



Securing your legacy

Business succession planning in New Zealand

There is about to be a seismic shift in business ownership in New Zealand.

For Kiwi business owners, retiring or moving on to a new venture can seem like a daunting prospect. Fortunately, there are many options available to ensure that your business continues to thrive even after you take a step back. A strong legacy starts with strong planning.

With many baby boomers approaching retirement, a wave of businesses are poised to change hands. Business succession planning has become more critical than ever.

However, many business owners have yet to formalise their succession plans, which can have serious consequences for their business, employees, and families.

Act now to secure the best result for you, your family and your legacy.



The importance of early planning

Whether you're planning to retire, pursue other ventures, or simply step back from day-to-day operations, careful and timely succession planning and early engagement with your lawyer, accountant and tax advisor is essential.

Succession planning is not just about preparing a business for sale. It's about setting the foundation for its long-term sustainability.

Whether you want to pass the torch to family members, sell on the open market, or transition ownership to a trusted employee, the earlier you start, the better.

You have options

When planning for succession, business owners often face the decision of whether to pass on their business to family, a trusted employee, or an external buyer. Deciding whether to stay on in a limited role, or to cut ties entirely, is another tough call to make. Each option has its advantages and challenges.

The right choice depends on your specific goals, family dynamics, the nature of your business, and your personal estate planning and financial situation.

Your options include:

- succession to family members
- succession to employees (management buyout)
- sale of the business on the open market
- sale of the business to a private equity firm
- sale of the business to an individual buyer.

Legal and financial considerations

Seamlessly navigating the business succession process requires expert legal, tax and financial advice. A well-structured plan can help with tax efficiencies, protect personal assets, and safeguard the interests of stakeholders.

Shareholder agreements and "buy-sell" arrangements can be beneficial tools in ensuring the continued success of the business while providing clarity around the roles and expectations of everyone involved. These can help business owners and their successors deal with transitional matters and resolve disputes.

Vendor financing and the use of structured payments can make it easier for a successor to enter the business, especially if they lack sufficient upfront capital.

We can help

Starting the succession planning process early and working with experienced legal, financial, and business advisors is critical to safeguarding your business legacy. The right plan, executed properly, can make all the difference in ensuring your business continues to thrive long after you step away.

The legal experts at Lane Neave can help structure your business succession plan, while working side-by-side with your accountants, tax and business advisors.

We will provide you with an obligation-free 30-minute consultation with our specialists to share our expertise and understand your requirements. To take advantage of this offer, please simply email and we will be in touch to set up an initial meeting.

Your business succession legal team



**Ellen
Sewell**
Partner

P: +64 3 353 4785
M: +64 21 952 642



**Michelle
Needham**
Partner

P: +64 3 372 6373
M: +64 21 464 847



**Alex
Stone**
Senior Associate

P: +64 3 371 9271
M: +64 21 198 4327

Email: succession@laneneave.co.nz

