



Internal Transitions

Preserving Your Company's Legacy

Transition of business ownership may be internal or external. An internal transition plan focuses on family members or key leaders stewarding the business into the future. For Kingdom-minded business owners, proper stewardship can shape this planning process, preserving the company's legacy.

Prepare to Preserve Legacy

A business's legacy is its ability to leave a generational impact. A thoughtful approach to a successful internal transfer of ownership focuses on the business's main purposes, including:

1. Wisdom

To effectively transition the company's embedded wisdom, business owners should develop a corporate governance structure and follow a strategic plan. Intentional planning will ensure development of meaningful future corporate policy.

2. Leadership

Business owners can effectively transition the company's leadership by creating continuity plans for key leaders, defining the current owner's new role, communicating the plan to key stakeholders and employees, and ensuring the leadership transition plan is executed as designed.

3. Stewardship

Current owners can effectively steward the company's resources by developing ownership independence, involving the current owner's spouse, setting clear expectations, and developing collective aspirations.

Design and Implement a Plan

Once the qualitative aspects of successfully preserving the company's legacy have been identified and approved, the process of designing and implementing an internal transition plan is fairly straightforward. The key elements of internal transition are to:

- **Identify a transition timeline** – develop timelines addressing management, leadership, and governance
- **Develop leadership continuity plans and roles** – highlight individual leaders' growth initiatives and processes for assuming the new role(s)
- **Design the optimal structure** – identify the appropriate structure for the business's future ownership
- **Develop the financial forecast** – create a financial forecast to coincide with a share transfer plan
- **Integrate legal documents** – confirm that the legal documents governing the transition plan fit with the current owner's personal plans
- **Facilitate clear communication** – provide all stakeholders with clear communication to set expectations
- **Execute the transition plan** – ensure that the new leaders and owners are in place and functioning in accordance with the plan