Succession Planning Readiness Assessment

**Purpose** – The purpose of this self-assessment is to help you gain a more specific understanding of how prepared you are to hand over the leadership of your business to a successor, and to engage in the succession planning process in general.

**Instructions** – For each of the following key planning steps, please check the one most appropriate response.

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| KEY PLANNING STEPS | Haven’t done it and not ready to start | Haven’t done it, but ready to start | In process, but not done | Done! |
| 1. Have you decided what involvement you want your family and/or close associates to have in your business in the future? |  |  |  |  |
| 1. Have you identified a general time frame for when you would like to *exit* your business? (not to begin planning, but to exit) |  |  |  |  |
| 1. Have you evaluated your business (or had it evaluated) to determine whether it will provide you with the financial return you require once you exit? |  |  |  |  |
| 1. Have you reflected on whether you are emotionally ready to exit your business? |  |  |  |  |
| 1. Have you determined whether your family or close personal relationships can withstand the additional work and stress that succession planning may generate? |  |  |  |  |
| 1. Have you determined whether you are ready to actively manage the development of a succession plan and the transition in leadership in your business? |  |  |  |  |
| 1. Have you objectively evaluated your business to determine if it is on a stable foundation (i.e. no major crises), so that you can begin succession planning? |  |  |  |  |
| 1. Have you thought about what you want to do after you exit your role as the leader/owner of your business? |  |  |  |  |
| 1. Have you explored the legal structure options for the post-succession business, selected the most appropriate option, and clearly defined it? |  |  |  |  |
| 1. Have you identified the desired qualities and skills of the successor and/or future owners/managers who will assume leadership roles in your business? |  |  |  |  |
| 1. Have you considered or measured the impact COVID-19 has had (and may continue to have) on your business and its value, and what implications that might have for your succession plan? |  |  |  |  |
| 1. Do you currently have a formal 3-5 year business plan for your business? |  |  |  |  |
| 1. Have you created a training plan to prepare the successor and future owners/managers to take over the leadership of the business? |  |  |  |  |
| 1. If applicable, have you helped your chosen successor to build their authority and credibility within the business (i.e. their ‘license to lead’)? |  |  |  |  |
| 1. Have you designed an estate plan that specifies how ownership of the business will eventually be distributed? |  |  |  |  |
| 1. Have you ensured that your family members or successors understand the rights and responsibilities that come with the various roles they will assume? |  |  |  |  |
| 1. Have you informed your key external stakeholders – customers, suppliers, and creditors – about your firm’s succession plans? |  |  |  |  |
| 1. Have you developed an emergency succession plan, in case you or your successor becomes unavailable (i.e. death, illness) |  |  |  |  |
| 1. Have you read any books or articles on succession planning? |  |  |  |  |
| 1. Have you allotted time (maybe a couple of hours a week) to devote to succession planning over the next few years? |  |  |  |  |
| 1. Have you closely considered your own personal leadership and management strengths, with a view towards trying to find a successor who can be best positioned to succeed once you exit? |  |  |  |  |
| 1. Are your business’ key policies and operating procedures documented and organized in a way that a successor could easily interpret and use? |  |  |  |  |
| 1. Have you considered your strategy or approach to keeping succession planning discussions and negotiations confidential? |  |  |  |  |
| 1. Have you scanned the competitive environment and general business landscape to determine whether – from a financial perspective – now is an opportune time to be considering succession? |  |  |  |  |
| 1. If applicable, have you considered ‘your number’ (the financial amount you are hoping to receive for your business? |  |  |  |  |
| 1. Have you considered the impact that your business’ sale or succession may have on your local community? |  |  |  |  |