

IT'S YOUR LIFE

Preparing for the Future — Business Succession Planning for Families

One of the most critical challenges facing family businesses is how to plan for the next generation. Issues include balancing the needs and expectations of family members, addressing conflicts, and ensuring the selection of capable successors.

Based on their skills and interests, there are distinct roles that rising family members might assume within a business — and the capabilities required can be very different. Implementing a [business succession plan](#) that encompasses these dynamics is a critical step towards success.

Succession planning strategies for family businesses can involve:

- Identifying [potential successors](#) early on
- Providing successors with appropriate training and development opportunities
- Establishing clear criteria and processes for [transition](#)

Family businesses may wish to consider asking the following questions:

- How involved are family members in the day-to-day running of the business?
- What processes are in place to identify and develop their strengths?
- What is the exit strategy for the current generation?
- How is the next generation preparing for this transition?
- Has the process begun for identifying and developing potential [family successors](#) for key leadership roles?
- Have the requirements for succession been clearly established and communicated to all interested family members?

A qualified attorney can help you sort through your options and design a family business succession plan that will reflect the needs of your business. [Talk to your Federated® marketing representative](#) for a referral to a member of Federated's network of independent attorneys.

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