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The Importance of CBVs in Succession Planning



The Canadian Federation of Independent Business (CFIB) recently released a highly-anticipated research report, Succession Tsunami: Preparing for a decade of small business transitions in Canada (the “CFIB Report”). To put it mildly, the results of the report were staggering. Of note: 76% of owners plan to leave their business within the next 10 years (15% within 1 year, 41% within 1 to 5 years, and 20% within 6 to 10 years), and the value of assets changing hands over the next 10 years is potentially over \$2 trillion. Yet, only 1 in 10 owners have a formal business succession plan in place. In other words, a massive transfer of wealth is imminent, but the vast majority of business owners do not have a formal succession plan in place. From a valuation perspective, the CFIB Report also noted that 43% of business owners cite valuing their business to be an obstacle, and 84% noted it was very or somewhat difficult to determine the value of their business.

Our Managing Partner, Federica Nazzani provided valuable insight into this topic of interest; in particular, how CBVs can offer invaluable expertise by providing accurate and comprehensive business valuations and navigating business owners through the complex and emotional process of transferring their business assets.

Capital Assist’s unique combination of financial, legal, and tax knowledge ensures that you are well-equipped to make informed decisions that will protect your business’s legacy and secure your future. By including CBVs on your succession planning team, business owners will be better prepared to navigate complex financial and interpersonal situations, minimize tax implications, and maximize their business’s value.

Click here for a link to the Succession Planning video series, <https://cbvinstitute.com/news/cbv-insights-2/smes/>