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Have you got a succession plan in place for your business?

The Bankwest Future of Business Report took a detailed look at how Western Australian business leaders are planning for the future. Here's what we found...

Most WA businesses have no succession plan.

Only one in four business owners have a succession plan.

25.7% have a plan; 50.5% will plan this ahead of retirement; 50.5% will only plan this at retirement

As a result, half feel ill prepared for the future after they retire or leave their business.

If you're planning to sell, it's important to make sure you have a saleable asset.

Close to two in five WA business owners say the ideal succession plan for their business is sale to a third party.

Sale to a third party 37.3%; Terminating the business 23.8%; Passing the business to family members 23.0%; Sale to existing business partners or to employees 12.5%; Other 3.4%.

However, only three in five are confident they have a saleable asset.

Key person risk is a common challenge for WA businesses.

The majority of owners say their business is at least somewhat reliant on them or other key persons to run it.

53.2% maintain the majority of key relationships with customers, suppliers and employees.

71.1% have no plan for their business if they were to suddenly lose the capacity to manage it.

52.3% say their business is at least somewhat reliant on a few key customers.

Haven't got a succession plan? Speak to your Bankwest business specialist today.

To see all the findings, download the full report.

Source: Bankwest Future of Business Report, February 2018

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