



SUCCESSION PLANNING

Succession planning is the process of identifying and appointing the person or persons that you, as the owner- manager of your business, wish to succeed you should you decide to handover your business or retire.

Approximately 75% of all Irish businesses are family owned. Unfortunately, many fail to have a succession plan in place to ensure the continued success of their family business. Often times this is because it's one of those subjects that's just easier not to discuss. At James F Wallace & Co. we can advise and guide you through the whole process, providing you with the reassurance that your business will continue even after you retire.

Succession planning is key to ensuring a smooth transition from the original owner-manager to their successor. A seamless transition will ensure the least disruption for customers, employees and contacts. All of this keeps the business stable and reduces uncertainty for everyone.

Step 1

Before appointing any successor, take time to consider the needs of your business, future goals and objectives. Knowing what the current and future needs of the business we will help you to ascertain what capabilities you require for the future.

Step 2

Having considered the needs of the business, it's time to consider the potential candidates for the management of the business. It is of vital importance that you identify who they are, its generally better to recruit internally if at all possible. These are the people with the most in-depth knowledge of your business, how it operates and the challenges it faces. Having a succession plan also motivates staff and offers them career progression. Assess the skills and

abilities of potential candidates. If there are skills shortages, has that person the ability and potential to fill the skills gap?

Step 3

Remember, the person you choose to take the reins must be capable of filling the role. They must also be motivated and interested in the position. It's prudent to ensure there is a structured plan for the development of the individual and that they are aware of the potential for career progression. Communication is vital, if you have a plan, share it with them and ascertain their commitment and interest. It also makes sense that other personnel are informed and that they receive the necessary support if their role is going to change or be impacted.

Step 4

Create a plan for the development of your successor. Sit down and clearly define the role they will be filling. By doing so, you will identify what qualifications or skills are necessary for taking on your role once you retire. Many small business owners fail to consider all the facets of their role. Being aware of the tasks required will mean a smooth transition with the least complications.

Step 5

Now that you have a clear description of what your successor will be required to do, you can determine what skills require development, what training is required and what they excel at. If skills require further development, consider mentoring them for a period of time, giving them the opportunity to learn on the job. Any training that is necessary would ideally be certified, giving you the assurance of knowing they are competent.



Knowing your business will continue to thrive in your absence will allow you to enjoy your retirement without the worry or stress of the business.

What are the financial/tax implications?

It is important to consider what the financial implications are when you decide to retire or in the event of your demise. At James F Wallace & Co. we will advise you on the most cost-effective ways of managing your pension, business assets, tax and wills.

Pension

We advise clients to contribute to their pensions on an ongoing basis to take advantage of the tax benefits available to them. This will allow you to accumulate an adequate pension for your retirement over time so you can look forward to your golden years.

Business assets

Selling or transferring your business could incur a sizeable Capital Gains Tax charge (CGT). James F. Wallace & Co. will advise you on the possible reliefs available to you and the most efficient way of transferring or gifting the business. We will also discuss with you any Capital Acquisitions Tax implications that may arise for the beneficiary.

Wills

Regularly allowing your accountant to check the details of your Will is advisable, especially if you plan to bequeath assets and sums of money. Revenue allows lifetime thresholds to individuals for gifts or inheritances. These can change annually due to the Budget. James F Wallace & Co. will advise you of the thresholds for each category of persons you wish to benefit from your estate. Sometimes it makes more sense financially to make gifts during your lifetime rather than post mortem for you and your beneficiaries.

CONTACT US TODAY

Find out how we can help you plan for succession.

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