

Business Succession Planning We Can Help

According to a 2005 Canadian Federation of Independent Businesses survey, 65% of small and medium sized business owners have no business succession plan.

The main reason cited for not engaging in business succession planning is that it is too early to plan for succession.

While there may be some elements of business succession planning that are less urgent than others, it is never too early to start planning an exit strategy if you want to maximize the future benefits from your business, or to have an appropriate contingency plan in place in the event of an unexpected disability or death.

What is business succession planning?

Before understanding why all business owners should consider business succession planning, it is important to understand that business succession planning is in fact a subset of your overall wealth planning.

At TD Waterhouse, we have adopted a comprehensive and integrated approach to wealth management.

We have identified 11 wealth management considerations that our clients are faced with at various points in their lives. Business succession planning is one of those considerations. Our business owner clients have unique needs and we recognize that talking to them about their business is an important part of understanding them and being able to provide comprehensive wealth solutions.

Business succession planning is a process that involves:

- Business planning;
- Management and business ownership transition planning;
- Tax planning;
- Estate planning; and
- Financial planning

Every individual will benefit from discussing wealth management considerations such as financial planning, tax planning and estate planning.

A business owner needs to consider these same factors however they must be aligned with the goals of the business as well.

Benefits of business succession planning

If you, as a business owner, address business succession planning today, you may be able to achieve any of the following benefits:

- Protecting the current value of your business
- Increasing the value of your business
- Minimizing taxes
- Establishing financial security for you and your family
- Providing security for the future of the business

How can TD Waterhouse help business owner clients?

Step 1 – Initial Discussion – Understanding you, the business owner

The process begins with a discussion to learn about you and your business. We want to listen and understand how your business started, how you got it to where it is today, and then help you get the business and yourself to where you would like to be.

Step 2 – Summarize your business succession planning considerations

To commence the process we use the experience and knowledge of our professional team to identify your business succession planning considerations. If the process has already been started, we can help you focus on areas that you may not yet have considered.



Step 3 – Work with other professionals to identify appropriate solutions

We can help facilitate meetings and work with both internal and external professionals who can provide general information, technical advice and help implement the plan. The external professionals may include existing advisors and/or new specialized advisors that you may require.

Some potential business succession planning professionals may include:

TD Professionals

- Insurance-Estate Planning Advisors
- Investments – Investment Advisors / Portfolio Managers
- Estates – Will & Estate Consultants / Trust Officers
- Business Bankers – Small Business Advisors / Commercial Bankers

External Professionals

- Accountants
- Lawyers
- Tax specialists
- Management consultants
- Family business consultants
- Business brokers / Investment bankers

Other parties that may be involved in these meetings could be senior management or other members of the business owner's family.

Step 4 – Ensure solutions are integrated with your overall wealth considerations

We stay involved as the appropriate business succession planning solutions are implemented and we ensure that they are integrated into your overall wealth planning.

Step 5 – Periodic follow-up to monitor the plan

We regularly monitor and contact you to discuss your progress, review any changes in situation and assist in adjusting existing or implementing additional solutions, as required.

Business succession planning can seem to be both overwhelming and a lengthy process. However, the longest journey begins with the first step. A TD Waterhouse advisor has the knowledge, resources, and team of experts to help you take that first step and will remain involved throughout your journey. The best time to take that first step is now. Call your TD Waterhouse advisor today to find out more about how we can help you with business succession planning.

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