



# Succession Planning

## The Situation

This client asked GPS to create a succession plan for the business because the current arrangement was out of date and ineffectively structured. The family-run company was lead by two brothers, both approaching 50 years old, who wanted to ensure that processes were fully documented in order to protect them and their families in the future.

## The Solution

GPS reviewed the status of the company and discovered surprising results for the brothers – the corporate structure had not been updated since they had taken over ownership from their father years before, the company did not have sufficient funding mechanisms to cover off the company's liabilities, the funding agreement was out of date, the shareholder agreement was out of date, and the coverage/funding of contingency situations (death, disability, retirement) were not fully covered.

## The Results

After a review and presentation of the findings, GPS oversaw the creation of an updated agreement. This included having the appropriate funding in place for all contingencies. The brothers have committed to revisiting this plan annually with GPS to ensure the relevancy of the agreement going forward.