



### SUCCESSION PLANNING – BEGIN WITH THE END IN MIND

We've all heard the warnings; plan your succession now or be caught out one day when you need to sell your business, or maybe you will still working at the age of 100! All jokes aside, succession planning is an important matter and creating a succession plan protects you against three major risks:

- Not being able to leave your business when you want to.
- Not being able to obtain full value for your business in a sale.
- Your business not being able to function without you for any period of time.

*'I had a picture of how IBM would look like when the dream was in place and how such a company would have to act, I then realized that, unless we began to act that way from the very beginning, we would never get there.'*

Tom Watson – founder IBM

Succession planning is not only about planning for your retirement, it's about ensuring that the business you own is an asset, not simply a job that will provide you with no benefit once you need to leave it. There are numerous materials and specialists available on the subject of succession planning to help you focus on this area when you decide the time is right. But when should you start that focus?

Begin with the end in mind was Habit 2 in Steven Covey's bestselling book *The Seven Habits of Highly Effective People*. It advocates that before spending any time or resources on a task you should visualise what the end product of your effort will look like and this will dictate where you focus your time and resources. A bit like turning on the satellite navigation before you start driving, rather than once you are already lost.

Starting with the end in mind is great advice with regards to Succession Management.

Spending time focusing on how you will develop a business into a more saleable asset can only enhance the way you operate it today. Some of the areas your business can benefit from with a focus on the future are:

#### Growth

Showing a growth pattern and / or growth potential is key to attracting buyers. Focusing on growth in the short term can only profit your business.



#### Your role as owner

It will help you decide if you are currently performing the role you want to and if not give you the focus and motivation to make changes to improve this situation.

#### Staffing

Succession will make you think about the best line up for your team, and will also help you work on the balance between profitability and building a business that can run without depending 100% on you.

#### Systems

A potential buyer will want to see systems in place. Putting these systems in place in the short term will provide your customers with a more consistent quality of product or service from your team.

#### Reporting

You will need accurate reporting to prove your business's value to possible buyers. The more accurate your reporting the better informed

*'All things are created twice – first in the mind, then in physical form.'*

Stephen Covey

you are to make the correct decisions for your business today.

In summary, when focusing on succession planning your aim is to have a highly profitable, growing, systemised business than can operate without you....who would not want that?

## PERFORMANCE GROUP CALENDAR FEBRUARY 2011

2nd Feb, 10am	HBT NSW Conference Call	1800 857 029, 78244001#
2nd Feb, 11am	IGA QLD Conference Call	1800 857 029, 90673653#
3rd Feb, 10am	Mitre 10 NSW2 Conference Call	1800 857 029, 90673653#
3rd Feb, 2pm	Best Practice Group Conference Call	1800 857 029, 90673653#
8th & 9th Feb	Jetset Group2	Resurg Boardroom, Rosebery
8th & 9th Feb	IGA River Traders	Wangaratta, VIC
8th Feb, 11am	PGA Conference Call	1800 857 029, 90673653#
9th Feb, 11am	BIG4 G1 Conference Call	1800 857 029, 90673653#
9th Feb, 11am (local time)	IGA WA Conference Call	1800 857 029, 78344001#
15th Feb, 10am	Mitre 10 NSW1 & QLD Conference Call	1800 857 029, 90673653#
16th Feb	Jetset Business Select	Resurg Boardroom, Rosebery
16th Feb 10am	Travelscene American Express VIC1 Conference Call	1800 857 029, 90673653#
22nd & 23rd Feb	IGA NSW	Resurg Boardroom, Rosebery
23rd & 24th Feb	Jetset Group 1	Melbourne
23rd Feb 10am (local time)	Supa IGA QLD Conference Call	1800 857 029, 90673653#
23rd Feb 11am	BIG4 Group 3 Conference Call	1800 857 029, 78244001#
25th Feb 10:30am (local time)	Travelscene American Express SAWA Conference Call	1800 857 029, 90673653#

*All times are Sydney time unless stated otherwise.*