

# Checklist for Canadian Business Owners

A detailed succession plan will help you optimize value and business continuity when the time comes for you to pass the torch. **But where do you start?**



**Here's a checklist of key questions that every Canadian business owner needs to consider:**

## 1. When do I want to exit my business?

Set a timeline. It's recommended that you start planning at least 18 months to two years before your expected exit.

## 2. Who do I want to sell my business to?

Options include transferring the business to a family member, a management buyout or selling to outside interests. Each option has its merits, but it's important to decide which is right for you.

## 3. Do I want to maintain some ownership or operational control?

If you want to exit your business gradually, decide what kind of interest you want to retain and how that relationship would be structured. You may want to continue to share in the upside with an equity stake, or even maintain a day-to-day operational role.

## 4. What is my business worth?

Whichever exit route you choose, a fair valuation will be central to your succession plan and may require outside expertise. Also consider actions that may enhance that value.

## 5. Are all of the key stakeholders prepared for my departure?

When you leave, will key customer and supplier relationships leave with you? It pays to transition core business relationships to senior management well before your departure. Also consider what training your successor will require in order to ensure business continuity.

## 6. How do I secure my financial future?

Your long-term financial objectives should be clearly outlined, as should measures to attain those goals upon exiting your business, such as tax and estate planning.

## 7. Who can help me plan a successful exit?

You can start with your closest advisors – this group may include your family, your lawyer, your accountant and your management team. From there, it's probably best to consult specialists for more detailed analysis and advice.

## 8. Who can help with the financing of my exit?

Often, more than one form of financing is used to achieve a successful transition; options include bank loans, mezzanine financing, personal funds and equity options. A good financial partner will be able to offer flexible financial solutions alongside expert business support.

Operated by entrepreneurs, VenGrowth has been a trusted partner for Canadian business owners since 1982. With a range of **flexible, tax-effective debt and equity financing solutions**, VenGrowth's experienced investment specialists work with Canadian entrepreneurs to drive future growth of their businesses, make the right connections and prepare for an exit when the time is right.