

SUCCESSION PLANNING READINESS CHECKLIST:

A PRACTICAL STARTING POINT FOR BUSINESS OWNERS THINKING ABOUT SUCCESSION OR LEADERSHIP TRANSITION

PERSONAL READINESS

Start by thinking about your own goals and timeline.

- I have considered what I want the next chapter of my life to look like.
- I have a rough timeline for reducing my role, transitioning leadership, or exiting the business.
- I have discussed my long-term goals with family members or trusted advisors.
- I understand how much financial security I will need after stepping away from the business.

LEADERSHIP CONTINUITY

Strong transitions depend on capable leadership.

- Potential future leaders have been identified.
- Key roles and responsibilities within the company are clearly defined.
- The business can continue operating effectively if I step away for an extended period.
- Emerging leaders are being mentored or given opportunities to take on greater responsibility.

OPERATIONAL RESILIENCE

A business that runs smoothly without the owner has more options.

- Critical processes and decision-making structures are documented.
- The company is not overly dependent on one person for key relationships or operations.
- Major customer, vendor, and financial relationships are shared across leadership.
- Operational knowledge is distributed across the organization.

FINANCIAL CLARITY

Understanding the numbers creates more flexibility.

- I have a current understanding of the company's value.
- Financial records and reporting systems are organized and transparent.
- I understand how different transition options may affect taxes and financial outcomes.
- I have explored how the business fits into my broader financial plan.

GOVERNANCE AND COMMUNICATION

Clear structure reduces uncertainty during transitions.

- Roles, responsibilities, and decision rights are clearly defined.
- Family members or partners understand the process for leadership decisions.
- Key employees have confidence in the future direction of the company.
- I have begun discussing long-term plans with trusted advisors.

ADVISORY TEAM

Transitions often benefit from coordinated expertise.

- I have access to trusted advisors who can support succession planning (legal, tax, financial, banking, etc.).
- Advisors are able to collaborate and provide guidance across multiple areas of the transition.
- I feel confident that I have a team who understands both the business and my personal goals.

REFLECTION QUESTIONS

If several boxes remain unchecked, that's normal. Succession planning is a gradual process. Consider asking yourself:

- What part of the transition feels most uncertain right now?
- Where is the business most dependent on me today?
- What small step could create more flexibility in the next 12–18 months?