Family Transition Planning:

A Guide to Understanding the Process

Transition planning is the process by which you put the goals, priorities, and strategies in place to transfer ownership of your business to the next generation. Discussion and facilitation by a third party are recommended.

A sound transition plan has many benefits:

- It provides a structure whereby emotions that can come with family business transfers are minimized.
- It facilitates a process of collaboration and empowerment between the owner (G1) and the next generation (G2).
- It creates a roadmap, ultimately consummated in legal agreements for transfer of ownership.
- It provides an organized and clearly defined transfer of leadership as well as ownership.

Following is the process for developing a successful family transition plan.

Owner's Objectives

We begin with G1's objectives and goals.

The process culminates in an offer based on G1's goals and objectives and what G1 is willing to do relative to transfer of ownership and leadership.



Sale/Purchase Framework

Wipfli provides options (to G1) based on goals and objectives.

One plan is chosen and presented to G2.

G2 meeting is held.

Modifications and finalization are performed.



Leadership Transfer Framework

G1's involvement is defined.

G2 is empowered to discuss how they will work together while G1 is still around to help.

Ultimately G2 is responsible and needs to buy into leadership going forward.



Execution

Legal agreements necessary to consummate the plan are drafted.

A valuation is completed to support the transaction value. leadership going forward.

