

## Succession - loosening the family ties

Two emerging trends in the small and medium-sized business sector seem to be conspiring to make family succession a thing of the past:

- Fewer business owners want or expect their children to step into their shoes
- Children of business owners are increasingly working outside the family business and not intending to take over from their parents

Young entrepreneurs these days seem more interested in building up their own business with a view to selling it on once it has become established.

## Disposal options

With family succession becoming less of an option, business owners are faced with the problem of how to extract themselves from their business when the time comes for them to retire or move on to another venture.

Other than passing your business interests on to members of your family, the principal options for disposing of them are:

- Selling your share in the business to your co-owners or partners
- Selling the business to a third party
- Public flotation or sale to a public company
- Selling the business to the management or entire workforce
- Winding up the business

## Exit strategy

Each of these options requires careful planning. Besides the complexities of the legal arrangements, there are important matters such as valuing your share of the business and timing the disposal to minimise your tax liabilities and maximise your gains.

These are matters in which we have considerable experience and expertise. Call us if you would like guidance on developing and implementing a business exit strategy.