

Update: 11 March 2009 Business succession planning



Fleming Muntz
Solicitors



Summary

Most clients look very closely at their personal estate planning, but often overlook considering what we term "business succession planning".

What's changed?

Business succession planning is an issue of growing importance. Whilst it is not something we like to dwell on, all key partners of a business will eventually leave that business. It is important to plan for the time when they are no longer involved.

What is involved?

Whilst not an exhaustive list, business succession planning involves consideration of the following:-

- Whether the business is to continue following the departure of a key partner;
- How the key partner is to be bought out of the business;
- How a suitable valuation of the business is to be arrived at, ensuring all parties involved are aware of and comfortable with the valuation method;
- Ensuring there are adequate funds for the purchase of the outgoing partner's share by the remaining or incoming partners, and dealing with any shortfalls of funding;

- Ensuring the "know-how" of the business is carefully transferred to incoming partners; and
- If it is a family business, allowing for an inheritance to children who do not wish to take over the family business.

What are the benefits?

Put simply, the benefit is peace of mind - if a key partner of a business suddenly departs that business, there is planning in place for the continuation or otherwise of the business.

How can Fleming Muntz help?

Our business law specialists and estate planning team work closely with clients to ensure that they receive comprehensive advice on business succession planning.

Important fine print

This update is for general information only. It is not a complete guide to the area of law. Competent advice should be obtained before taking any action.

We resent unwanted email as much as anyone – if you would prefer not to receive any further updates, please telephone us on (02) 6021 2222 or email to enquiries@flemingmuntz.com.au.

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