

Succession Planning Worksheet

COASTAL VIRGINIA SMALL BUSINESS RESILIENCE SELF- ASSESSMENT AND GUIDE



COMMONWEALTH CENTER FOR
RECURRENT FLOODING RESILIENCY

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This guide is part of the [Coastal Virginia Small Business Resilience Self-Assessment and Guide](#) and was developed by Dr. Wie Yusuf of the ODU [Institute for Coastal Adaptation and Resilience](#) for [The RAFT \(Resilience Adaptation Feasibility Tool\)](#) and the [Commonwealth Center for Recurrent Flooding Resiliency](#). Questions? Need more information? Contact Dr. Wie Yusuf via e-mail: jyusuf@odu.edu.

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Business Information

Business name: _____

Business structure:

Sole proprietorship

General partnership

Limited partnership

Corporation

S corporation

Limited liability company (LLC)

Succession Timeline

Is this plan for your exit/retirement, to plan for the unexpected (death/injury), or both?

Retirement

Unexpected events

Both

If you have a retirement date in mind, when will this be? Date: _____

How long will the transition period last? No. of months: _____

How and when will you communicate this succession to the organization?

If you are planning for the unexpected, what events should trigger this success plan?

Owners Covered by the Succession Plan

Are all owners/partners covered by this succession plan? Yes No N/A

Are you selling your business to a co-owner or transferring to a family member?

Yes No N/A

Will you be buying life insurance as part of a buy-sell agreement? If yes, include information about:

- Who will purchase the policy?
- Who will be the beneficiary?
- Permanent or term policy?
- What will be the death benefit?
- For term insurance, what will be the term length?

Life Insurance:

Candidate Profiles

Candidate 1:

Age: _____

Years of relevant experience: _____

Relation to the business: _____

Key qualifications:

Key skills or experience:

Missing qualifications, skills, or experience:

Will they be ready to take on the business when you exit? Yes No

What would they need to be ready for succession?

Candidate 2:

Age: _____

Years of relevant experience: _____

Relation to the business: _____

Key qualifications:

Key skills or experience:

Missing qualifications, skills, or experience:

Will they be ready to take on the business when you exit? Yes No

What would they need to be ready for succession?

Candidate 3:

Age: _____

Years of relevant experience: _____

Relation to the business: _____

Key qualifications:

Key skills or experience:

Missing qualifications, skills, or experience:

Will they be ready to take on the business when you exit? Yes No

What would they need to be ready for succession?

Standard Operating Procedures

The following operational plans and information should be included in your succession plan to support smooth transition and succession.

Current organization chart showing your current employee structure, including roles, key functions, and reporting lines

Proposed organization chart showing what the organization might look like once you leave. This chart should show your successor and the specific roles the successor will fill? If they are internal to the business, who will fill their current position? What other roles/positions might be vacant after this reorganization/succession?

Operations manual providing a rundown of all daily functions such as a checklist for opening the store, flowchart for billing, flowchart for ordering supplies, etc.

Technology manual providing an overview of any computer, technology, or software systems used by your business. Keep a separately secured list of accounts and passwords that can be accessed by your successor in the case of an unplanned event.

Employee handbook or manual that covers policies, procedures, benefits, etc. related to your business' human capital

Training and retention plan that describes procedures for training and onboarding new employees in various roles, plans for ongoing training to ensure employees maintain key skills or develop new competencies.

Business Valuation

What is the current value of the business? _____

What is your estimated business value at the time of transfer? _____

What method did you use for valuation?

Income-based

Assets-based

Market-based

Valuation by a professional assessor

Other

The business valuation offers a starting point for understanding what your business is worth. With this information in mind, you need to determine the selling price of the business. What is the selling price for your business? _____

If the business will be listed on the market, what is the lowest price you will accept? _____

Transferring Ownership

How will you transfer ownership rights or sell your business?

Outright sale

Graduated sale

Lease

<p>Outright sale (i.e., upfront payment in full)</p> <p>Your buyer may need an acquisition loan to purchase business.</p> <p>Is your buyer qualified to receive an acquisition loan? Yes No</p> <p>Has your buyer received pre-approval or a letter of intent from a financial institution? Yes No</p> <p>Are you prepared to work with the financial institution and provide information about your business in order to secure the loan? Yes No</p> <p>Do you have a backup plan in case your buyer is denied an acquisition loan? Yes No</p>	<p>Graduated sale (i.e., installment payments over time)</p> <p>One option is to offer seller financing.</p> <p>Will you consider financing the purchase of your business to a buyer (i.e., seller financing)?</p> <p> Yes No</p> <p>Which buyer? _____</p> <p>Down payment: _____</p> <p>Length and frequency of payments: _____</p> <p>_____</p> <p>Interest rate: _____</p>
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Has an attorney reviewed the sales agreement to make sure it's accurate and comprehensive?

Yes

No



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