

THE SUCCESSFUL SUCCESSION CHECKLIST for FAMILY BUSINESSES

1. Are there written criteria for the next generation's entry into the business?
2. Is there a written personal and professional strategic development plan to prepare your children to be successful leaders of the business?
3. What process was used to determine which children would be the successor(s) and what their individual responsibilities will be?
4. Are there regularly scheduled family meetings to deal with the emotional side of the succession process?
5. What are the sources of your retirement income, and are they in any way dependent on your successor(s) ability to run the business successfully, even in difficult economic times?
6. Do you and your spouse know the sources of your surviving spouse's income and what those sources will be dependent upon?
7. Is there a formal plan to transfer ownership and management control of the business to the next generation?
8. Has your succession plan been communicated to every member of your family, and do the children not involved in the business understand how the succession plan will impact them?
9. Do your children have a written agreement covering job positions, responsibilities, accountabilities and compensation?
10. Who will control the business real estate in the next generation?
11. Is there a formal strategy to reduce and ultimately pay the estate costs and taxes associated with the transfer of your estate?

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