

Family Business

The family business sector in Australia is significantly more extensive than most people realise.

Some estimates put the capital value of family-owned businesses in Australia at \$3.6 trillion and a huge number of these flourishing enterprises will change hands in the next five to 10 years as their proprietors get older.

"If you own a company which depends on your leadership, knowledge and expertise (or that of your key staff), you should have a succession plan in place," says Ellen Schafer. "It is the only way you will be able to rest easy about the winding up of your business life and maximise what your business is worth."

Ellen Schafer & Associates (Financial Planners) in conjunction with an experienced succession planning lawyer and business banker will be giving a free seminar for small business owners who expect to retire from their business in the next five to 10 years.

"A succession plan is critical if you are planning on retiring in the next five to 10 years and expect to fund part or all of your retirement by selling your business," says Ellen Schafer.

Ellen, herself a small business owner for the past 21 years, says that many small business people have spent years building their company into profitable enterprises. She says they have weathered the lean years and prospered in the good times and, after going through all those ups and downs, they should not let their businesses simply be sold at what could be a fire sale price just through lack of planning.

"That is what succession planning is all about," says Ellen. "It's planning for the best outcome when the time comes for you to leave your business."

If you are selling your business, even to a family member, it is imperative that you know how to arrive at a realistic commercial value and how the prospective buyer can fund the purchase of the business.

"Those of us in business need a succession, or exit plan which will outline who will take over our business when we leave. In some cases, an entry strategy is also necessary for those assuming the responsibility of taking over the business", says Ellen. "In fact, this seminar will be vitally important to anyone who intends to take over an existing family business" says Ellen.

"Succession planning for a business is considered by some business owners to be too difficult to come to grips with and consequently it is put in the 'too hard basket' until too late. Retirement, divorce, changed financial circumstances, disability or death can overtake planning and the result can be less than satisfactory," warns Ellen.

"Just as you put your personal affairs in order with a will, succession planning is the arranged exit from the business by the owner, or owners. The Succession planning process will ensure that all contingencies are considered by an experienced lawyer before the actual event," says Ellen.

Ellen and Julie Schafer, Succession Planning in practice.



The seminar will include the following topics:

- Planning to let go.
- What role can an ex-owner play in the business?
- The sale of part of a business to family members.
- The sale of part or all of the business to minority owners or employees.
- Developing a strategy and plan for business owners which will allow them to eventually divest or transfer the business ownership.

Ellen Schafer & Assoc. Pty Ltd ABN 67 072 661 548 is an authorised representative of GWM Advisor Services Limited, ABN 96 002 071 749, an Australian financial services licensee with its registered office at 105-153 Miller Street, North Sydney, NSW, 2060.

Ellen believes the odds of a successful transition to a younger owner would be stacked against you if you did not take an active roll in the transition process 'well before' you are ready to retire.

Some small business owners risk losing the perfect successor for their business by ignoring talented and interested key staff until it is too late. The very person who could have taken over their business ends up leaving through frustration and starting their own business in opposition.

By planning your exit well in advance you can maximise the value of your business and enable it to meet your future needs. You can also make sure you have a succession plan which is attainable and set yourself a realistic timetable.

This succession planning workshop will be held at 6pm on Wednesday 28 June in Buderim. It is an absolute 'must' for small business owners who expect to retire in the next 5 to 10 years and for employees or family members of a business that they

would like to take over.

Seats are limited and therefore bookings are recommended. To book contact 5445 6044 or reserve your seats through the ES&A web site www.esafinance.com.au.