



*A proven approach to
business succession and exit planning*

What will happen to your business when you leave?

Admit it. You haven't given that question much thought. As a result you don't have a succession / exit plan in place. Without one, you, your family, your joint shareholders, their families and the company are at risk.

You're not alone.

Many companies without a succession / exit plan do not survive to the next generation. Every year 100,000 businesses do not survive due to lack of succession planning. [Source dti 2004]

Reasons why company owners do not plan:

- *Fear that good advice and succession / exit support is too expensive*
- *Family rivalry – lack of communication*
- *Fear that discussion over succession will scare off key employees*
- *Fear that customers may lose confidence*
- *Avoiding the issue because it's 'not now'*
- *Misunderstandings about the tax & financial aspects of succession / exit planning*
- *Owners can't 'let go'*



TRANSFER® is a programme to help business owners and potential successors plan and effectively implement business exit and / or succession. It ensures that all key elements are considered but cuts through the complexity by providing a practical 'route map'

The benefits of a route map

It's time to reap the benefits from the development of a TRANSFER® Succession / Exit Plan for your business.

By doing so:

- *The business will continue to survive and thrive*
- *Personal and family wealth will be protected and enhanced*
- *The interest of shareholders will be protected - avoiding family frictions*
- *The business is prepared for the next generation of leaders. Competent leaders will be developed*
- *Maximising personal wealth of shareholders by increasing business value and organising the transfer in a tax efficient manner*
- *Resolves issues regarding future shareholding and ownership*
- *Develops a competent management team through training and mentoring well in advance of the actual transfer*
- *Plans for the impact on families, employees, customers and the surrounding economy*



TRANSFER® delivers a range of creative exit strategies to meet the aspirations of business owners. These include:

- *Management Buy-out*
- *Employee Buy-out*
- *Trade Sale*
- *Joint Ventures*
- *Franchising or Licensing etc*

Who is your new business partner?

In the event of the sudden death or serious illness of one of your business partners, their shares will pass to their spouse or children. This may result in inexperienced people assuming a key role in the business and could jeopardise the future of the company.



TRANSFER® specifically considers the following:

- Owners aspirations
- Maximising Business Value
- Selecting & developing successors
- Legal & Financial Issues
- Exit options

Questions you need to ask:

as owners of a Non Family Business

- Would the business survive without you?
- In the event of the sudden death of one of your business partners what happens to their shares?
- If you have shareholders of different ages, have you agreed how roles and shares will be transferred in the future?
- If you sell your shares how will the deal be financed and is it sufficient for your financial needs?
- Have you made sufficient provision for your retirement income?
- Is there provision to protect your family?
- Will your exit be partial or complete and over what time scale?
- What will your future role be in the business?
- Is there a need for an external mentor to support future leaders during the transfer process?
- What is the most tax-efficient method of business exit?

as owners of Family Business

- If the business is to stay in the family, are the chosen children competent and truly committed to the success of the company?
- Is there a need for an external mentor to support future leaders during the transfer process?
- Have you made sufficient provision for your retirement income?
- If you sell shares to your children or family members, how will they finance the deal and is it sufficient for your financial needs?
- If you gift shares to children, what are the tax implications and how will the other 'non business active' children react? It is important to protect the business from future legal disputes
- What will your future role be in the business?
- Will your exit be partial or complete and over what time scale?
- What is the most tax efficient method of business exit?

The TRANSFER® approach

It transfers businesses, roles, responsibilities and wealth. This requires a single team approach of experienced professionals that can build consensus, avoid conflict and create a positive and enthusiastic platform for business growth.

It provides the answers to the questions:

- *Why plan now?*
- *How do I maximise business value?*
- *How will it affect my other shareholders, their families and the current management?*
- *What do I need to do to achieve a smooth transfer?*

The elements of the TRANSFER® plan:

- *Diversification of financial assets*
- *Secure retirement income*
- *Incentives for children to remain active in the business*
- *Incentives for managers to maintain commitment*
- *Tax efficient transfer of shares and assets*

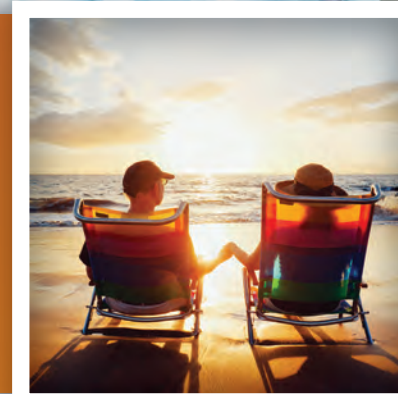
The TRANSFER® process:

In broad terms, TRANSFER® business succession planning involves the following key steps:

- *Self assessment of the business in readiness for succession*
- *Prioritising your personal and business aspirations*
- *Assessing the viability of family succession*
- *Developing strategy on the future direction of the business*
- *Building consensus amongst shareholders on future roles*
- *Training key people to be the company's future leaders*
- *Estate planning considerations for business owners*
- *Succession plan development and implementation*

Each of these steps are as important as one another and will ensure you successfully transfer business control on to others so that the business will continue to prosper and grow.

Whether your goal is to transfer shares to family members, fund your retirement or sell the business to start a new venture, the TRANSFER® plan will deliver the results you need.



How much is your business worth?

Developing an effective TRANSFER® plan requires an appreciation of the current and potential value of the business.

Many factors affect business value but they are all dependent on the following:

- Accurate externally generated accounts
- Quality of internal business controls
- Professionalism and confidence of key staff
- Breadth of customer base
- Profit history
- Productivity
- Branding, Product/Service differentiators

The TRANSFER® approach will address all of these and more. It will also link the action plans for increasing business value to the need for developing key staff and will help to organise the affairs to avoid conflict and maximise personal wealth.

Business Exit / Succession Planning: Self Assessment



An honest, objective, self-assessment of the business and your personal aspirations provides a solid foundation to establish the framework for action to create a Business Succession TRANSFER® plan. The following questions provide a format for undertaking a self-assessment of the business.

It is important that you answer the questions honestly in order to achieve a meaningful & appropriate feedback.

Work through the five components of our TRANSFER® Business Succession Planning Questionnaire. Taking each statement individually, please rate your answer in the adjacent box based upon whether you:

- | | |
|-------------------------|---|
| Totally Agree | 4 |
| Largely Agree | 3 |
| Partly Agree / Not Sure | 2 |
| Largely Disagree | 1 |
| Totally Disagree | 0 |

When you have completed all the questions, please return them to us and we will provide you with the our 'TRANSFER® Business Succession Matrix' which indicates the readiness of the business for succession / exit.

1: SHAREHOLDERS ASPIRATIONS

rate 4 - 0

I have organised my business affairs to ensure that I obtain maximum value on business transfer for my future lifestyle on retirement

☐

The business is structured to cope with sudden changes in circumstances e.g. death or ill-health

☐

Sale or transfer has been discussed and resolved with other shareholders and their families

☐

I have transferred responsibility to others which enables me to spend less and less time in the business

☐

I have agreed the timetable for the transfer and my exit from my role with the key people in the business

☐

2: BUSINESS VALUE

rate 4 - 0

The business is, or has the potential to be, cash-rich

☐

The business is operating in a market where sales and profitability are growing

☐

The business has a wide diversity of customers where the loss of the top two to three would not jeopardise the future of the company

☐

All the factors that can increase the value of the business have been identified and action taken

☐

The business has recently been professionally valued, which includes all tangible and intangible assets and liabilities

☐

3: POTENTIAL SUCCESSORS

rate 4 - 0

The business has used an assessment to identify key people who can be developed to succeed current owner(s) / senior management

☐

Potential successors have been subjected to a rigorous assessment for current performance and future potential

☐

A comprehensive successor development programme is in place that measures individual performance against the company's strategic goals

☐

Training and development of successors includes a structured period of development outside the company (formal training, etc)

☐

The successor's development process compliments the chosen exit option by current business owners / leaders

☐

5: EXIT OPTIONS

rate 4 - 0

Business owners have undertaken a detailed evaluation of all the potential exit options and have agreed the most appropriate exit option for the current shareholders

☐

All shareholders and their families are in agreement regarding the selected exit option

☐

Detailed job descriptions are in place to provide transparency for future roles and responsibilities within the company

☐

The objective assessment of potential successors has identified the need for the development of alternative exit strategies [possible recruitment needs]

☐

The chosen exit option is the optimum option for minimising tax liabilities (personal and business)

☐

4: TAX, LEGAL & FINANCIAL

rate 4 - 0

The business has an up-to-date shareholders agreement that protects the interests of all shareholders in the event of serious illness or death

☐

A three year history of robust externally audited accounts is in place that represents the true financial performance of the company

☐

All contractual agreements with customers, suppliers and employees are current

☐

An action plan is in place to maximise shareholders' personal wealth by minimising tax, including inheritance tax

☐

The business has engaged business succession advisors to ensure that the personal, business, financial and legal structures are in place for ensuring a smooth transfer of ownership

☐

Company Name:

Company Address:

Post Code:

Email address:

Date:

Name:

Designation:

Tel No:

Mobile No:

Annual Turnover:

No of Employees:

When you have completed all the questions, please return to:
William Battle Limited, The Coach House, Royston Court,
Ferryside, Carmarthenshire SA17 5SP

We will then provide you with your current business position
on on our TRANSFER® Business Succession Matrix. This will
demonstrate the readiness of the business for succession / exit.

Having a plan!



A key reason for lack of action is that business owners are so involved in the day-to-day issues of running their companies. The process of planning for succession and passing control onto others often stays on the back burner...until it's too late!

Here at William Battle Limited we have designed TRANSFER® to deal specifically with these issues.

Through a comprehensive programme aimed at both business owners and future leaders TRANSFER® works with companies to tackle the issues head on and implement a practical succession plan that will deliver a smooth transition from one generation of leadership to the next.

What if I don't have a TRANSFER® plan?

- Risk of closing or devaluing the business
- Inexperienced people may assume roles beyond their capabilities
- A dramatic impact on personal and family wealth for retirement
- Family rivalry
- Key employees could leave - lack of certainty for their future
- Customers could lose confidence and go to competitors

What if I do have a TRANSFER® plan?

- Competent leaders will be developed
- Personal and Family wealth will be protected and enhanced
- Shareholders interests will be protected avoiding family frictions
- The sale of the business will be maximised
- The business will be prepared for the next generation of leaders



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We used the TRANSFER® programme for our thriving family business to ensure the transfer of ownership to protect the future of the business, provide an income in retirement for our parents and create a platform for growing the business to secure its future.

Owner of a family business in CAD CAM
TRANSFER® operates under strict client confidentiality agreements

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Why William Battle?

Throughout 20 years William Battle Ltd has actively worked with small, medium and large sized companies implementing practical solutions to business growth and succession.

Using its unique succession planning programme TRANSFER®, William Battle Ltd has successfully helped business owners secure their business, their wealth and their family relationships by identifying and training the next generation of leaders.

Our Consultants all have the 'grey hairs' of experience of what works and what doesn't. Our expertise in delivering succession / exit and family succession in Small to Medium sized business is unrivalled.

The TRANSFER® 'one stop shop' approach is key since we collect all the facts, develop and deploy the Succession / Exit strategy and ensure that there is 'joined up' top notch legal, Tax and Financial frameworks that will ensure the ongoing success of the business and maximise personal wealth.

- Our clients trust us because we deliver what we promise.
- We offer confidential references from Managing Directors and Business owners who have been through the process and reaped the benefits.
- It has taken years for us to find 'top notch' legal, tax and financial professionals who do not cost a fortune because they have the TRANSFER® route map to follow.

The result is £100k's or £m on the value of business and personal wealth.

...but it's not all about money because the process also provides a smooth transition for family business and protects the livelihoods of the entire workforce.



Our success is based upon respecting our clients, understanding their situation and requirements and working alongside them to deliver results. For an informal chat about how we can work with you to realise the future potential of your business, speak to Peter Jenner or Jennie Frost on **01267 267590** or email info@williambattle.com

go to battle for a smooth exit



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