

Planning is key to safeguarding and building a business.

FAMILY BUSINESS LAWYERS POINT TO SUCCESSION SUCCESS

LATIMER Hinks solicitors, one of Darlington and County Durham's longest established law firms, has a team of family business experts on hand to help drive companies forward. The firm has a commercial law team of experienced legal professionals who can provide the legal help and assistance businesses and their owners need. The team possesses high levels of expertise – levels normally associated with city based law firms. Approachable, knowledgeable and above all supportive, the firm prides itself on dealing with matters swiftly and to provide clear, concise and practical advice.

Anne Elliott, a Partner at the firm, is a specialist in one of the key issues that all family businesses face: succession planning. Identifying a successor or successors in a way which ensures the best outcome possible is a major factor in the process.

Anne said: "In this economic environment, succession planning is more important than ever. Business owners must take the best course of action possible to safeguard their business, their bottom line, cash flow, assets and workforce.

"That might not necessarily mean handing down to a family member. It is a case of making the right choice for the future of the business and all involved, based upon solid, logical reasoning and professional advice, often being dispassionate and putting sentiment aside – family members may not necessarily have the right skills to take the business forward."

Anne says the first part of the process is always establishing what the desired outcome of the succession is. Then, a business owner should look at a plan for anything up to five years, broken down into stages, each with



Next step: Partners Nick Poole and Anne Elliott and their approaches to succession planning.....

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their own timescale.

"You need to establish if the people you would like to take over the business have the right skill sets and abilities, then find out if the potential successors are willing to assume the role you have identified for them," says Anne.

"Once you know the direction you want to move, enlist expert advisers to make sure that any plans are legally watertight, are tax efficient and minimise the potential for challenge by or conflict among family members."

Anne added: "Succession planning is not something to go into lightly, nor is it something that can be ignored."

Another strand to succession planning is handled by Partner Nick Poole, who deals with shareholder agreements - referred to as "company wills".

Nick said: "The "company will" is an agreement we deal with on a very regular

basis. Its purpose is to get business owners to look at a number of "what ifs" covering lifetime and death situations.

"Those "what ifs" apply equally whether the business in question is an LLP, Partnership or limited liability company.

"In one case I know of, one of three business partners died. There was no shareholders' agreement and it took 15 years for terms to be agreed for the purpose of the purchase of the deceased's share in the business.

"I have, over the years seen far too many business people who have lived to regret not having a "company will" (or indeed any will at all!). My simple advice is to make sure you deal with shareholder issues and your will whenever you go into business with anyone."

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