This tool can be used to develop a succession plan for each key position in your organization. A good succession plan enables a smooth transition with less likelihood of disruption to operations. By planning a key employee’s exit well in advance you can maximise the value of your business and enable it to meet future needs. Make sure your succession plan is attainable - set a realistic timetable and measurable milestones along the way and stick to them. This plan can also help you to cover all bases in the case of an unexpected change (illness, death, sudden departure).

**Approach:**

You will need to complete this succession plan for each key position in your company. Before you complete this Succession Plan Template and start using it, consider the following:

1. **Use the [*italicized text*].** The italicized text is there to help guide you by providing some more detailed questions you may like to answer when preparing your response. ***Please note:*** If a question does not apply to your circumstances it can be ignored.
2. **Get some help.** If you aren’t confident in completing the plan yourself, you can enlist the help of a human resources professional to look through your plan and provide you with advice.
3. **Review. Review. Review.** Ask a number of impartial people to proofread your final plan.
4. **Revise.** As time passes your circumstances may change and having your succession plan up to date will ensure you are always ready in the event you need to leave earlier than anticipated. To benefit from your time invested in your original plan and to stay prepared for the imminent change in person, review this succession plan annually at a minimum.

**[*INSERT YOUR BUSINESS LOGO*]**

[*Your Name*]
[*Your Title*]

[*Business Name*]

[*Main Business Address*]

Succession Plan for [*Specify Position*]

**Prepared:** [*Date prepared*]

Table of Contents

Table of Contents

[The Succession 3](#_Toc318565980)

[Business & succession details 3](#_Toc318565981)

[Proposed organisation structure 3](#_Toc318565982)

[Key personnel changes 3](#_Toc318565983)

[Skill retention strategies 5](#_Toc318565984)

[Training programs 5](#_Toc318565985)

[Registration changes 5](#_Toc318565986)

[Legal considerations 5](#_Toc318565987)

[Insurance 5](#_Toc318565988)

[Succession timetable 6](#_Toc318565989)

[Contingency/risk management 6](#_Toc318565990)

[Supporting documentation 6](#_Toc318565991)

## The Succession

### Business and succession details

**Business name:** [*Enter your business name as registered in your state/territory.*]

**Business structure:** *[partnership, LLC, S-Corp]*

**Position covered:** [*What position is covered by this succession plan?*]

**Planned succession type:** [*Detail the type of succession you have planned?* *Will the incumbent be completely removed from the business or only partially? If it is a partial succession, what will the person’s involvement be in the business?*]

**Successor details:** [*Who is the primary person desired to take over as successor? Do you have an alternative successor in mind if the chosen successor is unavailable?*]

**Succession timeframe:** [*When do you plan to implement this succession?*]

**Restrictions:** [*Are there any restrictions placed on the succession?*]

### Proposed organization structure

[*Briefly outline what the organization might look like once the succession is in place.*]

**[*Mr Chris Brantley***

***Successor*]**

**[*Ms Fran Reid***

 ***Marketing Manager*]**

**[*Mr John Blue***

***Events***

***Coordinator]***

**[*Mr Jo Stevens***

***Operations*]**

**[*Mrs Eileen Lawry***

***Receptionist*]**

**[*VACANT***

***Salesperson]***

**[*Mrs Cherie Laws***

***Office Manager*]**

*Figure 1: Proposed organization chart. [Complete this chart or include your own.]*

### Key personnel changes

[*List all of the possible positions in the organization and the people that are in them that could be expected to fill the position in this succession plan.*]

|  |  |  |  |
| --- | --- | --- | --- |
| **Job Title** | **Name** | **Skills required** | **Training required** |
| [*e.g. Manager*] | [*Mr Chris Brantley*] | [*Relevant qualifications and/or experience in running a business.*] | [*On the job coaching. Formal training in financial management.*] |
|  |  |  |  |
|  |  |  |  |

### Skill retention strategies

[*What procedural documentation are you providing to ensure the skills of staff in question are maintained? Do you have an appropriate allocation of responsibilities? How will the new responsibilities be documented and communicated to staff? What internal processes will you implement to regularly check that the current skills of staff members are still appropriate for the business?*]

### Training programs

[*What training programs will you be organizing for possible successors? Are these in-house or conducted by external providers? Have you also considered change management training for the organization in preparation for the succession?*]

## Registration changes

**Registration transfers:** [*Which registrations do you need to transfer/change? For example intellectual property, local licences/permits.*]

**Change of business structure:** [*Do you need to change your business structure? What will be the impact on ownership/stock?*]

**Other transfers:** [*Lease, memberships, passwords, bank access, other?*]

## Legal considerations

**Contracts/legal documents:** [*Is there a legal document that* *dictates the terms of the succession? If so, what are the terms? Are there any contracts that need to be modified in the event of the succession, e.g. partnership contract? Are there any new contracts that need to be drawn up?*]

**Buy-sell agreement:** [*If you are in a partnership do you have a buy-sell agreement in place? What are the terms? Will the remaining partner(s) buy your partnership share or will it be open to external partners/family members? Does this arrangement apply to all partners in the organization?*]

## Insurance

**Current insurance**: *[What insurance policies do you currently have for this position in the event of a disability, death or injury?]*

## Succession timetable

[*The timetable below should detail each phase in the succession process.*]

|  |  |  |  |
| --- | --- | --- | --- |
| **Phase** | **Succession action items** | **Start date** | **End date** |
| [*Brief phase description.*] | [*What are the succession action items that you need to complete for this particular phase?*] | [*When do you expect to start this phase?*] | [*When do you expect to end this phase?*] |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

## Contingency/risk management

[Detail the risks to the succession and any contingencies. For example: If the sale price you expected is not met, what will happen?]

|  |  |  |  |
| --- | --- | --- | --- |
| **Succession risk** | **Likelihood** | **Impact** | **Contingency** |
| [*What can go wrong while the succession plan is being implemented? What is the potential impact to your business?*] | [*Highly Unlikely, Unlikely,**Likely,* *Highly Likely.*] | [*High,**Medium,**Low.*] | [*What is your contingency plan in the event that this risk happens?*] |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

## Supporting documentation

Attached is my supporting documentation in relation to this succession plan. The attached documents include:

* [*List all of your attachments here. These may include copies of contracts registrations, and resumes.*]