

**A curriculum
designed for
Small
Business**

TRANSITION
MAIN STREET
COMMUNITY
SHOP LOCAL
FAMILY
BUSINESS
ESTATE
RETIREMENT

DESIGN YOUR
SUCCESSION
PLAN

NDSU

EXTENSION

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What is not started today is never finished tomorrow.

– Johann Wolfgang von Goethe





Design Your Succession Plan

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The Value of Planning

A succession plan can provide you with:

- Financial security
- Opportunity
- Clarity
- Vision
- Focus



Succession Planning

It's a continuous process that involves transferring knowledge, skills, labor, management, control and ownership between generations.

What does succession mean to you?

Design Your Succession Plan

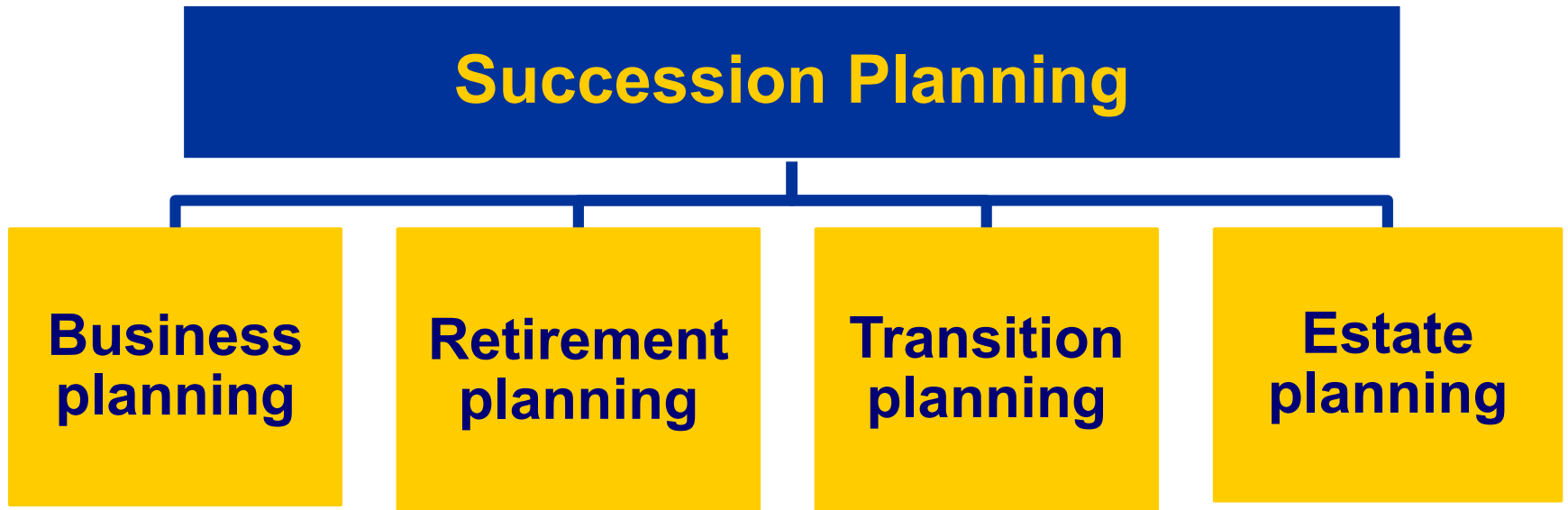
Program Objectives

- Define Succession Planning
- Get Started
- Vision the future
- Communicate with family
- Prepare to work with professionals

Topics covered

- Starting your succession plan
- Determining what *you* want
- The next generation and your legacy
- Family and business meetings and conversations
- Choosing and working with professionals

Succession planning is an umbrella term





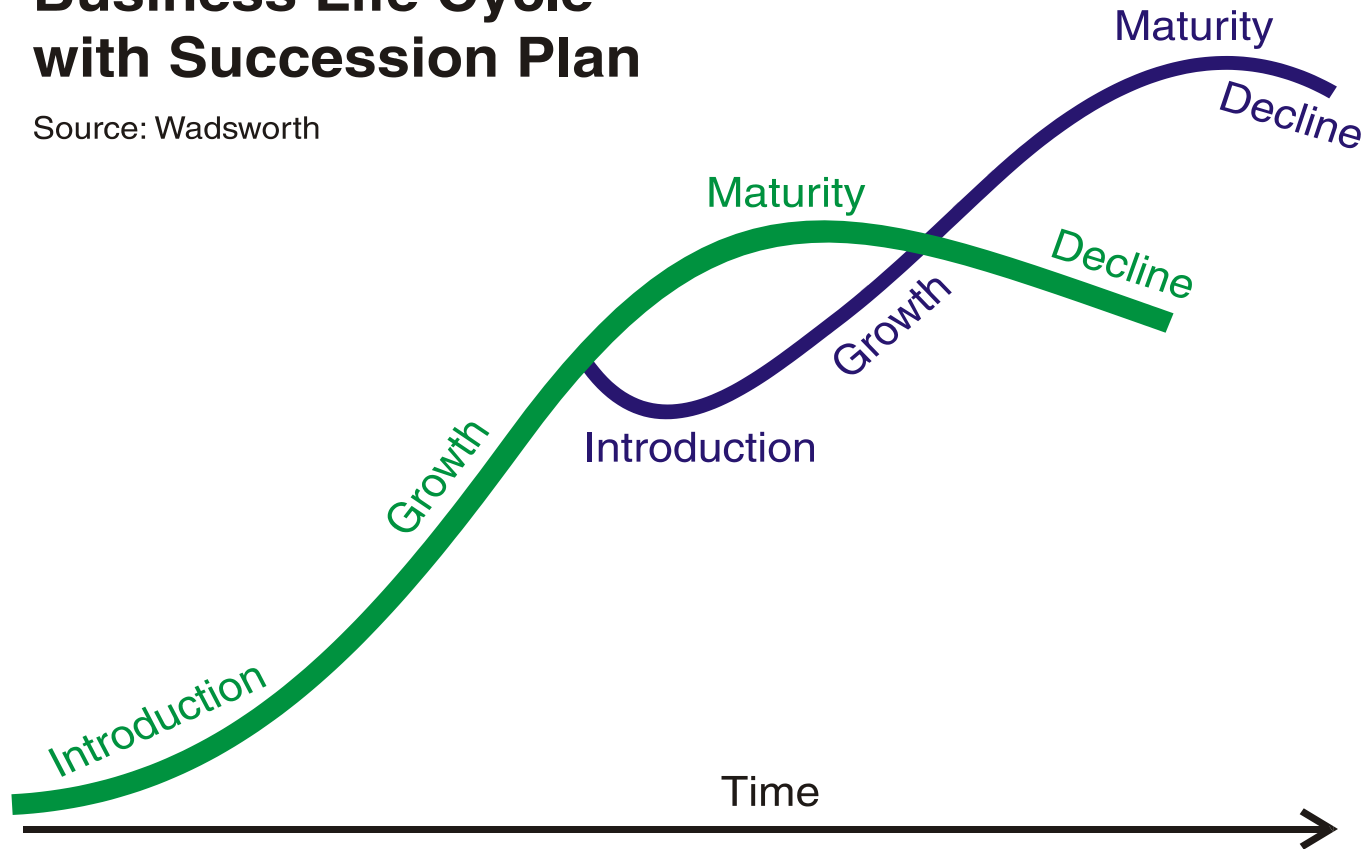
Five Steps to Succession Planning

1. Gather information
2. Consider options
3. Make decisions
4. Design, develop and write plan
5. Implement and monitor

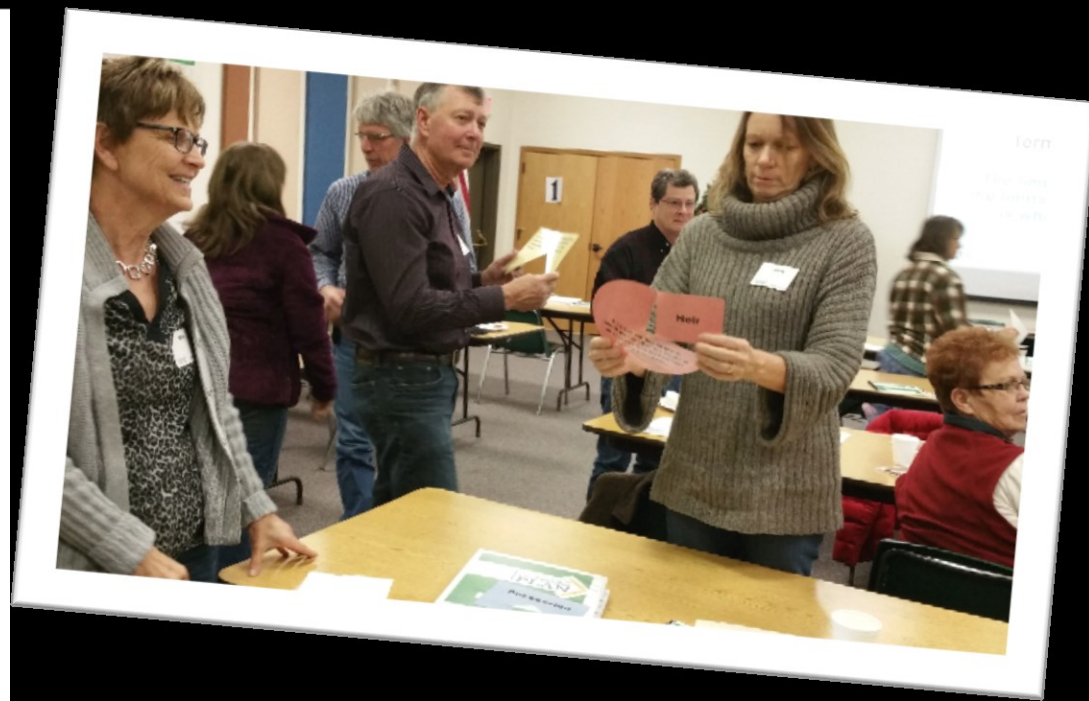
Business Life Cycle

Business Life Cycle with Succession Plan

Source: Wadsworth



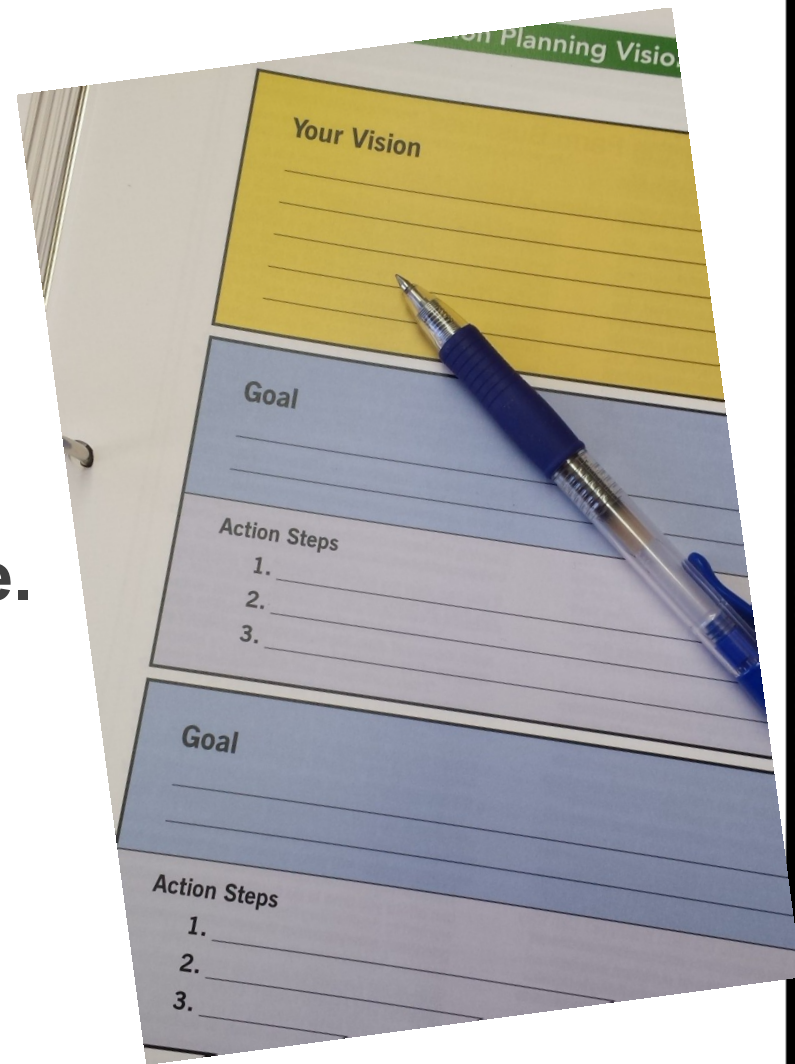
Starting Your Succession Plan



- Begin the planning process. Communicate!
- Consider your retirement plan options.
- Begin your long-term business plan.
- Learn the language of succession.

Determining What You Want

- Evaluate what is important.
- Create a vision for the future.
- Take stock of the business.
- Evaluate what is fair.
- Create SMART goals and action steps.
- Create a timeline.



The Next Generation and Your Legacy

- Identify and choose a successor
- Begin mentoring of a successor
- Create a timeline for transitioning management and control



Succession Planning Question #1

Are you passing on a **BUSINESS** to a successor or passing along **ASSETS** to heirs? *Or both?*

Option 1 Transition business to a successor

Option 2 Retain ownership of land and lease

Option 3 Liquidate the assets

Family Meetings and Conversations



- Start the conversations
- Discover your communication style
- Plan a family meeting
- Plan a business meeting
- Decide how to decide

Choosing and Working with Professionals

- Choose your professional team
- Gather information and documents
- Work with professionals
- Create a written succession plan
- Implement the plan
- Review the plan

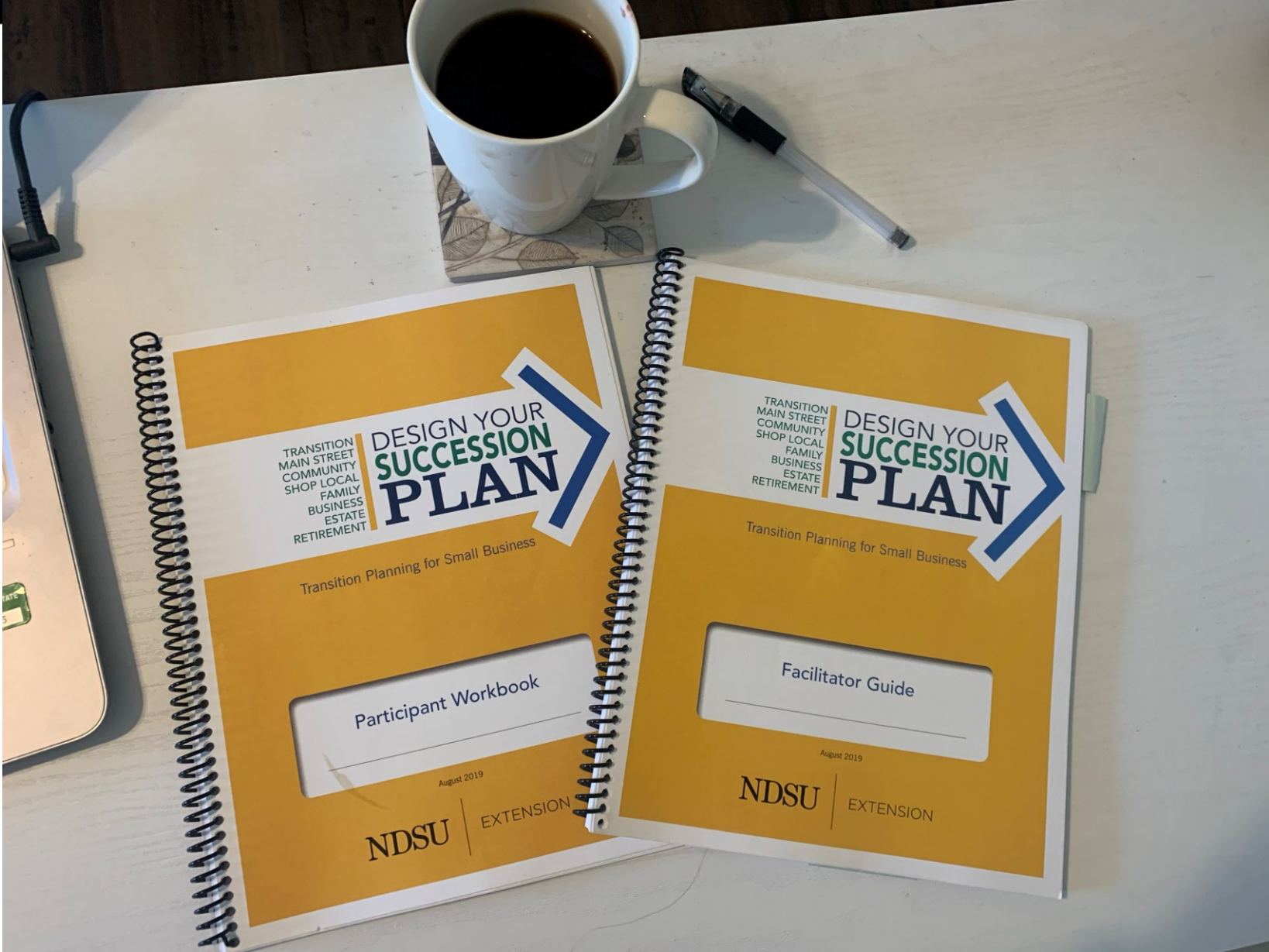




**Successors are not entrepreneurs
starting their own business.**

**Successors are managers who
assume a going operation with its
own set of complex challenges.**

Prepare them.





Questions

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