

THE BUZZ NEWSLETTER

7 Ideas Owners Must Consider When Succession Planning

70% of entrepreneur-owned businesses do not survive the founder. Did you work this hard, for this long, to see your life's work implode?

One of the most important features about the Duct Tape Marketing process is its impact when it comes time for the owner to move out.

Whether you plan to sell out or pass the business on, having a system installed that generates leads and converts them to loyal, profitable clients significantly improves the business's value.

Your marketing system includes a clear statement of how you are different and better for your Ideal Client; a complete marketing kit persuasive reasons to do business with you; a lead-generation process that includes the internet, advertising, public relations and referrals; and a process that converts leads to loyal customers.

Succession planning is more than just marketing. Here are 7 ideas to ensure you leave your business in good hands.

1. Retirement isn't death. Death is death.

Small business owners don't plan for succession because they genuinely hate the idea of not working: no control, no work, no identity...so only about one quarter have a plan. Leaving their staff and their family incredibly vulnerable.

2. Retirement isn't just deciding not to go into the office any more.

It's ensuring you have enough money to retire on, who's going to manage the business, how will ownership be transferred. Will your business even carry on or will you sell it?

3. The biggest "killers" are taxes and family discord.

So succession planning is about management, ownership, and taxes. Will the business be managed by an owner or not? Will all owners have the same number of shares? How will your re-organize the company to reduce your taxes?

4. Outsource.

If you've been successful, you already depend on a network of help to manage your financial, tax, legal, maybe even marketing, distribution, and HR issues. Small business owners are typically too emotionally involved to make good succession plans so let someone else you trust do it for you.

5. Train and mentor your successor(s).

Okay we know you hate this one – who has the time? But how can you expect your business to continue to thrive without you if you don't train...and remember, you'll be throwing away your life's work if you don't.

6. Start business succession planning early.

Okay we know you hate this idea too. But five years in advance is good. Ten years in advance is better. Many business advisors tell budding entrepreneurs to build an exit strategy right into their business plan.

7. Read.

You owe it to yourself, your family, your employees and your suppliers to know the issues that will effect them once you've left.

"After spending three months with the Duct Tape Marketing® System we really improved the way we market and sell to our customers. The seven step approach gave us the focus we needed and it helped develop some great systems to increase sales and focus our marketing efforts."

Peter Lorenz, President,
Lorenz Manufacturing

"It is always inspiring when you come. With all the doom and gloom out there an inspiring vision and upbeat happening is nice to have on our side."

Rob Sloane, Author & Professional
Speaker, Rob Sloane Marketing

"(You) make me think logically and critically. Most of all, you force me to focus. When we need a set of fresh eyes looking in from the outside, you're there."

John D'Amico, Manager Marketing,
Network & Computer Services, Plexis Inc.

Message from the Partners

Happy New Year! We hope you've had a wonderful and relaxing holiday and are now ready to jump back into work and growth. If you took our advice from last month, you spent some time reflecting and planning for the year ahead. If you were really ambitious you starting planning 10 years out which is always a great thing to do to help you stay focused on the big picture.

Recently we've been reading reports and statistics on succession planning. Did you know that according to the Canadian Federation of Independent Businesses more than 40% of business owners plan to leave their businesses in the next 5 years. Are you one of them? Then read this month's article and start ensuring your success.

And if you need help, please give us a call!

