

Business Succession Planning

BIAs role

2024 April 29

Toronto
Metropolitan
University

The Chang School
of Continuing
Education

What BIAs Can Do

Anything that benefits the broader good and are in addition to services provided through general taxes

- Advertising, marketing, branding, and promoting the area as a place to do business and invest; and
- Advocating on behalf of the interests of the local business community;
- Enhanced Area maintenance;
- Safety and security initiatives;
- Improvements to public lands; and
- Hire staff.

Potential Actions for BIAs

- Business Recruitment Strategies
- Economic Development Strategies – BR&E
- Implement Area Improvement Initiatives
- Partner in Project Green Coordination
- Partner in SmartCommute Coordination
- Business Succession Program

Small Business In Canada - Background

Definition

Small Business = 1-99 employees (1.19 million – 97.8%)

Medium-size Business = 100-499 employees (23,395 – 1.9%)

Large-size Business = 500+ employees (3,128 – 0.3%)

Ontario

1-4 employees (672,602 – 57%)

5-9 employees (225,784) – 19%)

Source: [Key Small Business Stats 2023](#)

Business Succession Planning – 2023 CFIB



76% of Canada's business owners plan to exit their business within the next decade – meaning that over \$2 trillion worth of business assets could change hands during this period.



Only 1 in 10 business owners (9%) have a formal business succession plan in place to ensure a smooth transition.

Business Succession Planning – 2023 CFIB



39% of owner's have changed their business exit date because of the COVID-19 pandemic — with about 17% accelerating their timeline, and 22% delaying it.



Most owners (75%) will leave their business for retirement, while a smaller share will leave because of stress (22%) or to step back from their responsibilities as owners (21%).

Business Succession Planning – 2023 CFIB



Finding a suitable buyer is the most common obstacle to succession planning (54%), followed closely by business valuation (43%) and the reliance on the owner for day-to-day operations (39%).



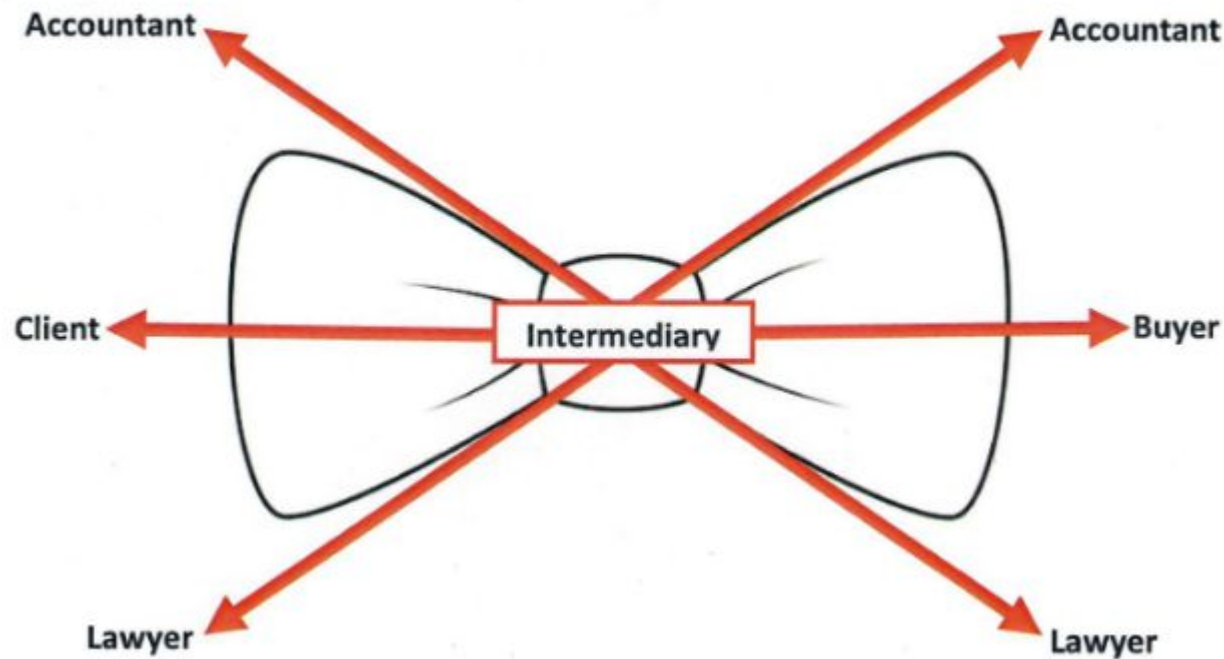
Just under half of owners (49%) will exit their business by selling to an unrelated buyer(s), while 24% will sell to a family member and 23% to their employees.

BIA's Role in Business Succession Planning

- Urgent problem as baby boomers retire
- Lack of awareness and knowledge of process/benefits
- Small businesses start late
- Governments and key stakeholders are becoming aware
- Sustainable economic development strategy goal
- Does your municipality have a strategy, policies, programs and services to integrate BSP
- BIAs proactively request the EDO to initiate the program in collaboration with the BIA and Chamber of Commerce
- Start with Survey

Business Brokers as Intermediaries in BSP

The “Bow Tie” Effect



Confidentiality Agreement

Between BIA and Business Owner

Whereas:

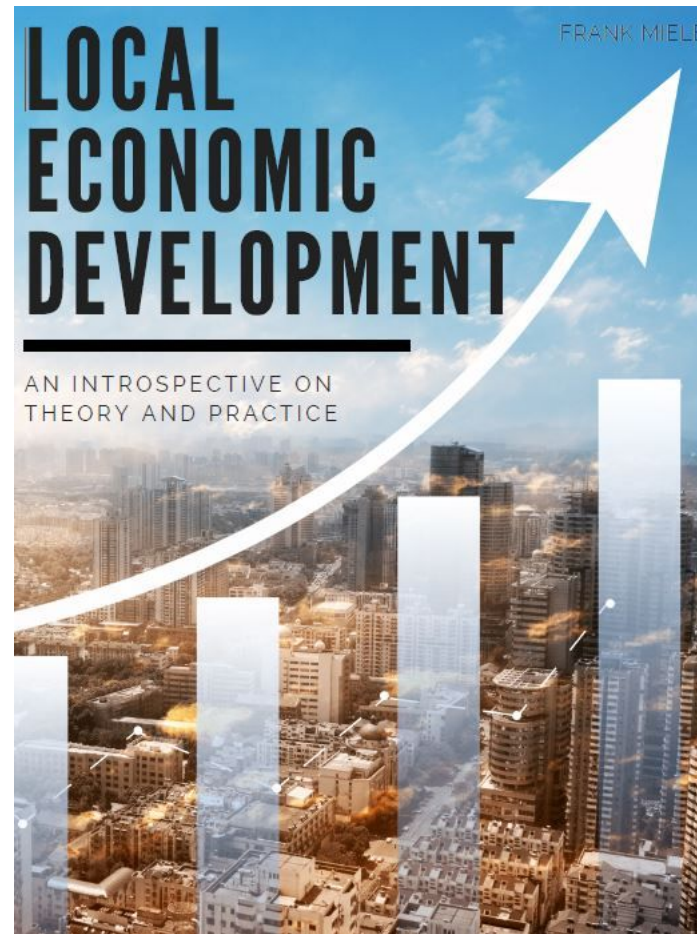
BIA herein confirms that all information provided by the owner for the purpose of considering representation of the owner shall be confidential.

BIA further agrees that it will not reveal, in any way, in any form, to any other party, without prior consent, any of the information hereinafter provided by the owner, provided said information is not available in the public domain.

If the owner choose not to use BIA as a representative, the BIA will promptly return or destroy all information provided.

Dated at _____, Ontario, this ____ day of _____, 2024

Textbook



Summary

- TEAM BIA, CofC and EDO
- Agree to include BSP as an LED project
- Create a survey
- Identify a local team of professional in BSP – Business Brokers, CPAs, Lawyers, Banks, etc.
- Develop a series of breakfast seminars on BSP
- Post program implementation

Contact

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