

SUCCESSION PLANNING READINESS ASSESSMENT

Purpose – The purpose of this self-assessment is to help you gain a more specific understanding of how prepared you are to hand over the leadership of your business to a successor, and to engage in the succession planning process in general.

Instructions – For each of the following key planning steps, please check the one most appropriate response.

KEY PLANNING STEPS	YOUR RATING	Haven't done it and not ready to start	Haven't done it, but ready to start	In process, but not done	Done!
1. Have you decided what involvement you want your family and/or close associates to have in your business in the future?					
2. Have you identified a general time frame for when you would like to <i>exit</i> your business? (not to begin planning, but to exit)					
3. Have you evaluated your business (or had it evaluated) to determine whether it will provide you with the financial return you require once you exit?					
4. Have you reflected on whether you are emotionally ready to exit your business?					
5. Have you determined whether your family or close personal relationships can withstand the additional work and stress that succession planning may generate?					
6. Have you determined whether you are ready to actively manage the development of a succession plan and the transition in leadership in your business?					
7. Have you objectively evaluated your business to determine if it is on a stable foundation (i.e. no major crises), so that you can begin succession planning?					
8. Have you thought about what you want to do after you exit your role as the leader/owner of your business?					
9. Have you explored the legal structure options for the post-succession business, selected the most appropriate option, and clearly defined it?					
10. Have you identified the desired qualities and skills of the successor and/or future owners/managers who will assume leadership roles in your business?					
11. Have you considered or measured the impact COVID-19 has had (and may continue to have) on your business and its value, and what implications that might have for your succession plan?					
12. Do you currently have a formal 3-5 year business plan for your business?					
13. Have you created a training plan to prepare the successor and future owners/managers to take over the leadership of the business?					
14. If applicable, have you helped your chosen successor to build					

their authority and credibility within the business (i.e. their 'license to lead')?				
15. Have you designed an estate plan that specifies how ownership of the business will eventually be distributed?				
16. Have you ensured that your family members or successors understand the rights and responsibilities that come with the various roles they will assume?				
17. Have you informed your key external stakeholders – customers, suppliers, and creditors – about your firm's succession plans?				
18. Have you developed an emergency succession plan, in case you or your successor becomes unavailable (i.e. death, illness)?				
19. Have you read any books or articles on succession planning?				
20. Have you allotted time (maybe a couple of hours a week) to devote to succession planning over the next few years?				
21. Have you closely considered your own personal leadership and management strengths, with a view towards trying to find a successor who can be best positioned to succeed once you exit?				
22. Are your business' key policies and operating procedures documented and organized in a way that a successor could easily interpret and use?				
23. Have you considered your strategy or approach to keeping succession planning discussions and negotiations confidential?				
24. Have you scanned the competitive environment and general business landscape to determine whether – from a financial perspective – now is an opportune time to be considering succession?				
25. If applicable, have you considered 'your number' (the financial amount you are hoping to receive for your business)?				
26. Have you considered the impact that your business' sale or succession may have on your local community?				