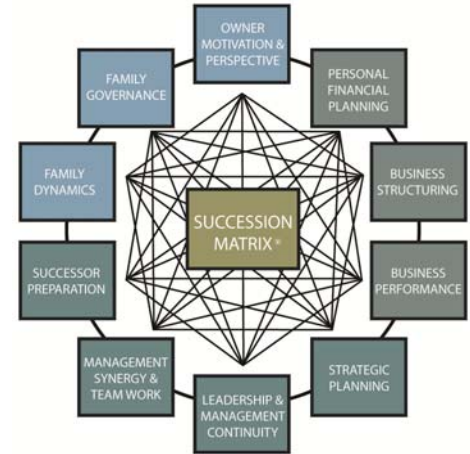


**THROUGH AN EXTENSIVE, NATIONAL RESEARCH AND STUDY PROGRAM**, the organizers of the ISPA with a combined experience of over 100 years in working with more than 2,500 closely held business owners, have identified the criterion for achieving Succession Success. The ten interdependent factors, as a body, are referred to as the Succession Matrix®.

To assist business owners and their advisors in identifying business succession assets and liabilities, the ISPA has developed training and professional development programs, and business technology, based upon the Succession Matrix®.



1. **OWNER MOTIVATION & PERSPECTIVE** shapes the culture of the business and sets the baseline for the willingness of family members, managers, employees and customers to go the extra mile to promote and facilitate the perpetuation of a business. Owner Motivation and Perspective is the degree to which a business owner understands his/her stewardship responsibility to employees, family of employees, the community, vendors, suppliers, and manufacturers
2. **PERSONAL FINANCIAL PLANNING** focuses on developing sufficient wealth independent of the business to empower independence from the business. Being financially independent allows business owners to exit the business and coach their successors as they learn from their mistakes. Personal financial planning also establishes and coordinates the wills, trusts, asset transfers, liquidity, and the continuity of business credit.
3. **BUSINESS STRUCTURING** focuses on the appropriate utilization of business structures such as corporations, partnerships, contracts, etc. to position the business and business related assets to support and fulfill the various aspects of the succession strategy. Issues of business structuring include but are not limited to governance, cash flow, liability protection, and management control.
4. **BUSINESS PERFORMANCE** is a critical aspect to the Succession Matrix® because business succession is dependent upon business success. The approval of performance expectations of shareholders, vendors, creditors and franchisees confirms the business is an asset and will generate ongoing support and enthusiasm. There is a predictable dip in productivity and profitability when a business goes through a succession transition. Therefore, the higher the margin of success achieved prior to a transition, the less the impact will be upon the business.
5. **STRATEGIC PLANNING** provides vital vision for the fulfillment of a succession strategy. A strategic plan generates detailed long term action agendas needed for the implementation of structures, processes and people critical to the fulfillment of succession goals. There must be a unified vision among the family, shareholders, successors, and management team in order to fulfill the succession plan.
6. **LEADERSHIP & MANAGEMENT CONTINUITY** addresses the reality that the succession of a business is dependent upon identifying, motivating and retaining the leaders and managers who provide critical mission competencies. Succession does not only happen at the ownership level. Key positions in the organization must have qualified people to continue the success of the business.
7. **SUCCESSOR IDENTIFICATION AND PREPARATION** addresses the challenge of identifying a family member, partner or key manager who has the capacity and commitment to build the competencies critical to fulfilling the role of the successor leader.
8. **MANAGEMENT SYNERGY AND TEAMWORK** addresses the reality that business succession is dependent upon the collaboration of talented, motivated people who have subordinated individual agendas for a common goal – “Perpetuating the business through the next generation.”
9. **FAMILY/PARTNER DYNAMICS** addresses family relationships and communication that are important to the continuity of the business and the maintenance of family harmony.
10. **FAMILY/PARTNER GOVERNANCE** establishes the organizational structures, operating policies and accountability processes within the family that supports the achievement of succession through the next generation.