succession Plan template steps you through the process of creating a solid, well-structured plan tailored to your business.

New! Strengthen your succession plan with an emergency management and recovery plan, now available for download on your tablet. Visit [www.business.gov.au/apps](http://www.business.gov.au/apps) to download our MyBizShield tablet app now!

Copies of the latest version of this template and guide can be downloaded from [www.business.gov.au/plans](http://www.business.gov.au/plans).

If you need further information, assistance or referral about a business issue, please contact business.gov.au on 13 28 46.



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## How to use this template

Before you complete this Succession plan template and start using it, consider the following:

1. **Use the [*italicised text*].** The italicised text is there to help guide you by providing some more detailed questions you may like to answer when preparing your response. **Please note:** If a question does not apply to your circumstances it can be ignored.
2. **Use the succession plan guide.** The succession plan guide below contains general advice on succession planning and a complete overview with details on each question asked in the succession plan template.
3. **Get some help.** If you aren't confident in completing the plan yourself, you can enlist the help of a professional (i.e. Business Enterprise Centre, business adviser or accountant) to look through your plan and provide you with advice.
4. **Review. Review. Review.** Ask a number of impartial people to proofread your final plan.
5. **Print.** Before you print a copy of your completed succession plan, ensure you delete the first section containing the guide as well as the [*italicised text*]. To print a copy, select the Printer icon on the toolbar, or select File then Print on the main menu.

## Succession plan guide


### Succession planning

Planning for the day you leave your business is a valuable investment. Whether you decide to sell up, retire or have to get out of business due to health reasons, it's important that you spend the time with your family and/or your business partners and plan what you are going to do. A succession or exit plan can help you outline what will happen and who will take over your business when you leave.

A good succession plan enables a smooth transition with less likelihood of disruption to operations. By planning your exit well in advance you can maximise the value of your business and enable it to meet future needs.

Make sure your succession plan is attainable - set a realistic timetable and measurable milestones along the way and stick to them.

#### What to do...

- Read our [Selling or closing your business](#) topic.
- Check our [Event Finder](#) to see if there are any seminars about succession planning.
- Contact your nearest [Business Enterprise Centre](#)  for free advice and support.

- Your industry association may be able to assist - search our [directory](#) for contact details.
- Get professional advice from a business adviser, accountant or solicitor.

## **Regular review**

As time passes your circumstances may change and having your succession plan up to date will ensure you are always ready in the event you need to leave earlier than anticipated.

## Template overview

The following template overview provides details on each question asked throughout the Succession plan template as well as links to further information. When you start answering a question in your succession plan, you can refer to the relevant question below to help guide your answer.

### Title page

Question/Field	Explanation	More information
<b>Insert business logo</b>	Adding a logo gives a more professional image.	—
<b>Your name</b>	Enter the business owner's name. Enter multiple names if there are multiple owners.	—
<b>Your title</b>	The titles of the business owner(s) listed above, e.g. Owner/Manager.	—
<b>Business name</b>	Enter your business name as registered in your state/territory.	Visit our <a href="#">Register your business name</a> page.
<b>Main business address</b>	Enter your main business address. This can be your home address if you are a home-based business or your head office if you have more than one location.	—
<b>ABN</b>	Enter your Australian Business Number. If you are a business and have registered for an ABN enter it here.	Visit our <a href="#">Register for an Australian Business Number (ABN)</a> page.
<b>ACN</b>	Enter your Australian Company Number. Only fill this in if you are a company.	Visit our <a href="#">Register your company</a> page.
<b>Prepared</b>	The date you finished preparing your Succession plan.	—

Question/Field	Explanation	More information
<b>Table of Contents</b>	If you have changed this template in any way, please remember to update the table of contents to reflect the changes.	—

## The succession

### Business & succession details

Question/Field	Explanation	More information
<b>Business name</b>	Enter your business name as registered in your state/territory.	Visit our <a href="#">Register your business name</a> page.
<b>Business structure</b>	Is your business a sole trader, partnership, trust or company?	Visit our <a href="#">Which business structure should I choose?</a> page.
<b>Current owner(s) covered</b>	Who is covered by this succession plan? Does this apply to all partners?	—
<b>Planned succession type</b>	Detail the type of succession you have planned? Will you be completely removed from the business or only partially? If it is a partial succession, what will be your future involvement in the business?	—
<b>Successor details</b>	Who will take over as successor - a family member, business partner or other? How and when will you communicate this to the organisation? Do you have an alternative successor in mind if the chosen successor is unavailable?	Visit our <a href="#">Transferring ownership</a> page.
<b>Succession timeframe</b>	When do you plan to implement this succession?	—
<b>Restrictions</b>	Are there any restrictions placed on the succession?	—

### Proposed organisation structure

Question/Field	Explanation	More information
<b>Figure 1: Proposed organisation chart</b>	Briefly outline what the organisation might look like once you leave. For example, who is your successor? If they are internal also outline who will fill their current position. Outline any positions that will be vacant after the reshuffle.	—

### Key personnel changes


Question/Field	Explanation	More information
<b>Key personnel changes table</b>	<p>List all of the positions in the organisation and the people that are expected to fill the position in the event of a succession. For each position outline:</p> <ul style="list-style-type: none"> <li>• <b>Job title:</b> Position title</li> <li>• <b>Name:</b> If known, the name of the employee expected to fill the position. If unknown, add 'Vacant'.</li> <li>• <b>Skills required:</b> Relevant qualifications and/or experience.</li> <li>• <b>Training requirements:</b> What particular training will this person require to fulfil their new role?</li> </ul>	<p>Visit our <a href="#">Recruitment</a> page.</p> <p>Visit our <a href="#">Skills &amp; training</a> topic.</p> <p>Visit our <a href="#">Employing people</a> topic.</p>
<b>Skill retention strategies</b>	<p>What procedural documentation do you intend on providing to ensure the skills of staff are maintained? Do you have an appropriate allocation of responsibilities? How will the new responsibilities be documented and communicated to staff? What internal processes will you implement to regularly check that the current skills of staff members are still appropriate for the business?</p>	<p>Visit our <a href="#">Skills &amp; training</a> topic.</p>

Question/Field	Explanation	More information
<b>Training programs</b>	What training programs will you be organising for possible successors? Are these in-house or conducted by external providers? Have you also considered change management training for the organisation in preparation for the succession?	Visit our <a href="#">Skills &amp; training</a> topic.

### Registration changes

Question/Field	Explanation	More information
<b>Registration transfers</b>	Which registrations do you need to transfer/change? For example, business name, ABN, ACN, GST, intellectual property, domain name, local licences/permits.	Visit our <a href="#">Notify changes to your business</a> page. Visit our <a href="#">Transferring ownership</a> page.
<b>Change of business structure</b>	Do you need to change your business structure? For example, if the business was a partnership and the new structure will be a sole trader.	Visit our <a href="#">Notify changes to your business</a> page.
<b>Other transfers</b>	Lease, memberships or other?	—

### Legal considerations

Question/Field	Explanation	More information
<b>Contracts/legal documents</b>	Is there a legal document that dictates the terms of the succession? If so, what are the terms? Are there any contracts that need to be modified in the event of the succession, e.g. partnership contract? Are there any new contracts that need to be drawn up?	Visit the <a href="#">Small business legal issues guide</a>  page.

Question/Field	Explanation	More information
<b>Buy-sell agreement</b>	If you are in a partnership do you have a buy-sell agreement in place? What are the terms? Will the remaining partner(s) buy your partnership share or will it be open to external partners/family members? Does this arrangement apply to all partners in the organisation?	Visit the <a href="#">Small business legal issues guide</a> page.
<b>Will/testament</b>	As the business owner(s), have you drawn up a will or testament? What happens to the business or your share of the business in the event of a death?	Visit the <a href="#">Small business legal issues guide</a> page.

### Insurance

Question/Field	Explanation	More information
<b>Current insurance</b>	What insurance policies do you currently hold in the event of a disability, death or injury?	Visit our <a href="#">People insurance</a> page.



**Succession timetable**

<b>Question/Field</b>	<b>Explanation</b>	<b>More information</b>
<b>Succession timetable table</b>	<p>The timetable provided should detail each phase in the succession process. Phases can include, but are not limited to: planning, business housekeeping (e.g. financial/developmental/legal), successor mentorship/training, handover and transition. For each phase list:</p> <ul style="list-style-type: none"> <li>• <b>Phase:</b> Brief phase description</li> <li>• <b>Succession action items:</b> What are the succession action items that you need to complete for this particular phase?</li> <li>• <b>Start date:</b> When do you expect to start this phase?</li> <li>• <b>End date:</b> When do you expect to end this phase?</li> </ul>	—

## Contingency/risk management

Question/Field	Explanation	More information
<b>Contingency/risk management table</b>	<p>Detail the risks to the succession and any contingencies. For example: If the sale price you expected is not met, what will happen? For each risk list:</p> <ul style="list-style-type: none"> <li>• <b>Succession risk:</b> What can go wrong while the succession plan is being implemented? What is the potential impact to your business?</li> <li>• <b>Likelihood:</b> Highly Unlikely, Unlikely, Likely or Highly Likely.</li> <li>• <b>Impact:</b> High, Medium or Low.</li> <li>• <b>Contingency:</b> What is your contingency/alternative plan in the event that this risk happens?</li> </ul>	Visit our <a href="#">Risk management</a> page.

## The Finances

Question/Field	Explanation	More information
<b>Current value of the business</b>	What is the current market value of the business?	Visit our <a href="#">Selling your business</a> page.
<b>Retirement income/payment</b>	Detail any retirement payments required on/from the planned succession date for retiring owners. What are the terms? Is it a one-off payment or regular payments?	—
<b>Sale details</b>	In the event that you put your business on the market during the succession, what is the minimum sale price you require? How long do you plan to have the business on the market? Who will receive the proceeds?	Visit our <a href="#">Selling your business</a> page.

Question/Field	Explanation	More information
<b>Buyout details</b>	If you are in a partnership and you plan to arrange a buyout, what is the value of your share? What is this in percentage terms? What is the value you will sell to existing partners, family members or external third parties?	—
<b>Taxation</b>	What taxes are payable in the event of a transfer or sale?	—

### Supporting documentation

Question/Field	Explanation	More information
<b>Supporting documentation</b>	List all of your attachments here. These may include copies of contracts registrations, and resumes.	—

**[INSERT YOUR BUSINESS LOGO]**

[Your Name]

[Your Title]

[Business Name]

[Main Business Address]

**ABN:** [ABN]

**ACN:** [ACN]

[Business Name]

# Succession Plan

**Prepared:** [Date prepared]

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# The Succession

## Business & succession details

**Business name:** [Enter your business name as registered in your state/territory.]

**Business structure:** [Sole trader, partnership, trust, company.]

**Current owner(s) covered:** [Who is covered by this succession plan? Does this apply to all partners?]

**Planned succession type:** [Detail the type of succession you have planned? Will you be completely removed from the business or only partially? If it is a partial succession, what will be your future involvement in the business?]

**Successor details:** [Who will take over as successor - a family member, business partner or other? How and when will you communicate this to the organisation? Do you have an alternative successor in mind if the chosen successor is unavailable?]

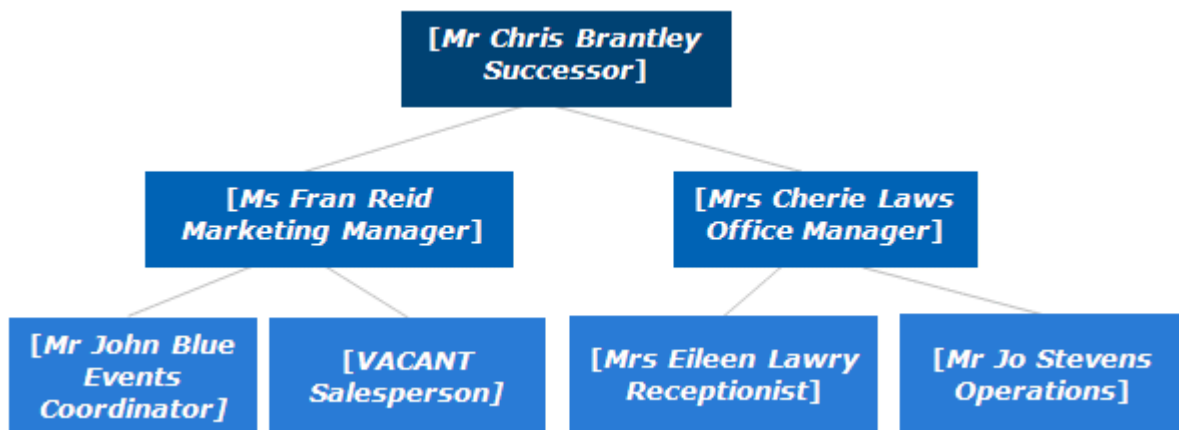
**Succession timeframe:** [When do you plan to implement this succession?]

**Restrictions:** [Are there any restrictions placed on the succession?]

## Proposed organisation structure

[Briefly outline what the organisation might look like once you leave.]

**Figure 1: Proposed organisation chart. [Complete this chart or include your own.]**



## Key personnel changes

[List all of the positions in the organisation and the people that are expected to fill the position in the event of a succession.]

Job Title	Name	Skills required	Training required
[e.g. Owner/Manager]	[Mr Chris Brantley]	[Relevant qualifications and/or experience in running a business.]	[On the job coaching. Formal training in financial management.]
[e.g. Owner/Manager]	[Mr Chris Brantley]	[Relevant qualifications and/or experience in running a business.]	[On the job coaching. Formal training in financial management.]
[e.g. Owner/Manager]	[Mr Chris Brantley]	[Relevant qualifications and/or experience in running a business.]	[On the job coaching. Formal training in financial management.]
[e.g. Owner/Manager]	[Mr Chris Brantley]	[Relevant qualifications and/or experience in running a business.]	[On the job coaching. Formal training in financial management.]

## Skill retention strategies

[What procedural documentation do you intend on providing to ensure the skills of staff are maintained? Do you have an appropriate allocation of responsibilities? How will the new responsibilities be documented and communicated to staff? What internal processes will you implement to regularly check that the current skills of staff members are still appropriate for the business?]

## Training programs

[What training programs will you be organising for possible successors? Are these in-house or conducted by external providers? Have you also considered change management training for the organisation in preparation for the succession?]

## Registration changes

**Registration transfers:** [Which registrations do you need to transfer/change? For example business name, ABN, ACN, GST, intellectual property, domain name, local licences/permits.]

**Change of business structure:** [Do you need to change your business structure? For example, if the business was a partnership and the new structure will be a sole trader.]

**Other transfers:** [Lease, memberships, other?]

## Legal considerations

**Contracts/legal documents:** [Is there a legal document that dictates the terms of the succession? If so, what are the terms? Are there any contracts that need to be modified]

*in the event of the succession, e.g. partnership contract? Are there any new contracts that need to be drawn up?*

**Buy-sell agreement:** *[If you are in a partnership do you have a buy-sell agreement in place? What are the terms? Will the remaining partner(s) buy your partnership share or will it be open to external partners/family members? Does this arrangement apply to all partners in the organisation?]*

**Will/testament:** *[As the business owner(s), have you drawn up a will or testament? What happens to the business or your share of the business in the event of a death?]*

## Insurance

**Current insurance:** *[What insurance policies do you currently hold in the event of a disability, death or injury?]*

## Succession timetable

*[The timetable below should detail each phase in the succession process.]*

<b>Phase</b>	<b>Succession action items</b>	<b>Start date</b>	<b>End date</b>
<i>[Brief phase description.]</i>	<i>[What are the succession action items that you need to complete for this particular phase?]</i>	<i>[When do you expect to start this phase?]</i>	<i>[When do you expect to end this phase?]</i>
<i>[Brief phase description.]</i>	<i>[What are the succession action items that you need to complete for this particular phase?]</i>	<i>[When do you expect to start this phase?]</i>	<i>[When do you expect to end this phase?]</i>
<i>[Brief phase description.]</i>	<i>[What are the succession action items that you need to complete for this particular phase?]</i>	<i>[When do you expect to start this phase?]</i>	<i>[When do you expect to end this phase?]</i>
<i>[Brief phase description.]</i>	<i>[What are the succession action items that you need to complete for this particular phase?]</i>	<i>[When do you expect to start this phase?]</i>	<i>[When do you expect to end this phase?]</i>

## Contingency/risk management

*[Detail the risks to the succession and any contingencies. For example: If the sale price you expected is not met, what will happen?]*

<b>Succession risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Contingency</b>
<i>[What can go wrong while the succession plan is being implemented? What is the potential impact to your business?]</i>	<i>[Highly Unlikely, Unlikely, Likely, Highly Likely.]</i>	<i>[High, Medium, Low.]</i>	<i>[What is your contingency plan in the event that this risk happens?]</i>



<b>Succession risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Contingency</b>
[What can go wrong while the succession plan is being implemented? What is the potential impact to your business?]	[Highly Unlikely, Unlikely, Likely, Highly Likely.]	[High, Medium, Low.]	[What is your contingency plan in the event that this risk happens?]
[What can go wrong while the succession plan is being implemented? What is the potential impact to your business?]	[Highly Unlikely, Unlikely, Likely, Highly Likely.]	[High, Medium, Low.]	[What is your contingency plan in the event that this risk happens?]
[What can go wrong while the succession plan is being implemented? What is the potential impact to your business?]	[Highly Unlikely, Unlikely, Likely, Highly Likely.]	[High, Medium, Low.]	[What is your contingency plan in the event that this risk happens?]

## **The Finances**

### **Current value of the business**

[What is the current market value of the business?]

### **Retirement income/payment**

[Detail any retirement payments required from the planned succession date. What are the terms? Is it a one-off payment or regular payments?]

### **Sale details**

[In the event that you put your business on the market during the succession, what is the minimum sale price you require? How long do you plan to have the business on the market? Who will receive the proceeds?]

### **Buyout details**

[If you are in a partnership and you plan to arrange a buyout, what is the value of your share? What is this in percentage terms? What is the value you will sell to existing partners, family members or external third parties?]

### **Taxation**

[What taxes are payable in the event of a transfer or sale?]

## **Supporting documentation**

Attached is my supporting documentation in relation to this succession plan. The attached documents include:

- *[List all of your attachments here. These may include copies of contracts registrations, and resumes.]*

## Glossary

**Australian Business Number (ABN)** – a single identifying number used when dealing with other businesses and the Tax Office.

**Australian Company Number (ACN)** – the number allocated by the Australian Securities and Investments Commission (ASIC) when you register a company under Corporations Law.

**Buyout** – When one party buys another party's entire stake or share in a business.

**Contingency** – a planned response to a future circumstance.

**Contract** – a legally enforceable agreement made between two or more parties. A contract may be a verbal contract or a written contract (or may be partly verbal and partly written).

**Domain name** – a name that identifies an organisation's address on the internet, either a website address (the domain name follows the 'www') or an email address (the domain name follows the '@' symbol in the email address).

**Goods and Services Tax (GST)** – a broad-based tax of 10 per cent on the sale of most goods and services in Australia.

**Intellectual property** – laws that protect the property rights in creative and inventive endeavours including art, literature, music, films, sound recording, broadcasts and computer programs.

**Licence** – a legal document that grants a business or person with official permission to conduct a certain activity.

**Milestone** – a goal or objective with a target date.

**Permit** – a legal document granting, usually temporary permission, to carry out a planned action.

**Retail lease** – a legally binding contract between a business and a landlord that sets out the terms by which a business can occupy a landlord's shop or premises.

**Succession** – when a party/parties succeeds or takes over from another.

**Successor** – a person/persons who will take over or succeed.

**Third party** – persons who are not a party to a contract.