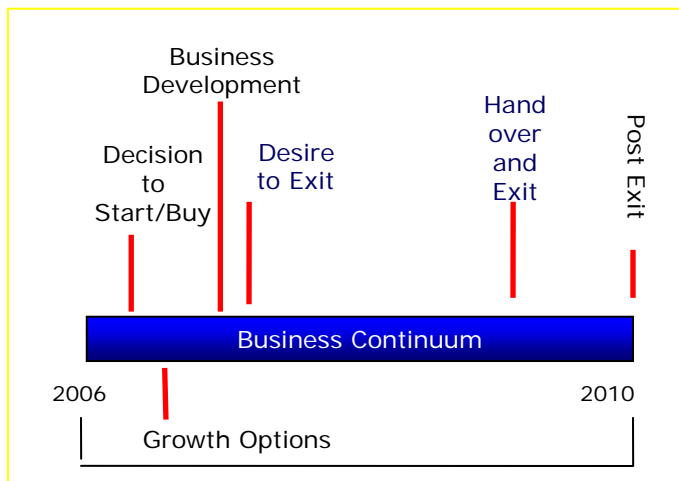


For all the Years you've Invested in your Business, How Will you Achieve an 'Elegant' and Successful Departure?

If you are a 'Baby Boomer' Business Owner, then you are in good company! With over 832,000 Business Owner/Managers preparing to exit their Businesses over the next five years, how well prepared will you be to take advantage of the opportunities and to exercise sensible options for an elegant and financially successful departure?

Five Key Succession Questions?

1. Where are **you** on the business continuum?



Fact: 60% of current CEO's are planning to retire within the next 10 years*

Fact: 37% of CEO/Owners plan to exit their business within the next five years**

Fact: 41% of current Owners look to a Sale as their only option**

Fact: Only 12.5% of current Owners think that a management Buy-out is achievable in their business***

2. What's **Your** Attitude to Managing Your Succession and Exit from Your Business?



The Head in the Sand Approach



The Independent "I'll Do it Myself" Approach



The Top Gun Approach – "We'll take Advice"

Fact: less than 15% of Owners have documented plans for their succession and exit***

Fact: 36% of owners say they are too busy to plan for their succession and exit**

Fact: 11% do not know where to seek advice**; 10% have consulted their lawyer* 5% have sought advice from their accountant*

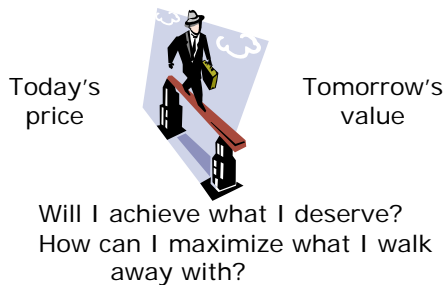
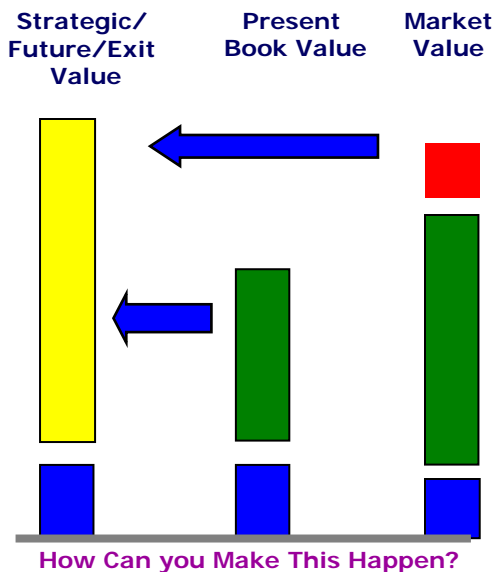
"There's neither an over-arching urgency nor an immediate reward for commencing the succession process early – but there is a significant deferred penalty if it is left too late."

- Bill Hovey, CEO, The Linchpin Group

"A leader who builds an empire that is nothing more than a personal extension of herself, leaves to posterity a poor legacy...Effective leaders provide for succession, and do so without compromising their current authority or creating dissension among prospective inheritors of the throne."

- Alan Axelrod in [Elizabeth I CEO](#)

3. Will **Your** Succession and Exit Plans help you to narrow the 'Value Gap'?



Fact: 72% of Owners are not confident that their businesses are ready for their succession and exit – at the level at which they feel their financial outcomes would be met**

Fact: between 25% and 40% are focusing on their marketing efforts**

Fact: 32% are focusing on their strategy*

Fact: 76% report a failure of strategic initiatives over the previous 3 years*

What are you doing to bridge the gap between today's price

Fact: 78% of CEO/Owners are committed to allocating time and resources to a successful succession*

Fact: 16% have commenced a transition process**

Fact: 38% of CEO/Owners are focusing on the financial performance**

5. How well are you handling the people issues around your succession and exit?

Fact: 86% of CEO/Owners feel uncomfortable in their ability to handle the 'people' side of succession and exit*

Fact: 67% of CEO/Owners believe that dysfunctional relationships within the business will provide significant barriers to their successful succession and exit*

So: Who can you turn to? Who can you trust?

You can contact **Bill Hovey at Linchpin Succession Management by telephone +61 2 9468 0180 or by email: bill.hovey@linchpingroupaustralia.com**

* the linchpin group australia, 3rd Annual Survey into Succession across 1736 Family-Owned/Private-Owned Businesses or Professional Partnerships, November 2005; ** Australian Business Limited, Internet Survey into the Succession Preparations of 270 Businesses, June 2006; *** reported in both the linchpin group and the Australian Business surveys

Ten Obstacles to Succession Planning in Family Businesses

1. Lack of appreciation, recognition, and love - and denial that it is wanted & needed.
2. Lack of forgiveness - inability to forgive each other's transgressions.
3. The need of owner-entrepreneurs to retain control.
4. Other-orientation regarding change - expecting others to change to get results.
5. Overlooking and not celebrating the family history.
6. Scarcity mentality - the implicit assumption: 'there isn't enough to go around'.
7. Entitlement - expectations about roles and responsibilities.
8. People not talking with each other directly - indirect communication.
9. When differences are seen as a liability rather than an asset.
10. Poor expression of feelings and wants - ineffective communication.

(Hubler, T. 'Ten Most Prevalent Obstacles to Family-Business Succession Planning.' FBR vol. XII, no 2, June 1990)

Are these issues confined to family businesses – or are there some commonalities which might equally apply to privately owned businesses and to partnerships?