**Succession plan**

**TEMPLATE**

**Date:** Select a date

*[Throughout this template, you’ll see italicised guidance (like this). Remove this text as you finalise your plan.]*

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# Executive summary

[(Tip: Complete this section after you have developed the rest of the document.)

This section should summarise the whole document but not repeat the content. Include 1 or 2 introductory paragraphs about the business. Be positive and enthusiastic. Outline briefly what the sales prospectus kit contains.

Types of things to focus on:

* The purpose of the document and why the business is being sold
* The benefits to a potential purchaser – what is the opportunity you’re offering?
* Strategic business opportunities that are available to a potential purchaser
* Recommendations and a call to action
* Use bullet or numbered points where appropriate]

# Business information

|  |  |
| --- | --- |
| **Legal business name**  Trading names |  |
| **Date registered** | Select date |
| **State registered in** | Select state/territory |
| **Business structure** | Select structure |
| **Australian business number (ABN)** |  |
| **Australian company number (ACN)** |  |
| **Licences and permits**  Australian, state and local. | [Examples: disposal of waste, safe food preparation, real estate agent’s licence] |

## Contact person

|  |  |
| --- | --- |
| Name |  |
| Phone |  |
| Mobile |  |
| Email |  |
| Postal address |  |

## Online and social media details

| **Type of media** | **Address/details** |
| --- | --- |
| Website |  |
| Select type |  |
| Select type |  |
| Select type |  |

# About the business

[Include a brief history, detail the structure of the business, and outline key achievements and the core reasons why your business is successful. Include maps and photographs where relevant. Touch briefly on your reasons for selling.]

## Our history

[Industry experience, major achievements.]

## What our business does

[Briefly describe the products or services you sell. Detailed information will be provided in a later section.]

## Our unique selling point

[What sets you apart from your competition or how do you do things differently?]

## Our organisational structure

[Explain the structure of the business or insert an organisational chart showing positions rather than names of employees.]

# Management of change

The following business succession activities are planned:

|  |  |
| --- | --- |
| **Change category** | **Activities** |
| Business management | *[Example: CEO Name Surname will retire and be replaced by Name2 Surname2]* |
| Succession type | *[Partial Supported – Name Surname will become an advisory consultant providing management input under his own ABN]* |
| Successor information | *[Name2 Surname2 has held the Operations Manager position for 8 years and has the knowledge and experience to take over the CEO role. He will also be offered a directorship with a 20% shareholding in the company]* |
| Communication plan | *[A communication plan will be developed over the next 3 months. This will include information for both internal and external stakeholders on how the transition will take place and the key communication activities required]* |
| Timeframe | *[Planning – 3 months*  *Communication Plan issued – 4 months*  *Transition – 6 months]* |
| Dependencies | *[Licensing must be changed over into Name2’s name as the Authorised Officer and be approved by the licensing authority]* |

## Future organisational structure

[Explain what the proposed structure of the business at the time of succession will be or insert an organisational chart showing positions and names (rather than just the positions)]

## Training needs analysis

*[List the positions in your business, who will fill these positions when the succession happens, and what training and skills will this person need for their new role?]*

|  |  |  |  |
| --- | --- | --- | --- |
| **Job title** | **Name** | **Skills and experience required** | **Training required** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

## Registration changes

|  |  |
| --- | --- |
| Registration transfers | *[Examples: business name, ABN, ACN, goods and services tax, intellectual property, domain name, local licences/permits]* |
| Change of business structure | *[Example: The business will change from sole trader to partnership structure]* |
| **Other transfers** | *[Examples: contracts, lease, memberships]* |

## Legal considerations

|  |  |
| --- | --- |
| Licenses, permits & regulatory approvals | [Example: ARCTick Licence – approved person name must be transferred over to new CEO]  [Example: Electrical Work Licence to be changed over to new business name] |
| Contracts/legal documents  Any existing legal terms of succession.  New contracts required. | *[Example: Shareholder register needs to be updated and ASIC advised.]*  *[Example: Contractor agreement to be executed with outgoing CEO]* |
| Buy-sell agreement (if in a partnership) | *[Example: The remaining partner(s) may buy my partnership share.]* |
| Will or testament of business owner/s. (What happens to the business or share if the owner dies.) | *[Example: Will specifies that the business owner’s share goes to family members.]* |

## Insurance

*[What insurance policies may need to be updated or changed?* *Example: Accident and liability insurance and loss of income insurance.]*

## Succession timetable

*[Detail each phase in the succession process*. *For example, you could include planning, operational (financial, developmental, legal), training and handover phases.]*

|  |  |  |  |
| --- | --- | --- | --- |
| **Phase** | **Succession action items** | **Start date** | **End date** |
| *[Example: Handover.]* | *[Example: Successor will attend a board meeting and meet and greet sessions with important stakeholders.]* | *[Example: One month before transfer.]* | *[Example: Day of transfer.]* |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

## Contingency and risk management

[Detail risks to the succession and how you’ll manage them.]

# Financial change

## Retirement income/payment

[Detail any retirement payments required from the planned succession date. What are the terms? Is it a one-off payment or will there be regular payments?]

[Example: The business pays the owner out for their share through a lump sum payment.]

[Example: The current owner becomes a consultant for the business and term need to be negotiated and placed into a contract.]

## Taxation

*[Example: I will need to pay capital gains tax if I am bought out.]*

## Shareholdings and directorships

*[Example: Shareholders register will need to be updated to reflect the successor having a 20% shareholding in the business]*

# Supporting document checklist

[The following documents may be of interest to stakeholders during the various stages of succession transition. Find more information about [financial statements](https://www.business.qld.gov.au/running-business/finance/essentials/statements)]

Attached documents (where relevant):

☐ Balance sheet forecast

☐ Balance sheet for last financial year

☐ Cash flow statement forecast (including any assumptions)

☐ Cash flow statement for last financial year

☐ Board induction pack

☐ Profit and loss forecast sheets (including any assumptions)

☐ Profit and loss for last financial year

☐ Staff resume/s

☐ Legal and regulatory compliance register

☐ Contracts and customer information