

# BC Farm Business Advisory Services Program

## Tier 2 Project Deliverable Checklist

### 7. Succession Planning Projects

Worksheet to develop project deliverables checklist

**Advisor:**

**Client:**

**Date:**

**Project Purpose:** What are you trying to accomplish with this project (what problem or issue is being addressed)? *(If additional space is required please attach a separate sheet)*

**Note:** The Recommended Deliverables for the Succession Planning option are as shown below. The client and Consultant should then list any changes to the recommended deliverables they want to make based on the purpose of the project, in the space provided. These deliverables become part of the Project Proposal, and work completed will be checked against these deliverables to ensure the Project is completed as proposed. Please check the applicable boxes.



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**Mandatory Deliverables**

**Financial Workup for the Retirees and Successor (min. of 2 years statements & projections)**

**Present Net Worth Statement**

- statement of assets and debts with assets at market value
- statement date within two months of the initial client visit, or in prod'n cycle, at start of the cycle
- minimum summary information:
  - o current assets, current debt, total assets, total debt, net worth
  - o current ratio, debt structure ration, working capital ratio, debt/equity ratio, equity ratio

**Projected Net Worth Statements (for the start of each proj. Year, same requirements as for the Present Statement, but in the years following)**

**Past Income/Expense Summaries**

- from the last three years
- adjusted to show accrued income, expense and net accrued farm income
- minimum summary information:
  - o cash & accrued farm income, cash & accrued farm expense, net accrued farm income non-farm income, withdrawals, debt service capacity

**Projected income/Expense Summaries (for each of the projected years)**

- from each statement date forward one year
- adjusted to show accrued income, expense and net accrued farm incomes
- project with proposed changes
- monthly or quarterly cash flows
- minimum summary information:
  - o cash & accrued farm income, cash & accrued farm expense, net accrued farm income, non-farm income, withdrawals, debt service capacity, payments, debt service capacity ratio, maximum operating loan requirement

**Projected Closing Net Worth Statement (at the end of each of the projected years)**

- statement of assets and debts with assets at market value
- statement date one year after each opening Net Worth Statement
- minimum summary information:
  - o current assets, current debt, total assets, total debt, net worth
  - o current ratio, debt structure ratio, working capital ratio, debt/equity ratio, equity ratio

**Other re: the Financial Work up**

- project from statement date through to a typical year after the change
- for multiple year projections, the Net Worth at the end of a preceding year must equal Net Worth for a subsequent year

**Additional Financial Workup (optional – provide detail)**

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## Recommended Deliverables

### Prepare a brief summary of the overall plan

*Alternate deliverable (if additional space is required please attach a separate sheet)*

### Develop business, vision, objectives and goals

- some strategic planning about where and what the business wants to become

*Alternate deliverable (if additional space is required please attach a separate sheet)*

### Establish a Retirement Plan

- a when, where and how plan for the retiring couple
- can they fund their retirement?

*Alternate deliverable (if additional space is required please attach a separate sheet)*

### Prepare a Training and development Plan for successor (if applicable)

- what skills does the successor need to develop to be successful?

*Alternate deliverable (if additional space is required please attach a separate sheet)*

### Prepare a Financial Analysis

- for the retirees and successors (if applicable)

*Alternate deliverable (if additional space is required please attach a separate sheet)*

### Establish management, control and labour plans

*Alternate deliverable (if additional space is required please attach a separate sheet)*

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**Develop a transfer plan for these key components**

**Ownership Transfer**

- What will the plan accomplish?
- What are the goals and how do you achieve them?
- The process?

  
  
  
  

**Alternate deliverable** (if additional space is required please attach a separate sheet)

**Develop an implementation Plan**

- A process to assist the client implementing the plan

  
  

**Alternate deliverable** (if additional space is required please attach a separate sheet)

**Develop a Communication Plan**

- How will the key stakeholders communicate during the development and implementation of the plan?

  
  

**Alternate deliverable** (if additional space is required please attach a separate sheet)

**Develop a Contingency Plan**

- What can upset the plan?
- What can we incorporate in the plan to mitigate the risks?
- A means to update the plan

  
  
  
  

**Alternate deliverable** (if additional space is required please attach a separate sheet)

**Develop an Exit Plan if applicable**

**Alternate deliverable** (if additional space is required please attach a separate sheet)

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## Documentation Requirements

- |   |                          |
|---|--------------------------|
| <b>Written Report (hard copy and electronic copy)</b>   | <input type="checkbox"/> |
| – a written report covering the project deliverables (1500 words)                               |                          |
| <b>Completed Claim Form/Assignment of Payment to Consultant<br/>(original signed and dated)</b> | <input type="checkbox"/> |
| <b>Invoice for Services</b>   | <input type="checkbox"/> |
| <b>Client Information Summary</b>   | <input type="checkbox"/> |
| – all the required fields completed for database purposes                                       |                          |
| <b>Signatures</b>   | <input type="checkbox"/> |
| – on written report and financial workup  |                          |