

Newsletter August 2015

Succession Plan—do you have one?

Succession will affect every business at some point. It is completely inevitable, but often emotional aspects can cause initial barriers to planning.

Succession is a management issue that should be addressed 5 - 10 years before implementation. In the case of farms, it needs to be 15—20 years. Succession planning gives you the best chance of being financially independent at your desired retirement age, to carefully pass your clients on to a successor, to prepare for catastrophes and to realise maximum value in all scenarios. If managed properly this is your opportunity to create wealth in your business.

The benefits of succession planning:

- Choose when you wish to retire
- Minimise disruption for your clients
- Maintain continuity of employment for staff
- Maintain suppliers' credit terms
- Retain the confidence of banks and financiers
- Manage lease and loan liabilities properly
- Reduce the pain of a forced retirement
- Avoid conflict with your partners
- Maximise the value of your business
- Ensure adequate funds for yourself and your family
- Increase the number and quality of potential successors

The two parts of a succession plan:

The **business continuity plan** should tackle management and ownership plans, to ensure your business remains a success and continues to service your clients' needs. **Legal agreements** such as a shareholder agreement and buy and sell agreements manage the business dealings and transition of business interests come succession time.

Managing succession:

Plan for a number of possible scenarios, to enable the departure of an owner or partner, whether through forced and unexpected events or by retirement. Succession planning is important at the beginning of a business, as life is unpredictable!

It can be difficult for partners to suggest to a colleague that it's time to start thinking about retiring, but transparent and open discussions always result in fairer solutions. If a plan is established well in advance, then emotional issues can be reduced.

Succession planning is a management necessity and vital to minimise risk management issues. It's something that everyone should plan for and that every team member should be aware of.

We will be happy to discuss your succession plan with you.



Are you sick of entering bills into Xero?

Receipt Bank could be the way to go!

Scan your invoices and Receipt Bank will code them for you!

Receipt Bank extracts the key information from your bills, invoices and receipts, removing the need for manual data entry. It works in 3 easy steps:

1. Submit your items to Receipt Bank. Either scan and email, post or take a picture of the invoice.
2. Receipt Bank will extract the data such as dates, descriptions and amounts—already coded.
3. It will then push those through into Xero and sit in Xero as a bill. The original docket will also be attached to the transaction.

For more information please click [here](#)



"The only place success comes before work is in the dictionary."

- Vince Lombardi