

From success to succession planning

A guide for securing the future of your small business



Your guide to leaving a business legacy

We're happy to see you here, digging into another educational resource developed to help you create a succession plan that will prepare you for future leadership changes, so you can safeguard your business's continuity, reputation and employee morale.

Why succession planning matters

Imagine one of the key leaders in your business announces they're leaving...or you decide it's time to retire. What's going to happen to your business? If you don't have a succession plan in place, it's anyone's guess.

Not being prepared for situations like this can cause panic—and rightfully so. A well-crafted succession plan is your lifeline. It ensures business continuity, preserves your reputation and keeps your employees motivated. Not only that, but it provides you with peace of mind knowing that the future of your business is secure and that your legacy will remain intact.

According to the **Family Business Institute**, only 30% of family businesses survive into the second generation, 12% into the third and just 3% into the fourth generation and beyond. These statistics alone highlight why a succession plan matters when it comes to the longevity of your business.

A succession plan ensures that your business continues to operate smoothly, even when key personnel move on or retire. By identifying and preparing successors in advance, you minimize the risk of disruptions that can occur during a leadership transition. This continuity is imperative to maintain day-to-day business operations, along with long-term strategic planning and growth.



The reputation of your business is one of its most valuable assets. If a sudden or poorly managed leadership transition takes place, it will cause uncertainty not only among your employees, but with your suppliers and customers, too.

This eBook will guide you through the essential steps to create and implement a successful succession plan—ensuring your business survives *and thrives* through leadership changes.

The reputation of your business is one of its most valuable assets.

Getting started

Every business is different, so there's no hard and fast rule as to *when* you should start succession planning. But like most things, the sooner, the better. There's no one-size-fits-all solution, either. But there are general guidelines your business should follow when it comes to creating a plan.

Assess your current situation

Many experts recommend you start putting together your succession plan about five to 10 years before you anticipate a transition. And you can begin by figuring out the roles that are critical to your success, evaluating current leadership and reviewing key employees. Knowing where you stand now will help you make informed decisions as you plan for the future.

1. Identify critical roles

Determine which positions are essential to the success of your business. Ask yourself:

- Which roles are critical for maintaining day-to-day operations?
- Who holds any specialized knowledge and skills vital to our business?
- Which positions would create a significant impact if left unfilled?



Knowing where you stand now will help you make informed decisions as you plan for the future.

2. Evaluate current leadership

Take a look at your current leadership team. To get a clearer picture of who will need to be replaced soon and who can assist in the transition, consider the following:

- What strengths and weaknesses do our current leaders possess?
- How long do our current leaders plan to stay with the company?
- Are any of our current leaders able to fill a mentoring role in the succession process?

3. Analyze key employees

Identify team members who have the potential to grow into leadership roles, and consider their experience, skills and career goals. Ask yourself:

- Which employees have demonstrated leadership potential?
- What skills and experiences do they need to take on a leadership role?
- How can we align their career aspirations with our succession plan?

4. Consider company culture

Understanding your culture is crucial for succession planning. Future leaders need to align with and uphold the core values and culture of your company. Think about the following:

- What are the core values and culture that define our business?
- How do our current leaders embody and promote these values?
- How do we ensure future leaders will uphold our company culture?

Define your goals

Think about what you're hoping to achieve with a succession plan. Is it to ensure your legacy remains intact? To create a seamless continuation of business? Is it to develop internal talent? Maybe it's all of these things. The key is to align your long-term business goals and let clear objectives guide your process.

Ensure business continuity

Implement strategies that allow your business to continue to operate smoothly during and after leadership transitions.

Nurture talent development

Create opportunities for your employees to grow and advance within your business.

Align your strategy

Make sure your succession plan supports your long-term vision.

Identify potential successors

Look within your team first to see who has the potential to step up and fill a leadership role. Sometimes, you may need to look at external candidates for the right fit.

Internal candidates

Evaluate your current employees on their performance, skills and growth potential. Create a development plan to provide training and help nurture them into leadership.

External candidates

If no one on your team is well suited for leadership, develop a recruitment strategy to find and attract qualified external candidates that will maintain your company's culture and values.

With a clear understanding of your current situation, your long-term goals and potential successors, now it's time to develop and implement a robust succession plan to set your business up for a fruitful future.

Developing and implementing the plan


Creating a succession plan takes time. You'll need to involve future leaders, assemble a dedicated planning team and document every step. This section will guide you through the steps you need to take to ensure a seamless transition.

Train and develop future leaders

Invest in training opportunities and set up mentorship programs to help develop the skills and leadership qualities your successors need. Offer workshops, courses and leadership training to fill the skill gaps potential successors may need to develop. Pair future leaders with current leaders for mentorship and practical firsthand leadership training. And allow potential successors to work in different roles to gain a better understanding of all the facets of your business.

Form a succession planning team

Don't go it alone—create a succession planning team. Be sure to include current leaders, HR representatives and external advisors, and hold regular meetings to discuss progress, address challenges and update your plan as needs change. Keep detailed records of every meeting and every decision, and note any progress being made to maintain accountability and transparency throughout the process.



Offer workshops, courses and leadership training to fill the skill gaps potential successors may need to develop.

Document everything

Write down your succession plan in detail. This comprehensive document should outline the plan, including identified successors, their career development plans and timelines for the upcoming transition. Your plan should also include essential processes and responsibilities, as well as a contingency plan for any unexpected departures or emergencies.

Communicate clearly

Transparency is crucial when it comes to implementing your succession plan. You should clearly communicate your plan to employees, customers, suppliers and other stakeholders well in advance to ensure transparency and buy-in from everyone involved. Be sure to emphasize your business's commitment to continuity and dedication to keeping company processes, culture and values intact. Provide regular updates on the progress of the transition so everyone is informed and reassured as things move along.

Plan a gradual transition

If possible, you'll want to avoid abrupt changes. Make sure there's an overlap period where the outgoing leader and successor work together, so the handover of duties and responsibilities is gradual. This will help the new leader settle in and help your employees and other stakeholders feel more comfortable with the transition. Be open to feedback during the transition, and ensure you communicate any changes to your team.

Engage your team

A period of transition can be hard, no matter how far in advance or how well you've planned. Be sure to involve your employees in the process to gain their support and provide a level of comfort with the changes. Their buy-in to the new successor is crucial. Listen to their concerns, gather their feedback and keep them engaged throughout the transition. Organizing team-building activities throughout the process (and on a regular basis) will help strengthen relationships and foster a supportive environment before, during and after the transition.

Monitor and evaluate

Keep an eye on how the transition is progressing. Maintain regular check-ins with all involved to catch any issues early so you can make necessary adjustments. Continually gather feedback to evaluate the effectiveness of the succession plan, and be prepared to make changes as needed based on feedback.

Celebrate the transition

Finally, don't forget to celebrate! Recognize and celebrate the key milestones in the transition process to help boost employee morale and reinforce positive company culture. Organize farewell and welcome events to formally say goodbye to the outgoing leader and welcome the new leader. And be sure to show appreciation to everyone who played a part in the transition, no matter their level of contribution.

Change can be hard; having a succession plan in place will ensure a smooth transition to new leadership, prepare you for the unexpected and help keep your legacy intact.



Be open to feedback during the transition, and ensure you communicate any changes to your team.



Summing it all up

We hope this eBook helps you identify the steps you need to take to create a plan that ensures your business's future success when it's time for leadership to exchange hands. If you'd like an experienced guide to assist you with your succession planning—someone who can provide personalized advice based on your specific business situation—and would prefer to work with a trusted advisor, we're ready to help.

Just click the **GET IN TOUCH** button and complete the brief form or give us a call. We look forward to hearing from you!