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Succession and Transition Program

Program Overview

The Bstar Succession and Transition Program, provides business owners, current and future, an effective method of transitioning business ownership.

The Program focuses on achieving three key outcomes:

1. To provide the exiting owners an effective sell down of equity taking into account timing, price and life style considerations
2. To provide new owners the opportunity to buy in to the business on a structured basis that minimises their risks and maximises their opportunities
3. Ensuring that the business transitions to its next phase in an seamless fashion

The Bstar Succession and Transition Program can be used for businesses with single or multiple owners. The Program has proven successful with many businesses across a range of industries.

The program typically follows a structured staged process which includes:

Owners Strategy

Current owners have assessed their position and agreed that their chosen succession strategy is to transition ownership to others – usually staff or family or a combination of both.

Education and Awareness

It is important for all parties involved to understand what is involved in transitioning ownership. This stage of the process includes an overview of owner's vision, details on the process, likely timelines and the involvement required from current and future owners. In many cases this is the first time owners have shared financial and other information on the business.

Alignment

If business partners are unable to achieve alignment, the likelihood of success is very low.

This stage in the process provides future owners the opportunity to:

- Assess the business
- Understand how business ownership will impact their personal and family life
- Assess their financial position
- Consider their estate planning needs

Multi owner businesses greatly benefit from considering these issues in a team workshop.

Contact us for more
information on the Succession
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Strategy

Now that current and future owners have achieved alignment they can now develop the businesses transition strategy.

This stage brings both current and future owners together to complete the transition planning process and includes:

- Agreeing price and business value methodology
- Timing of equity sell down - may be over a number of years
- Funding of buy in
- Joint assessment of the businesses SWOT
- Roles and responsibilities
- Remuneration and incentive structure
- Business Model
- Growth Strategy
- Governance
- Terms of shareholders agreement and other documents
- Goals and action plans

Advice

It is critical that all parties obtain tax, legal and estate planning advice.

Bstar has developed a number of document and agreement templates which can assist the new shareholders in reducing time and costs associated with this stage.

Support

Ongoing support post transition is critical particularly where substantial change has taken place and where staff are transitioning to new roles within the business.

Ongoing support usually includes:

- Regular monitoring of business performance and progress towards objectives
- Review of the businesses remuneration and incentive program
- Review of the business growth plan

Some businesses already have professional advisers who can assist them in this important stage. Bstar can also provide assistance if required.

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