Improving the Resilience of SMEs: Succession Planning for Canadian Family-Run Small Businesses

By

Dallas Baker

Major Research Project

Submitted to OCAD University in partial fulfillment of the requirements for the Graduate Degree in Strategic Foresight & Innovation

Toronto, Ontario, Canada

May 8, 2023

Abstract

Canadian Family-Run Small Businesses, the most prevalent business type in the private sector economy, are increasingly undergoing succession planning, with the support of advisors. Yet, there is limited available research of their distinct characteristics, needs, behaviours, and actions as they navigate this critical business process.

This paper seeks to increase knowledge of and suggest improvements to succession planning for Canadian family-run small businesses and their advisors. Alongside a literature review, the paper provides three mini case studies of family-run small businesses in Ontario, Canada who are currently or have undergone succession planning within the last five years. It also incorporates the perspective of accredited advisors who provide succession planning services to Canadian family-run small businesses.

The paper unlocks three key areas of findings. First, the paper identifies that ownership, employee loyalty, family dynamics, and reliance on the business for income are distinct characteristics of Canadian family-run small businesses which influence their succession planning. Second, a proposed step-by-step process is shared for planning which starts when the successors are young, leverages sensemaking as a key planning tool, and recognizes the role of advisors in enabling stakeholders to reconcile economic and non-economic goals and complete the succession. Third, the paper stresses further efforts to understand the role of gender and advisory bias in the process as well as the emergence of interest amongst exiting Canadian-family run small business owners in employee ownership as a viable model.

Dedication

This Major Research Project [MRP] was developed by settlers across Turtle Island and acknowledges they reside on The Haldimand Tract. This land was granted to the Haudenosaunee of the Six Nations of the Grand River in 1784 and is also within the territory of the Neutral and Anishinaabe peoples. The Dish with One Spoon wampum also protects the area.

As a project team, we invite readers to join in reconciliation by reading and advocating for the Truth and Reconciliation Commission's Calls to Action and the National Inquiry into Missing and Murdered Indigenous Women and Girls (MMIWG). As well, we encourage you to support Indigenous leaders, groups, movements, and networks across Turtle Island.

In a catalytic time of change, I am deeply grateful for everyone who contributed to this project. I am grateful to the interviewees who left a mark on the knowledge landscape of this critical issue, and I cannot stress my gratitude enough for that.

I'd like to thank my advisor, Dr. Nabil Harfoush. Your accountability and thoughtful feedback have enabled this project to contribute and impact SMEs across our country and beyond.

Further, I'd like to thank my fellow SFI colleagues who provided endless support in many ways throughout the last three years. It's hard to believe this significant chapter of life has ended, and I cannot imagine it without each of you. We are a little system, and I cannot wait to see it evolve over the years.

I want to thank my family for their continued support. You've each sacrificed and supported me in academic, personal, and professional journeys over the last 30 years. From making meals for me, reminding me I won't fail, to driving me all over this province – I cherish your time and our memories.

To my partner – Jenna; your unwavering support has been just as transformational on my life as the program. You've embraced this journey whole-heartedly and I cannot wait for this next chapter (and more time together) to come.

Finally, I'd like to dedicate this MRP in memory of my cousin – Jaron Baker. Although I admit you'd have absolutely no personal investment in this topic, you would have been my #1 cheerleader. Your zest for learning, your eye for design, and your dedication to your craft has fueled me to see this MRP to completion. I miss you every day.

Table of Contents

List of Figures

Introduction

The resilience of Canada's economy predicates on the continuity of Family-Run Small-Businesses (FRSB). Today, over 63% of Canada's private sector businesses are family-run, and approximately 99% are SMEs (Bassett & Forbes, 2019, p. ii - 4). FR-SMEs generate almost 50% of Canada's private sector GDP (Bassett & Forbes, 2019, p.4). Moreover, as the Canadian economy moves into a post-pandemic reality, most FR-SMEs anticipate significantly higher growth to come than their non-family counterparts (PwC, 2021). Overall, FR-SMEs are integral to Canada's post-pandemic recovery and economic resilience.

However, a significant portion of Canadian FR-SMEs are about to or are undergoing a common, yet still challenging, experience in their business cycle – succession planning. We define *family business succession planning* as "... the process that transfers ownership and leadership from an incumbent to a next-generation successor, who may or may not be a family member (Michel & Kammerlander, 2014 p. 6). It was forecasted in 2006 that 1/3 of FR-SMEs would undergo a succession (McMillan, 2007, p.2). Now forecasts anticipate succession within 60% of Canadian FR-SMEs by 2032 (Peters, 2022, Section 3). Nevertheless, available statistics indicate that only 10% of Canadian FR-SMEs have a formal succession plan (McMillan, 2007, p.2).

For Canadian FR-SMEs, succession is not simply a transactional process but a transformative shift in their dynamics – as individuals, families, employees, and owners. However - from government findings to academic research – data has predominantly focused on defining Canadian family-run medium and large businesses (FRMB / FRLB) and their succession planning. For them, succession may be a transactional approach, ensuring their organizational infrastructure, revenues, and operations remain intact throughout their strategic shift (Ben-Amar & André, 2006). This gap in the literature specific to FR-SMEs and available research presents an opportunity to consider recommendations for a succession process defined and developed for most Canadian family businesses rather than a few.

This Major Research Project (MRP) addresses the research gap regarding succession planning for Canadian FR-SMEs. This project goes a step further by exploring succession specific to Canadian Family-Run Small Businesses (FRSBs). Our rationale for doing so is that over 60% of Canadian FR-SMEs are small businesses with less than 99 employees (Statistics Canada, 2021, paragraph 1). We then argue that improving succession planning for FR-SMEs starts with providing a distinct and differentiated process to FRSBs, who comprise most Canadian family businesses navigating succession.

Research Questions

In preparation for the MRP, the researcher conducted a five-step exercise utilizing their preliminary literature review findings to develop a primary – and complementing set of secondary – research questions.

The primary research questions this MRP investigates is,

How can we improve succession planning amongst Family-Run SMEs in Ontario, Canada?

In this case, ‘we’ is an organization and/or individuals who advise Canadian Family-Run SMEs on their succession process. This includes, but is not limited to:

- Interest Groups/Foundations (such as Family Enterprise Exchange, etc.).
- Academic and Financial Institutions
- Those who advise on the process which may include, but are not limited to: Lawyers, Accountants, Consultants, Wealth Managers, Tax Advisors, Family Psychologists, Banking Advisors, etc.

From the primary question, the following secondary research questions emerged:

1. What is the current landscape of succession planning for Canadian Family SMEs?
2. What trends and drivers are influencing succession planning for Canadian Family SMEs today?
3. Where in the succession planning process do Canadian Family SMEs most commonly find challenges? What comes with ease?

Research Methodologies

Summary of Tools & Context

For this research, two essential research methods were utilized: a literature review and semi-structured interviews. With the findings from the methods, the researcher leveraged stakeholder mapping, sense-making, foresight trends and driver identification to map out the data collected. Data from those activities were then thematically and narratively analyzed to identify the overarching findings and consequential recommendations after that.

The research took place over six months. All research was conducted virtually to ensure feasibility due to the COVID-19 pandemic.

Literature Review

The literature review enabled a clear understanding of the research topic and determining best practices when researching succession planning amongst Canadian FR-SMEs. Overall, the review identified and validated knowledge gaps regarding succession planning for FRSBs in Canada. The review's outcome was identifying critical themes and improved practices related to Canadian FR-SMEs succession.

Semi-Structured Interviews

Semi-Structured Interviews enabled understanding of the following elements, which have implications for Canadian FR-SMEs and their succession. The interviews explored these elements in recognition of their impacts on the FR-SMEs in anticipation of starting succession, during their succession, and after:

- Behaviors: This includes actions and decisions taken by stakeholders – often those specifically considering family dynamics, strategic business shifts, and operational implications.
- Perspectives: This includes identifying common mindsets, stories, beliefs, and attitudes held by stakeholders engaged in the process and their implications.

- Experiences: This includes identifying knowledge, skills, and events acquired.
- Stakeholder Identification: This includes unearthing a clearer understanding of the stakeholders involved in the process and their influences and behaviours that emerged in the succession process.

In terms of composition, 16 stakeholders were interviewed during this project. This included:

- 3 Individuals with Lived Experience: These individuals have gone through a succession and/or anticipate another in the next 5-10 years. The individuals' names and other identifying characteristics have been replaced. We opted for this approach as it helps center their experiences in the narrative and makes for a more accessible review of their experiences. The interviews were 60 minutes in length and focused on capturing an in-depth understanding of their experiences. Each interviewee received their findings summarized afterwards to clarify and add any further relevant/accurate details that may have been missed during the interview. The results are then shared through a case study approach throughout this paper.
- 13 Subject Matter Experts: These individuals provide succession planning services to FR-SMEs. The interviewees were recruited through cold outreach via social media and email. The Interviews were 60 minutes in length and were conducted through Microsoft Teams. A detailed overview of the composition of the experts is shared below.

Initially, the project sought to interview an equal distribution of Subject Matter Experts and those with lived experience. However, a challenging insight emerged during the project that the sensitivity and capacity of those engaged in the topic to discuss their experience were more constrained than anticipated. This may include various reasons like the individual's degree of trust in the interviewer [I.e., the interviewer was not a known confidant to them] and limited availability. Therefore, if individuals reading this paper are interested in researching this topic further, they should consider at least 6-12 months to build connections and rapport amongst FR-SMEs and advisors to have sufficient buy-in for a higher degree of saturation into the represented population.

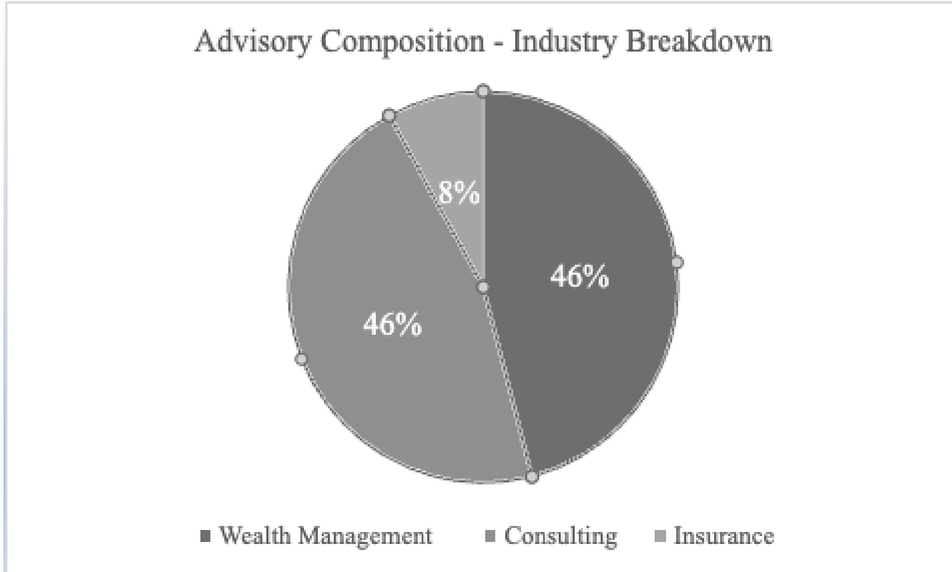
Advisor Profile

We define advisors as those who advertise that, within their given discipline, they counsel FR-SME succession planning. When analyzing their composition, 62% of the advisors interviewed were female, and 38% were male. In addition, all advisors interviewed appeared Caucasian. Advisors are located across Ontario, with 69% in the City of Toronto. The remaining 31% are across Oakville, London, and Ottawa.

When it came to what shaped their advisory practices, our analysis gleaned the following insights:

- Industry: 46% of advisors listed themselves as consultants. Similarly, another 46% listed themselves as Wealth Managers. Only 8 % were in Insurance.

Figure 1.1 - Advisory Composition – Industry Breakdown



- Lived Experience: 38% of advisors interviewed mentioned having prior personal experience with a family business succession. This included: undergoing some form of succession planning themselves as owners, previous experience as children of parents who owned a family business or was through their partner's recent experiences.
- Accreditation: 100% of advisors interviewed had pursued at least one accreditation as part of their profession, with the average being 3. To understand the accreditations landscape, please see the following figure:

Figure 2. Advisor Accreditation Breakdown

Accreditation Title	*%*	*Description*
Family Enterprise Advisory (FEA)	85	The Family Enterprise Advisory Program (FEA) was founded by Family Enterprise Canada, a global organization whose mandate is "... shared wisdom, family-focused advice, world-class expertise and education to address the realities and opportunities unique to family enterprise — helping to achieve stronger outcomes for both enterprising families and their enterprises" (Family Enterprise Canada, 2023, Section 4 - Mandate). The FEA program is positioned to be the global standard for family business advisor accreditations (Family Enterprise Canada, 2023). Today, 500 FEAs are registered on their directory page, with 177 focused explicitly on succession planning advisory (Family Enterprise Canada, 2023, Directory). In addition, the program trains participants to understand and advise on family business dynamics, strategy development, communication skills, and knowledge management, among other vital topics (Family Enterprise Canada, 2023).
Certified Financial Planner (CFP)	38	Certified Financial Planner (CFP) certification is the most common financial planning designation in Canada and globally

		(FP Canada, 2023). CFPs demonstrate competencies and expertise, enabling them to examine their client's financial picture to build a financial plan with them. There are over 17,000 CFPs across Canada (FP Canada, 2023).
Law Credentials (JD, LLB, LLM)	31	Various advisors had a mix of law credentials as listed.
Trust & Estate Planning Designation (TEP)	23	The Society of Trust & Estate Practitioners is an international organization facilitating TEP accreditation. The TEP is an internationally recognized accreditation that assists lawyers, accountants, and insurance specialists, among others, in demonstrating their expertise in trust and estate planning (STEP, 2019). Today there are over 2700 TEP professionals across Canada (STEP, 2019, p. 2).

Interview Limitations

Although our efforts saw each advisor interviewed holding at least some degree of accreditation in family business advising, we recognize that some advisors at play may or may not have an accreditation of this nature. Exceptionally, it may be that lawyers or CPAs, who facilitate the technical components of succession planning as a standard part of their practices, may not advertise specifically that they focus on this area. We then argue that further research is needed to understand the perspective of non-accredited or not advertised advisors in this area – those that view succession planning as a part of their service delivery to Canadian FR-SMEs and not a standalone. In doing so, understanding of the experience, professionalization, and value of advisors in the process can be captured, analysed, and understood today. Further, such understanding may also position academic institutions providing CPA accreditations and legal education to provide educational credits on succession planning for FRSBs.

Lastly, all lived experience interviews in this study did not indicate if they were immigrants to Canada. We recognized that increasingly, the role of immigrant-owned businesses in Canada's economy today is accelerating in growth at a rapid pace. As discussed above, we recognize this is a limited perspective in our study and that further research efforts are beneficial to target specifically the succession process for Canadian, immigrant-owned FR-SMEs. In doing so, research will signal and illuminate variations in the process to come considering this significant shift in our economy, ensuring its resiliency is structured to reflect the emerging demographics.

Stakeholder Mapping

Stakeholder mapping utilizes data from the interviews and literature review to offer insights into the influences, relationships, tensions, and opportunities within the current FR-SME succession planning process.

Foresight –Trends, Signals, and Drivers

Like the stakeholder map, research data identified foresight trends and drivers emerging in the Canadian FR-SME succession planning process. The findings are framed under the 'priorities' section. This framing assists external audiences who may not be aware of Foresight methodology and practices to understand the emerging implications and considerations shaping the process.

Data Analysis

The findings from the research methods, stakeholder mapping, and foresight tools were analyzed through the following methodologies:

Sense-Making

Sense-making is analyzing data to understand the research environment. In this case, sense-making was utilized to understand the commonalities, relationships, and influences occurring within the succession process ecosystem for FR-SMEs in Canada. To do this, the predominant method utilized was clustering and relationship notation between the clusters. Additionally, the researcher used issue mapping to highlight the relational elements between key themes, relationships, and issues within the succession landscape of a Canadian FR-SME.

Thematic & Narrative Analysis

From the data sets acquired, thematic analysis was completed to identify meaningful patterns in the research which answer our primary and secondary research questions. After completing a preliminary literature review during the research proposal writing, a series of codes connected to each research question were generated and utilized across all data sets. Throughout the process, the researchers practiced reflexivity by adding additional notes and codes to the data sets and debriefing notes after interviews to provide ample information for the analysis to work.

All thematic analysis was conducted via virtual whiteboarding using clustering methods to note which findings aligned with the appropriate code. Research evolved through various iterations to further narrow in on the key findings.

Alongside thematic analysis, the researcher conducted a narrative analysis. The analysis sought to understand how interviewees constructed their journey of the succession process and what expected benefits, challenges, and implications emerged. This informed the recommendations at the end of this report. Narrative analysis was conducted as well through virtual whiteboarding. Tools such as journey mapping were utilized to break down the stakeholders' self-narrative with the interviewees and identify commonalities across narratives accordingly.

The Current Landscape: What Is a Canadian FR-SME?

Literature Review

Research indicates that 79% of businesses globally are family businesses (LeCounte, 2022, p. 622). In Canada, data signals that most SMEs – comprising nearly 99% of all companies nationally - are likely family businesses (Bassett & Forbes, 2019, p. 4). Economically, FR-SMEs drive significant contributions to the Canadian economy. For example, research highlights that 48.9% of all private GDP in Canada comes from FR-SMEs. Additionally, SMEs in Canada are responsible for 98.1% of all employment (Statistics Canada, 2022, paragraph 1). In short, FR-SMEs are a critical part of the resilience of the Canadian economy by their existence alone.

Nevertheless, available data present limits on how to characterize Canadian FR-SMEs. Bassett & Forbes (2019) argue that Statistic Canada has collected data through its Canadian Employer-

Employee Dynamics Database (CEEDD) that could mitigate some of these constraints. However, there are no specific federal government data collection and analysis efforts on Canadian family businesses (Bassett & Forbes, 2019, p. 12-13). In its current form, Statistics Canada characterizes small, medium, and large-sized businesses generally:

- Small Business: A business with fewer than 100 employees or no employees. Small businesses today account for 63.8% of all employment in Canada and generate approximately at least 50% of all private sector GDP (Tam, Sood, & Johnston, 2022, paragraph 1). They further note that small businesses have statistical variation in their experience and related factors if they have 1 to 19 employees or 20 to 99 employees (Tam, Sood, & Johnston, 2022).
- Medium Business: A business with 100 to 499 employees. Medium-sized businesses account for 21.1% of the labour force (Tam, Sood, & Johnston, 2022, paragraph 1).
- Large Business: A business with over 500 employees. Large businesses account for 15.1% of the labour force (Tam, Sood, & Johnston, 2022, paragraph 1).

Looking at available information from Statistics Canada, it is detrimental to understanding FR-SMEs that the government does not collect data on this vital business demographic. Various organizations, such as the Family Enterprise Exchange, Conference Board of Canada, and Family Enterprise Foundation, have sought to mitigate this gap with ongoing publication efforts and resources. However, their size and their private organizations status limits their capacities to capture findings on FR-SMEs that reflect their degree of influence in the Canadian economy. Therefore, if the Government of Canada does not seek to capture statistical data on FR-SMEs, there will be limitations in understanding the depth, breadth, and variation of their impact.

Data limitations on FR-SMEs then also extend to academia. The consequence is that knowledge gaps continue to permeate when it comes to FR-SME succession planning specifically. We analysed the journal articles reviewed for this study to see what characteristics and/or demographic of family businesses they focused on in their methods. In doing so we found:

- FRSB: 13% explicitly engaged FRSB research participants.
- FR-SME: 23% used the term FR-SMEs to describe their research participants.
- Family Business: The remaining 64% did not seek to distinguish their participants. Instead, the leveraged options like family firm or family business to describe participants.

This analysis validates that current research efforts into FR-SME succession planning and their overall business experience do not consistently or sufficiently distinguish between small and medium-sized organizations specifically. When scanning across all literature, regardless of business size, we noted the following commonalities in their understanding of characteristics that shape FR-SMEs:

- Ownership: At least one family member holds ownership of the business and at least two oversee control of the ownership (Baron & Lachenaur, 2021, section 1).
- Shareholding: The family holds at least 25% of the shares of the business. (Bassett & Forbes, 2019, p. 11).

- System: The family business is considered a relationship-driven system between key stakeholders. (Wang & Shi, 2021, p. 5). Relationships and communication between stakeholder groups influence the degree the FR-SME can make and execute its goals – across family, ownership, and business (Davis, 2018).
- Stakeholder Groups: The business comprises ownership, family, and management as the key stakeholder categories. (Basset & Forbes, 2019, p. 4; Wang & Shi, 2021, p.5)
- Community: The business prioritizes and values its involvement and enmeshment in its local community (Diaz-Moriana, 2022, p. 28).
- Advisory & Board Considerations: Only 6% of Canadian FR-SMEs today have an advisory board or governance structure within their business model. Of those that do, BDC argues they have existed for over 11 years and have at least 20 employees (BDC, 2014, p. 1).

Yet, we do capture some degree of insight regarding consistencies in FRSB characteristics from the 13% of academic articles reviewed which did target this focus area in their efforts. Across these specific articles:

- Employee Size: Each article leveraged employees as a key characteristic – arguing that the average size for an FRSB is around 50.
- Years In Business: Although varied, each prioritized capturing the number of years the business had been in operation/origin.
- Family Employed/Generations: All but one captured the number of family members, and generations, involved and / or employed in the FRSB.

Consequently, when scanning between the generalized commonalities present in the literature and the insights from the targeted research efforts mentioned above, we note discrepancies in their approach. For the 13% of articles that did focus on FRSB, employee size, years in business, and family members employed were key characteristics. In contrast, in the generalized characteristics used by Statistics Canada and analysed studies, none of these factors are mentioned. This discrepancy comes to light through Bassett & Forbes (2019) who argue that available family business academic research does not seek to differentiate Canadian family business by size and in turn, by succession planning experiences (p. 10-12). This presents an assumption then that all succession planning experiences for Canadian family businesses are the same when demographics and other characteristics present a case otherwise.

Therefore, available findings on Canadian FR-SME today fail to provide those advising succession planning processes with an in-depth understanding of the business and family characteristics, context, their needs, and behaviours. As a result, those advising and engaged in the process often rely on their own experiences – past and present – to make sense of their FR-SME clients. Consequently, available literature fuels a narrative that organizing family businesses across their size is sufficient to understand the business engaging in a succession planning process.

Available FR-SME findings are missing other elements that may influence a succession experience. The first characteristic missing from the findings is annual revenue size. An advisor shared that, in their experience, employee number and revenue size interplay within FR-SMEs to influence their business capacity, scale, and efforts. This interplay is not captured by current literature.

Current use of the Canadian FR-SME acronym implies that there can be a generalized grouping of experiences for Family-Run Small Businesses (FRSBs) and Family-Run Medium Businesses (FRMBs), and in turn, their succession planning. For example, Statistics Canada highlights that most businesses in Canada today are small businesses. We also know from Bassett & Forbes that Canadian small businesses are even more pronounced in the family business landscape. However, FRSBs are not treated as a standalone category of businesses in Canada by academia or government research. This continued generalization leads in turn to research not addressing the specific characteristic differences and to a lack of aligned knowledge. This lack results in a succession process that does not meet the needs, expectations, and desired outcomes of Canadian FRSBs and FRMBs.

Advisors – FR-SME Characteristics

With these data limitations in mind, we used the interviews with advisors to explore how they characterize FR-SMEs for their succession processes. Three dominant findings emerged:

- The Three Circle Model: 69% of all advisors mentioned utilizing this model to characterize and understand their FR-SMEs clientele. No advisor mentioned how they use this model differently for FRMBs and FRSBs.
- Stakeholder Landscape: When asked about stakeholders, 92% of advisors mentioned owners as the prominent stakeholder regardless of being an FRSB or FRMB.
- FRSB Distinction: 62% of advisors did not distinguish in their characterizations of FRSBs from FRMBs. Of the 38% who did distinguish, they shared insights into crucial factors that they use for their FRSB characterization.

Three Circle Model

Created by John W. Davis in 1982, The Three Circle Model (3CM) argues that three dominant stakeholder groups make up the family business: ownership, family and management (Kohn, 2022, paragraph 1). A stakeholder may participate in more than one of these groups within their engagement in the business. The 3CM stakeholders break down into the following seven common types:

- External investors who do not work in the business nor are family.
- Non-Family Employees and Management.
- Non-Family Owners who work in the business.
- Family Members who are not employed but have shares in the business.
- Family Members actively engaged in the business through ownership or employment.
- Family Members employed by the business but hold no shares.
- Owners who are family members and work in the business. (Kohn, 2022, paragraph 4).

The model's key argument about succession is that each stakeholder is dynamic and intricate – meaning their perspectives, experiences, and beliefs regarding the family business will influence the planning process and its outcomes (Davis, 2018). Therefore, their engagement and thoughts should be treated equally alongside all other stakeholders (Davis, 2018). Secondly, the model takes a resource orientation to the planning process, looking at how the stakeholders' skills, attributes, and experiences may be leveraged to achieve their desired outcomes (Davis, 2018). It also looks at how that resourcing may limit the process.

Davis argues that the model has vital benefits for family business succession. First, the model recognizes that issues within a family business are intersectional and interconnected, mainly due to the degree of varied identities which can influence and shape a stakeholder's given engagement in the process (Davis, 2018). Second, the model highlights the inherent power dynamics in a family business (Davis, 2018). For example, 3CM highlights how the family business owner is a stakeholder that exists across all categories, which means they have power and influence across the whole family business system. Finally, the 3CM argues that viewing the family business as a living system means that their succession process should reflect that instead of a static view (Davis, 2018).

Overall, critiques of the model are limited. In the interviews, no advisors critiqued the model. In the literature, there are arguments that the 3CM implies that in succession planning family dynamics are equal to or less significant than business dynamics. One critique from Keiths (2011) argues that the model dismisses the fact that the concept of families has existed for over 250,000 years compared to businesses existing for only around 5,000 (p. 9-27), which in turn may lead to a situation where the family's needs are given less significance compared to the business.

Keith's argument is further validated when examining how the 3CM centers the family business owner(s) as the primary stakeholder(s) in the succession process. Although Davis argues that recognizing this power dynamic is helpful, he perpetuates the higher significance of business needs by placing the owner as an all-encompassing stakeholder in the family business. This centering may lead advisors to dismissing other critical stakeholders in the succession process even though the 3CM argues not to do so.

Our analysis identifies that the 3CM presents some benefits and challenges to defining Canadian FR-SMEs in relation to succession planning today. The model is accessible and easy to digest – meaning those without family business research knowledge can understand its key arguments. Further, it is still a relatively unknown model within Canadian FR-SMEs today. 69% of advisors described that introducing 3CM to the families was a critical part of their process to foster improved communication, understanding of their dynamics, and general family business education.

However, we offer a critique of the model in that it influences advisors to leverage generalized characteristics and framings to understand FRSBs and then, in turn, design processes for them. Davis completed his PhD at Harvard Business School and went on to teach there. In 1989 he founded Cambridge Family Enterprise Group, which states on its web site that it serves most commonly families that " ... have significant wealth, family offices, and philanthropic foundations” (Cambridge Family Enterprise Group, 2023, par. 1). This leads us to believe that the knowledge developed and used by this organization was primarily focused outside the FRSB category.

With this context in mind, we offer a critique of the 3CM in that where the knowledge was developed, utilized, and positioned, it targets family businesses that fall outside of the FRSB range. Although the model is accessible and practical in its language, it does not address how it should be modified when looking at specific family business sizes. Advisors might therefore use the 3CM for businesses it was not designed for, which may result in gaps or misunderstanding of family dynamics and power relationships.

Other Models

A further gap in advisors' characterizations pertains to their lack of knowledge of other available models for understanding FRSBs. In further literature reviews, the research unearthed two other standard models, which can be of constructive value to advisors when understanding FR-SMEs.

Sustainable Family Business Model

Created in 1999, the Sustainable Family Business Model by Stafford argues that resources and capabilities in a family firm are the results of system interactions – thus, both a function and goal for the family (par 7-8). Sustainability is then a product of two key considerations:

- Entrepreneurial Orientation: The family's decision-making practices and styles that set the organization's strategic direction.
- “Familiness”: The distinct resources, capital, and capabilities which come from the family's interactions within and between systems (par 9)

The benefits of this model are that it inherently recognizes the entrepreneurial nature of family businesses and how it influences decision-making practices and perspectives on resources and capital. The model also includes the importance of the sustainability of the business, or its continuity, as part of a vital goal of the family business. However, a critique of the model would be that it does not characterize the other systems or stakeholder groups outside the family that engage in the system. Like 3CM, it is also resource-oriented – inherently centering economic goals as a critical driver and priority of the family business.

Stakeholder Landscape

As part of their interview, advisors were asked to list the common stakeholders they see engaged in the FR-SME clients they serve and in turn, the succession planning process. Our findings indicate no significant variation between stakeholders in FRSBs and FRMBs. The advisors’ view of stakeholders' composition is shown in the following figure:

Figure 3. Advisor Stakeholder Composition Breakdown

Stakeholder Category	**% of Advisors Who Mentioned**
Owner	92%
Advisors	67%
Lawyer	58%
Accountant	58%

Senior Leadership	25%
Spouse	25%
In-Laws	25%
Children/Grandchildren	25%
Employees	25%
Shareholders	25%
Customers	25%
Merger & Acquisition (M&A) Specialist	17%
Suppliers	8%
Cousins	8%
Doctors	8%

These findings confirm the biased view of advisors about stakeholders rather than the dominance of the owner itself. This is made evident by the owner being the most cited stakeholder, while for all other potential FRSB stakeholders, there is less cohesion amongst advisors' responses. These findings agree with the Targeted Strategies Group view that the narrative perpetuated by the 3CM of the prioritization of business over family dynamics is prevalent in the practice. Interestingly, stakeholders supporting/serving the ownership role, like advisors and lawyers, take precedence over the family stakeholders, like spouse, in-laws, and grandchildren.

FRSB Distinction

In their interviews, all advisors provided some characteristics of Canadian FR-SMEs. However, only 38% of advisors sought to differentiate characteristics between Canadian FRSBs and FRMBs in succession planning. The lack of differentiation implies that most advisors of succession apply processes intended by for Canadian FR-SMEs instead of differentiated processes between FRSBs and FRMBs. Looking at the findings from those Advisors that did distinguish the FRSB experience, we gained the following insights about how FRSB are characterized:

Wealth Trap

100% of the advisors, who characterized FRSBs, emphasized that the degree of financial intertwining between family and business finances was a critical differentiation between a Canadian FRSB and FRMB. For FRSBs, advisors argued that the FRSB owners aim to provide a decent living for their family, including a stable income and a profession aligned with their lifestyle. However, for owners to achieve this, they interweave their personal finances with the business to support its scaling and growth. This is in line with an argument made by the Targeted Strategies Group (2021) called the 'chicken-and-egg dilemma, in which they argue that the interplay of personal and business finances for FRSBs results in a challenge for owners and family stakeholders as the family's wealth becomes trapped in the business. Advisors mentioned that they see families using succession to get that wealth back out of business for their personal use. One advisor shared that this is different from FRMBs, which have access to other means of wealth diversification and investments that are not accessible to FRSBs. As a result, the degree of personal reliance on the business for their individual wealth is a crucial differentiator of FRSBs from their FRMB counterparts. Although this does not imply that some FRMBs may not wrestle with this reliance themselves, the severity of the entanglement is less than that of FRSBs.

As such, advisors highlighted that a critical gap in available literature today is the role of the wealth trap as a key characteristic of FRSBs compared to other family businesses. Uplifting this point brings to light the importance of further research and data collection by government entities like Statistics Canada and interest groups like Family Enterprise Exchange into the interplay of annual revenue and employee size between FRSBs and FRMBs.

Talent Gap

60% of advisors who characterized FRSBs also observed this business type experiencing talent gap challenges. For example, one advisor shared how in their experience, FRSBs are often started and shaped by the owners' technical skillset, like a tradesperson, to ensure that a stable income can be provided quickly and effectively for the family. They become reliant on that skillset. As the business grows and the owner seeks to exit, FRSBs can be challenged to find someone who not only fulfills the technical requirements to deliver their services but also has the experience to take on the additional role of owner.

Although we do not argue that FRMBs are immune to talent gap constraints, their available pool of talent is higher than that of the FRSB counterparts based on quantity alone. Further, with the FRSB reliance on their owner not only for overseeing the business from end-to-end but also for service delivery, this compounded role results in further constraints to capacity that may not exist in an FRMB, where ownership may be less involved in delivering service.

Employee Loyalty

36% of advisors who described FRSBs shared that employee loyalty and retention are critical factors in their characterization. In addition, they shared that FRSBs often have longer-term employees. FRSB families prioritize their employees' financial security and ensure that their employment is secured under the new ownership for a reasonable amount of time.

Although we do not argue that employee loyalty is not essential to Canadian FRMBs, the centricity and prevalence of this factor may be more profound for FRSBs based on their employee size alone. FRMBs have over 100 employees, so they may have a distinct experience from FRSBS, who have fewer. However, FRSBs are responsible for over 63% of private-sector employment in Canada as shared previously. In the context of succession, employee loyalty becomes more prevalent to ensure business continuity during and after the ownership transition.

Advisor FR-SME Characteristics – Considerations & Limitations

Considerations and limitations emerged when analyzing the advisors' characteristics for Canadian FR-SMEs. First, like the government literature/research findings, 62% of advisors did not differentiate between Canadian FRSBs and FRMBs related to succession, even when FRSBs make up most of the Canadian business landscape. Nevertheless, for those that did differentiate between FRSBs, key considerations emerged regarding their characteristics which are insufficiently captured in available literature today.

The insights from advisors on how to characterize FR-SMEs concerning their succession planning today present opportunities for further research and analysis to build on the momentum for clearer characteristics, particularly between FRSBs and FRMBs. Integrating crucial dimensions like the wealth trap, employee inclusion and retention etc. into the characteristics are more likely to become common knowledge among advisors and in government literature, supporting a more comprehensive knowledge base improving the understanding of the experience of most small family businesses in Canada, navigating their succession planning in this increasingly trying market.

As a result, we continue to argue that there is value in moving away from using the language of FR-SME to understand and improve succession planning today for most Canadian family businesses. By increasing understanding of how FRSBs and FRMBs are differentiated in their characteristics, advisors and literature would support a clearer and distinct succession planning process for each. In turn, this can meet the acceleration of succession planning taking place amongst Canadian FR-SMEs today.

Lived Experience – Case Profiles

Missing from this discussion up to this point in our report is the lived experience of FRSBs in Canada today. This next section seeks to fill this gap by introducing case profiles of three interviewees who shared their lived succession experiences. At the end of this section, we similarly analyze their stories for commonalities and differentiations to support establishing Canadian FRSB characteristics to improve succession planning processes. As shared previously, all names and identifiable information pertaining to the individuals have been changed.

Michael's Story

Michael is a 3rd generation co-owner of an automotive shop in Southwestern Ontario. Michael's grandfather founded the automotive shop in the 1960s. Michael's father – Norman – purchased the shop in the 1980s. Through a shareholder's agreement with Norman, Michael and his brother Vince purchased the shop from their father in 2006. Today, the business generates less than $5 million annually. Between the brothers, Vince takes care of the 'shop floor' - managing the delivery of their services, and Michael takes care of the finances, certifications, customers, and employees. Michael does this alongside his wife – Irene – who joined as an administrator after the purchase.

The business currently has on average 10-15 full-time employees. Over 50% of the employees have been with the business for 10+ years, the longest being 30 years (since his grandfather's ownership). Michael said that their employees are loyal to the business and like family. Recently, Michael and Vince have sought ways to improve the employee experience at their business to show their appreciation. An example is their decision to close the shop during weekends. Although a by-product of the COVID-19 pandemic, the brothers decided to keep the practice in place to encourage their and their employees' well-being.

Michael and Vince each have a son – in their early 20s – working in the business on the shop floor. Outside of the business, Michael has another son who is in the automotive industry but does not work at their business. Further, Vince recently had a baby with his partner. Finally, Michael mentioned that he and Vince also have a sister, but she lives out of province and is not engaged in any aspects of the business nor employed in anything close to the industry.

Anna's Story

Anna is a second-generation owner of a brick-and-mortar retail business with two locations - one in Middlesex County and one in the Greater Toronto Area. Anna's mother founded the business in the 1980s. Today, the business generates, on average, $8-10 million annually. When it comes to ownership, Anna purchased the business from her mother - the founder - in 2018 alongside two of her three sisters. Ownership is split equally amongst the sisters (1/3 shares each) through a shareholder's agreement. Anna primarily oversees sales, marketing, and purchasing. Gloria, who is close in age to Anna, is their Chief financial officer. Veronica, the youngest, manages their Greater Toronto Area location.

Today, the business averages 10-15 employees across the two locations. Employees are generally happy and engaged. Two employees are family – Anna's daughter Bethany (a sales representative for their Middlesex location) and their mother - who stayed with the business as an employee holding no shares.

Liam's Story

Liam is a second-generation landscaping business owner – with locations across Southern Ontario. Liam's father, Graham, started the business in the 1980s. Today the business brings in an average annual revenue of $8-10 million and has around 60-80 employees. Liam purchased the business in late 2019 from his father. Although Liam is a second-generation owner, he is a third-generation employee. Since his father founded the business, Liam's grandparents have been employees – never shareholders. Before the succession, Liam's brother, Cameron, was also an employee; since the succession, Liam's wife joined the team. Today, Cameron holds no shares in the business and instead pursues a career in marketing outside of the family business. Liam has two young daughters under the age of 13. Currently, his daughters have not expressed interest in the business.

Characteristics of Canadian Family-Run Small Businesses (FRSB)

When examining similarities and differences, Liam, Anna, and Michael's stories highlight characteristics of Canadian FRSBs not captured in available findings today. Although some factors, like employee retention/loyalty, were mentioned, most commonalities found in their characteristics did not emerge in how advisors and literature describe FRSBs today. These emerging commonalities present an opportunity to explore understanding further today, and how that influences their succession planning process. When examining Liam, Michael, and Anna's stories, the following insights emerged related to how their experiences characterize Canadian FRSBs today.

Similarities

- Sibling Dynamics: All three stories dealt with sibling dynamics present in the business and in ownership. Michael and Anna are co-owners alongside their siblings in the business. For Liam, his brother, Cameron, was employed and considered for co-ownership by Norman but then exited. Michael and Anna shared that they have a sibling not employed in the business.
- Second-Generation Ownership: All interviewed were at least second-generation owners, with Michael being a third-generation owner.

- Revenue: All businesses earned under 10 million a year in annual revenue.
- Employee Retention & Loyalty: In their stories, each shared the importance and value they had for their employees. Michael expressed how long employees had been with the business and recent changes in work-life balance. Anna appreciated the healthy relationship she had with her employees. Lastly, Liam expressed his pride in retaining and working with his leadership team, which carried on after Norman's exit.
- Wealth Trap: No interviewee expressed in the initial characteristics of their business the notion of a wealth trap. Although insights could be implied through Michael and Anna's concerns about their business model's viability in the current market, no interviewee expressed explicit concerns regarding how they relied on the business for income and wealth.

Differences

- Employee Ranges: There is a significant variation in employee ranges between Liam's story (60-80 employees) and Anna and Michaels (10-15 employees). If averaged, the median between the three would be around 50 employees.
- Age Range: Michael and Anna shared a similar age range (late 40s – early 50s) compared to Liam in his early 30s. This is of note as Liam fits the age range of Michael and Anna's children, possibly highlighting an interesting finding regarding how their children may navigate or view the characteristics of a family business.
- Gender: Anna is the only interviewee who identified as female. She is also the only interviewee whose previous owner was female (her mother).

When analyzing the findings from the literature review, advisor, and lived experience interviews, we unearthed commonalities that present challenges and opportunities defining Canadian FR-SMEs today in relation to their succession planning.

All three areas emphasize the need for more comprehensive research to understand how the characteristics of FRSBs and FRMBs today interplay and shape their corresponding succession planning considerations. The lack of available data captured by Statistics Canada and the mitigation efforts by interest groups like Family Enterprise Exchange and the Conference Board of Canada highlights the urgency of addressing this situation to better inform and improve planning processes for Canadian FR-SMEs This is especially true when considering that succession planning is increasing in prevalence amongst Canadian FR-SMEs over the next ten years. Increased demand for this planning means that those providing will in turn need to accurately understand the characteristics, needs, and behaviours shaping Canadian FR-SMEs today, and how that will the influence their desired succession process.

Second, all three areas of our research demonstrated that known characteristics of FR-SMEs today in Canada focused and center owners as the primary stakeholder. Advisors mentioned their preference for the 3CM, which centres the owner as the primary stakeholder in the succession process. For lived experience, all three interviewees were owners as well, and before this, each was an employee – highlighting that they may share a unique lens in balancing a notion of ownership and past employment experience that advisors may not capture in their understanding.

However, government-related sources did not explicitly focus on capturing statistics about the notion and demographics of ownership within the FR-SME landscape.

The consequence of this narrative is that owners are the primary stakeholder in the FR-SME generally and in the succession process when other key categories, like family members and employees, exist. Specific to employees, ownership centricity results in the varied degrees of focus on the role of employees concerning FR-SMEs today and their succession. From the literature review, the lens of the significance of FRSBs as the top Canadian private sector employer today was most prevalent. From the lived experience perspective, each interviewee shared how employees demonstrated loyalty by staying on after the succession was completed. Michael had employees that had been there since his grandfather owned the shop; Anna has employees that stayed on when her sister's Toronto business merged with their mothers during the succession and Liam appreciated leadership staying on after his father departed. Lastly, although advisors generally discussed it minimally, those that did discuss the importance of employees in the FRSB characteristics echoed the sentiments of loyalty and retention shared by the lived experience interviewees.

As such, we conclude our analysis in this area that the findings present a significant opportunity to explore a new framing and characteristics that differentiate the experience of FRSBs today concerning their succession planning. In doing so, the primary benefit would be the development of a succession planning process that serves their needs and most private businesses in Canada today. Through this centricity, we shift away from the generalizations in the current landscape of practice and knowledge today about this critical component of our Canadian economy. Further, this characterization presents an opportunity to realign and adjust perspectives on the stakeholders and other vital factors that shape FRSBs today beyond their employee size. By expanding past these primary and almost exclusively utilized metrics by Statistic Canada for defining small businesses, the Canadian economy and its businesses are better positioned, informed, and structured to navigate the eventual succession planning they all seek. Resilience, then, of the Canadian economy flourishes with this clearer, comprehensive picture of the realities that most businesses in this country today face.

Therefore, this paper proposes a preliminary set of characteristics that comprise Canadian FRSBs today to support a succession planning process that reflects their needs and realities. In doing so, we seek to fill the gap in the available literature that recognizes the distinct experiences between business sizes in Canada, especially amongst Family businesses. Leveraging findings, it is proposed that a Family-Run Small Business is one in which:

- Ownership is held by at least one member of the same family.
- The family holds all shares of the business amongst its ownership.
- The business has on average under 80 employees.
- The business generates between 1-10 million annually.
- The family relies on the business as a primary income stream for its engaged members, including children.

As part of our characterization, we also put forth the following key stakeholder categories related to this:

- Owner
- Spouse
- In-Laws
- Grandchildren
- Employees
- Shareholders
- Customers
- Advisors
- Lawyer(s)
- Accountant(s)
- Senior Leadership

These categories and characteristics are distinct from the literature and prior findings in that it was informed by the profiles directly of businesses of this size and scale – which is uncommon in research today. It also speaks directly to the fact that most FRSBs are inherently not fitting to being grouped with medium-sized businesses. This conflation results in dismissing this critical group within the family business landscape and its direct contributions, and resilience, within our economy.

Further, explicitly detailing stakeholder categories resolves a key gap in available data on FRSB characteristics. It assists advisors and researchers alike in understanding who within the FRSB landscape can speak to and/or be engaged in the succession planning process. It also uplifts and directly incorporates key stakeholders who may be missed in the system approach that the 3CM takes, like grandchildren, in-laws, or non-leadership/management employees. Lastly, we intentionally kept the list practical in language so those outside the family business research discipline can customize it to their needs/choosing.

As such, moving forward in this paper, we will focus on understanding the FRSB succession planning process. We believe such findings are still relevant, and transferrable, to FRMBs, who also deserve equal research and understanding to support increasing shared knowledge of known characteristics and process that reflects their needs. We hope that by starting from this place, similar benefits will cascade to them, resulting in a flourishing of research and findings to improve their processes.

The Current Succession Process

This section explores the current state of succession planning for FRSBs in Canada. Shared previously, FRSBs currently fall under the generalized term of FR-SMEs. In available literature, findings on succession planning are described through the terminology of FR-SME. As such, this section seeks to provide differentiation by:

- Providing an overview of the current literature and advisor understanding of Canadian FR-SME succession planning.

- Contrasting and analysing that against the proposed FRSB characteristics and experiences of Michael, Liam and Anna, who, in this section, share further details about their succession planning processes.

The outcome of this succession is a synthesized understanding of succession planning relevant to FRSBs. As emphasized previously, there is a considerable opportunity, like with the characteristic findings, to research and understand succession planning for FRSBs distinct from FRMBs in Canada. However, our contribution through this report is a first step in that direction by leveraging available findings today against the experience of Michael, Liam, and Anna.

Literature Review

Based on the available literature, the following overarching themes emerge when it comes to the current state of Canadian FR-SME succession planning:

- Succession is Prevalent: As of 2021, up to 60% of FR-SMEs anticipate succeeding in the next ten years (Peters, 2022, section 3). Available statistics go as far back as 2006 when the anticipation rate for succession amongst FR-SMEs was around 33% (McMillan, 2007, section 1).
- COVID Implications: 4 out of 10 FR-SME owners have changed their succession approach due to COVID-19, with 22% delaying it by at least one year due to incurred debt (CFIB, 2023, par 5).
- No Formal Plan: Research indicates that 52% of Canadian Family Businesses have no succession plan. If they do, only 10% had a formal one (McMillan, 2007, section 2).
- Continued Engagement: 78% of FR-SME owners expect the family to stay engaged in the business as shareholders; however, 1 in 3 anticipate ownership will go to non-family at the end (Family Enterprise Foundation, 2021, p. 1-4).
- Lack of Government Resources: Today, there is no regulated process for succession planning from the Government of Canada for FR-SMEs. Scanning during our literature review did uncover efforts by the Governments of British Columbia, Alberta, and Saskatchewan, respectively, to support FR-SMEs in their planning. (Province of Saskatchewan, 2023; Province of British Columbia, 2023; Government of Alberta, 2007) Specifically, they cited the work of the Community Futures network, a non-profit business and loan organization that operates in rural communities across the respective provinces (Community Futures, 2023). The organization seeks to assist Canadian rural FR-SMEs in connecting to advisors who can assist with their succession needs.

Considering this context, the overarching findings emphasize that succession is prevalent today amongst Canadian FR-SMEs. However, its prevalence and demand are still most understood through the ownership perspective – with limited research into how other key stakeholders may understand the current process. Further, the government still has many opportunities to consider capturing data and findings relevant to this issue to curate a comprehensive picture of the situation. For example, the lack of data on whether FR-SMEs have formalized succession plans alone is an appropriate data point that the government could collect to capture the current landscape of succession further.

Nevertheless, there is a promise of more findings to come from academic research. Over the last 20 years, academic study of the family business succession process has increased but still is primarily in development (Su & Junsheng, 2013). In Canada, efforts have been led across various academic institutions to examine this, including the University of Alberta with the Family Business Review, the University of Ottawa's Family Enterprise Legacy Institute, and the University of Toronto's Rotman School of Management, among others. However, in the available research, there has yet to be a proposed succession planning process specific to Canadian FRSBs. As such, we leveraged our literature review to look at succession planning from across the Family Business academic research discipline to see what currently exists to frame our understanding and propose a new definition of a process specific to Canadian FRSBs.

Pertaining specifically to our academic literature review, we define *family business succession planning* as "... the process that transfers ownership and leadership from an incumbent to a next-generation successor, who may or may not be a family member (Michel & Kammerlander, 2014 p. 6). As our findings indicate, the emergence of FR-SME succession transitioning towards considering stakeholders outside of the family for ownership and succession outcomes is a critical theme. The need to include more stakeholders in succession is increasingly present in literature, as exemplified by LeCounte (2022), where they argue that academic research today has found that the process for FR-SMEs focuses on four areas:

- The role of the owner/founder in the process.
- Perspectives/considerations of the incoming or next generation.
- A degree of analysis on issues and priorities related to the family business.
- Determining and defining the characteristics which are required for a successful succession. (Lecounte, 2022).

In our analysis, we further expand on these areas of consideration by looking at the following themes which emerged in the literature about the process.

FRSB Goal Setting & Sensemaking

Goal setting is foundational to starting the FR-SME succession process and business planning. This includes goals the stakeholders wish to achieve individually through the process and those about the business. Alsonso, Kok, and O'Shea (2019) describe this as a dynamic capability that an FR-SME stakeholder must generally be successful, especially in their part of the succession process. They argue that a dynamic capability enables stakeholders to create, adjust, and incorporate competencies into their role and performance to support the business in responding to environmental changes (p. 97). Therefore, understanding FR-SME succession planning is critical to understand the dynamic capabilities that help shape FRSB stakeholders' abilities to develop, define, and leverage goal setting.

Capabilities can take different forms; however, emerging in literature are findings that sensemaking may be one of the vital dynamic capabilities that FR-SMEs stakeholders must have to set, evolve, and integrate goals into their succession process. However, as cited previously, specific studies directly looking at sensemaking in FRSBs still need to be created. Further, sensemaking as a concept in Family Business literature is emerging, albeit limited. However, a recent study by Diaz-Morianna & Kammerlander (2022) explored the role of sensemaking in FR-SMEs succession planning. Their study specifically looked at sensemaking for FRMBs in Ireland operating for at least 45 years (Diaz-Morianna & Kammerlander, 2022, p. 9).

In their research, the authors define sensemaking for FR-SMEs as how stakeholders make and give sense to and influence the situations that emerge in the succession process (Diaz-Morianna & Kammerlander, 2022, p. 2). Specifically, sensemaking appears mostly in how the owner, or other relevant decision-makers, address competing goals in the process. For FR-SMEs, this can take at least several months to years to complete (Diaz-Morianna & Kammerlander, 2022, p. 30). The authors break down the goals which commonly compete into two categories:

- Non-Economic Goals: These are benefits that the FR-SMEs seek to achieve that do not relate to the business' performance (Diaz-Morianna & Kammerlander, 2022, p. 4). Basco & Rodríguez (2011) further validate this point by citing that, commonly, non-economic goals target the social and emotional benefits the stakeholders get from the FRSB.
- Economic Goals: These are goals related to the performance of the business and, commonly, the financial investment/benefits it gives to the stakeholders (Diaz-Morianna & Kammerlander, 2022, p. 4).

For FR-SMEs, they argue that these goals tend to conflict in the short term; however, once reconciled, they are found to give great returns to the business compared to if they were abandoned/treated exclusively from one another (Diaz-Morianna & Kammerlander, 2022, p. 3). As such, critical to goal setting during the FR-SME succession is how stakeholders reconcile the situation, knowledge, and context, influencing their understanding of the non-economic and economic goals at play. The authors shed light on how this sensemaking-driven reconciliation occurs through the perspective of the owner:

- Perception: The owner picks up signals through their relationship, situations, and other contexts that the non-economic and economic goals at play are tensing (Diaz-Morianna & Kammerlander, 2022, p. 20).
- Understanding: They then seek to understand the tension by mutually and exclusively unpacking key information points about the goals (Diaz-Morianna & Kammerlander, 2022, p. 20).
- Sense-giving: They then communicate their understanding to crucial stakeholders, known as sense-giving, to receive their feedback and input on the tension. In doing so, they also seek to manage the tension at play (Diaz-Morianna & Kammerlander, 2022, p. 20).
- Reconciliation: This leads to reconciliation, where the owner often leans into their priorities of ensuring continuity and preserving relationship cohesion to determine the right-sized approach forward (Diaz-Morianna & Kammerlander, 2022, p. 20). The owner may also seek at this stage input from advisors to assist with this reconciliation (Diaz-Morianna & Kammerlander, 2022, p. 20). It is important to note that reconciliation may still include trade-offs between goals. For example, if the owner opts to trade off non-economic goal considerations for economic, they will lean toward ensuring business continuity as the rationale for doing so (Diaz-Morianna & Kammerlander, 2022, pp. 25-26). If they favour non-economic goals, they will utilize family cohesion as the argument

for trading off economic considerations (Diaz-Morianna & Kammerlander, 2022, pp. 25-26).

- Share back: Once reconciled, the owner participates in sense-giving again to the key stakeholders to communicate the decisions made and give context to the rationale for their approach (Diaz-Morianna & Kammerlander, 2022, p. 20).

Knowing that the majority of FR-SMEs in Canada are FRSBs, this study presents some signals regarding their succession planning. First, this research highlights a reason for why FR-SMEs may be less likely to develop a formal succession planning process. For Canadian FR-SMEs today, relying on sensemaking as a key tactic for business planning may not fall within the traditional confines of formal planning processes that advisors and technical experts in the area use. This may give reason as to why most Canadian FR-SMEs today do not have a formalized succession plan; rather, sensemaking may be a tactic they use to conduct the planning process instead. As such, there may be a need for more alignment in understanding present between Canadian FR-SMEs and advisors, who typically lead the formalized planning process, regarding what planning entails and outputs.

Further, the combination of the required time and methods used in this approach may indicate that for most FRSB the business planning is also not a very systematic and formalized process. Diaz-Morianna & Kammerlander's proposition of non-economic and economic goals further supports this as advisors – most commonly lawyers and accountants – are most suited in their technical disciplines to address the economic side.

Further, when looking back at Michael, Liam, and Anna’s experiences, each one of them signals that sensemaking is a component of how they do business. In the lived experience interviews, each interviewee emphasized the importance of goal setting as a critical part of their business priorities. Each relied on relationships, whether with their sibling owners in Michael and Anna's case or with the father and business mentor in the case of Liam, to make sense of and design their goals concerning the market situations they were/are experiencing. Sensemaking is prevalent within FRSBs today and is worthy of further consideration regarding its integration into their succession planning processes.

Starting At an Early Age

For FRSBs, signals are emerging in research that starting the succession process, even informally, as the owner introduces their child(ren) to the business is a best practice. For example, Castoro & Krawchuk (2022) in their research determined that there is a higher likelihood of a successful succession when the children of the owner are introduced to the business through numerous opportunities as early as possible (paragraph 5). Cater & Justis (2009) explored this in their study by looking at the key steps an FRSB owner would take to introduce their children to the business. Their research indicates that the steps are not necessarily tactical nor require high strategic planning. However, fundamental to its success overall is the foundation of a positive relationship between the owner, as a parent, with their children (Cater & Justis, 2009, p. 116). Instead, they suggest the following timeline of steps:

- Focus On Communication: Lean into informal conversations over dinner and include the children in 'shop talk' to make the child(ren) aware of the challenges, and opportunities, that ownership presents (Cater & Justis, 2022, p. 116). The benefit of doing so was that it enabled the child(ren) to understand and normalize the business as part of the family system (Cater & Justis, 2022, p. 116).
- Bring In Experiential Learning: Provide the child(ren) with opportunities for hands-on learning in the business. A typical example was through summer employment opportunities or after school (Cater & Justis, 2022, pp. 116-117). In doing so, they argued that the child(ren) walk away with a sense of a positive relationship with the business and one where they can begin to consider benefits of ownership.
- Include Them in Goal Setting: Eventually, as the child(ren) has had opportunities to learn and directly engage in business activities, begin to include them in longer-term goal setting and business decisions (Cater & Justis, 2022, p. 117). Jaffe & Resende (2022) echoed this in their study where Shadow Review Processes – when a potential successor reviews business decisions to support the ownership work – were considered a best practice (section 3). This was not only beneficial for increasing the child(ren) 's understanding of goal setting related specific to the FRSB but also to enable them to identify and begin curating their vision for their ownership of the business (Jaffe & Resende, 2022)

Our analysis of these findings indicates that it is mutually beneficial for owners and their child(ren) to begin this understanding as early as possible in the overall development of their role in the FRSB and its relation to their everyday lives. Doing so gives a longer runway to develop and design the process together, allowing the child(ren) to make sense of information in a generous timeline and space. This finding also sheds light on why FRSBs may not be adopting formalized plans, as they may view that they are already beginning to plan simply by having their children engaged in the business from an early age.

Further, the combination of sensemaking and starting succession at an earlier age with the owner’s children also invites into the findings the importance of tacit knowledge development. Alonso, Kok & O’Shea (2019) argue that in any dynamic capability for an FRSB, tacit knowledge is critical to ensure the long-term sustainability of the business and its competitive advantage (p. 99-100). Tacit knowledge is the creation of contextual information and knowledge during the succession planning process, which can be informed by memories and experiences between stakeholders and the FRSB (Lecounte, 2022, p. 625-626). Through engaging children then at an early age in the succession process, the owner is holding a space for the co-creation of tacit knowledge between them. They then can leverage this as a vital component to increasing the likelihood of reconciled goals and communication throughout the process. Again, tacit knowledge is not captured, as LeCounte notes, in formalized planning. It exists in memories and experiences shared between stakeholders. As a result, tacit knowledge is the output of sensemaking for FRSB owners and their children navigating the succession process, especially if engaged at an early age. This then formulates the foundation for the process and drives it in its informalized approach – contrasting that to what might be expected by an advisor.

Process Outline

Further details of the process were contributed by the work of Michel & Kammerlander (2014), who analyzed academic literature and highlighted four phases of the succession process for an FR-SME. Within each phase, the authors provide insights into the familiar challenges that also come up in the process:

- Trigger: In this phase, the current owner rationalizes and readies themselves for the business handover, due to their age, health, family needs, or other business considerations. (Michel & Kammerlander, 2014, p. 7). The authors argue that commonly, the challenges are the owner postponing their retirement, failing to prepare stakeholders for the engagement ahead of its inevitability, and the goals of the owners not mirroring the successor's if known at the time of starting the process (Micel & Kammerlander, 2014, p. 12).
- Prepare: A shared vision, including rules and guidelines, is created between the current owner and successor to ensure a successful transition. (Michel & Kammerlander, 2014, p. 8). Challenges in this phase include a need for more alignment among stakeholders and advisors related to goals, processes, and knowledge (Michel & Kammerlander, 2014, p. 16).
- Selection: The successor candidate is selected, and subsequent guidelines for their training are developed (Michel & Kammerlander, 2014, p. 8). Like the Prepare phase, information and goal misalignment continue as a common challenge. Further, the owner's financial concerns for their individual and family well-being emerge as negotiations and discussions around the sale price persist (Michel & Kammerlander, 2014, pp. 20-21).
- Train: Lastly, the successor's training takes place in a highly personal and relational way, reliant on a healthy dynamic with the exiting owner (Michel & Kammerlander, 2014, p. 8). Usual challenges here include conflict arising when no formalized process for training exists and information overload that could be mitigated through ongoing information sharing between the respective parties in the process (Michel & Kammerlander, 2014, p. 23).

Through their findings, the authors provide sufficient oversight into the generalized phases that go into succession planning today. Keeping it to this generality assists FR-SMEs in understanding the overarching considerations that should go into the process while still giving space for customization. Related to sensemaking, we also note that Michel & Kammerlander recognize the importance of goal reconciliation, particularly in the preparation and selection phase – where a shared vision between the current owner and successor are vital.

The Role of Advisors

An advisor plays a vital role and is an important component in the FR-SME succession planning process. Raey, Pearson & Gibb Dyer (2013) argue that the role of advisors in FR-SME succession planning is still a mystery – as academic literature, although geared to the demographic, has yet to thoroughly flush out the responsibilities, actions, and context of this key stakeholder group. Leveraging available findings today, we explore in this section the role of advisors in the FRSB succession planning process – who they are, what benefits they offer, challenges, and further considerations.

Bertschi-Michael, Kammerlander & Strike (2020) define FRSB advisors as, "... External sources that provide neutral, competence-based, expert knowledge alongside subtle tactics and behavioral suggestions to family firm leaders while understanding concerns and helping the family to facilitate collective action" (p. 84). This definition came through analyzing advisors serving FRSBs who had less than 50 employees, generated under 10 million in revenue, and were at least second generation (Bertsch-Michael, Kammerlander & Strike, 2020, Table 1).

Advisors bring to the FRSB succession planning process both benefits and challenges for the stakeholders. For benefits, three themes emerged. Advisors are particularly beneficial in assisting key FRSB decision-makers in reconciling the economic and non-economic goals influencing their succession planning process (Diaz-Morianna & Kammerlander, 2022). This is intricately connected to the other benefits advisors offer – knowledge transfer. Through their past experiences, networking, accreditations, technical expertise and connections, advisors reap the benefits of extensive FRSB succession planning experience. They can share this knowledge with the FRSB stakeholders, assisting them in goal reconciliation and in understanding various components that go into the process (Reay, Pearson, & Gibb Dyer, 2013; Diaz & Kammerlander, 2022). As such, advisors are a critical component for FRSB stakeholders in the succession through their experiences, knowledge, and expertise, providing relevant knowledge and understanding to reconcile goals and work through the process generally.

However, advisors do not come without their challenges. In their research, Bertschi-Michel, Kammerlander & Strike (2020) found that FRSB advisors manipulate stakeholders' emotions to achieve the desired outcomes, often those of the owner. It is important to note that manipulation could be for a positive intention. For example, an advisor may use storytelling to cultivate action within a given FRSB stakeholder group to move them toward a significant milestone in the process – ensuring that the process continues forward and mitigates delays (Bertschi-Michel, Kammerlander, & Strike, 2020). However, they may also cause complications through such manipulation. For example, when seeking to incentivize the start of a difficult, but necessary, conversation between FRSB stakeholders, the advisor may target negative feelings within the individuals to spark dialogue (Bertschi-Michel, Kammerlander & Strike, 2020). However, in doing so, they may spark negative responses from stakeholders – although research found it to last for only a short duration (Bertschi-Michel, Kammerlander & Strike, 2020).

Therefore, it's important to note that advisors offer benefits and complexities to the FRSB succession planning process. Beneficially, their knowledge and expertise can assist the key stakeholders in setting and reconciling goals. Further, they can ensure that timelines and actions stay the course through their navigation of emotions. However, at the same time, advisors bring in their own challenges – particularly around emotional manipulation. Although the effects may be short-term, the primary use of emotional manipulation may result in significant ramifications for the family if not done precisely and sufficiently.

The literature review on FRSB succession planning provides the following insights. First, we understand and reconcile how FRSBs approach succession planning through sensemaking and tacit knowledge. This also invites an understanding of the role of the advisor in the process, and the benefits and challenges they offer in relation to assisting the FRSB stakeholders in sensemaking and leveraging tacit knowledge in the planning process. Advisors are critical for the success of the FRSB succession planning process; however, they must consider where they target their efforts.

Third, we also learned of the importance of the timing of the succession planning process. Involving the current owner's children early in the business enables FRSBs to have increased capacity to co-design with viable successors the path to ownership and the steps to get there. It also assists the children, if interested, in gaining the competencies required to succeed as owners specific to their FRSBs.

Lastly, in the available literature, common phases are emerging that exist across FR-SME succession planning. Although the steps within each phase may be distinct to the given business – the importance of a trigger to start the process, taking steps to prepare, selecting the right successor(s), and then training appropriately is critical to a successful succession. The clear definition of these practical and accessible phases assists FRSB stakeholders in more easily understanding the steps it takes for a process to be successful and gives them the space to customize, with the support of their stakeholders, the succession to serve their needs.

In turn, these considerations highlight the gap in understanding succession planning for FRSBs, as most family businesses in Canada fall within this bracket. As such, using FR-SME as a term in succession not only implicates challenges in differentiating FRSBs and FRMBs characteristics, but also in their succession planning. This results in persistent risk for these respective business sizes in accessing a succession planning process that recognizes and is informed by the realities and situations they face.

Advisor Findings – Succession Process

When speaking with advisors, they were each asked in their interview process to walk the interviewer from end to end through their succession planning process. The rationale for asking these specific questions was to capture a detailed outline of the succession process that enables a deeper analysis past the common phase overview seen in literature like that from Michel & Kammerlander. In doing so, specific areas for improvement could be identified, explored and recommended. This included asking:

- What steps are going into a succession planning process from an advisor's perspective?
- How much time does it take?
- Who are the stakeholders involved?
- What are the common pain points in the process? What parts of the process come with ease?

Approach & Outcomes

The overarching takeaway was that 92% of Advisors define their succession planning process as a facilitated approach which focuses on delivering technical and non-technical outcomes for the business. As such, advisors practice an approach that aligns with the sensemaking process found in the literature that frames the initial stages of succession planning for FR-SMEs.

- Technical Outcomes: 58% of advisors described facilitation as ensuring that the succession process was designed, implemented, and right-sized to the FR-SMEs' technical needs, such as financial and legal considerations. For the technical outcomes, components of its focus on financial performance, processes, and other requirements align with the notions and arguments of economic goals outlined by Diaz-Morianna & Kammerlander.
- Non-Technical Outcomes: 42% of advisors described facilitation as ensuring communication between respective stakeholders in the succession process, including those regarding conflict/complex matters. Similarly, non-technical touches on the social and emotional aspects of the non-economic goal Diaz-Morianna & Kammerlander describe in their research.

Additionally, in the process outline, we see leveraging knowledge and emotional considerations as part of the advisor's description of their technical and non-technical processes. For technical, the importance of technical expertise and knowledge of the process is prevalent. For non-technical, navigating through complex communication/conflicting matters in the FRSB process implies that understanding and using emotions to guide the process is apparent.

Timing

When asked how long the process takes, advisors were mixed – ranging from at least two years before the owner's exit from the process to as much as 15 years. However, 42% of advisors recommended that FR-SMEs start the process as early as possible to ensure there is as much time as possible to proactively design, manage, and implement the plan. Here, we recognize that this varies from the literature findings to date. Although there is an emphasis on starting as early as possible, advisors do not note starting when the viable successors are children. However, the connection between the timeline and the consideration of children as the trigger to the process may be drawn.

Process Outline

Analyzing and synthesizing our findings, we determined the following standard process existed across interviewed advisors:

- Qualification Call: 31% of advisors meet with either the business owner, who seeks to start the process, or the viable successor (often a child of the owner), who wishes to incentivize the owner to start the process. The goal of this step is usually to build rapport and a relationship with the family business owner to establish if they were the right fit for a working relationship.
- Discovery Phase – Research: From there, 54% of advisors conducted a research phase, commonly called the Discovery phase, to understand the family business and its dynamics. An advisor shared that, in their experience, this phase can take up to six months or more to complete. This phase included, but was not limited to, the following activities:

    - Documents Review: 23% of advisors completed a review of items like a family tree, business plan/agreement, ownership structures, and other relevant materials.
    - Interviews: 46% of advisors conducted 1:1 confidential interviews with the family, including those not invested and/or employed by the business. Of note, only one advisor interviewed employees in this phase.
    - Survey: 38% of advisors also leveraged a survey to cover other considerations like a values assessment.
    - Site Visits: Lastly, of interest may be that only one advisor shared that they conduct site visits to tour the business site. When they shared their rationale for doing this, they mentioned that other advisors had criticized them for taking the time, often unpaid, to conduct this exercise. However, the advisor cited it as valuable to their approach to understand the business further, its operations, and subsequent implications on the process. During this phase, the advisor is looking to analyze the findings to understand the dynamics of the FRSBs. As mentioned, advisors lean on the 3CM model to understand how they define their clients and their process needs. This phase concludes with a report presentation, often called 'share back.' All advisors cited a presentation where they share their findings, whether through a workshop-style approach or a formal presentation, to receive feedback from the family on their research analysis.
- Education: Leveraging those findings, 38% of advisors prepare some form of educational opportunity for the families to come together and learn about crucial aspects/information to assist them in a successful succession process. Advisors educate the families on other factors, including Family Business Fundamentals, which may include covering the 3CM.
- Strategizing/Roadmapping: With Discovery and Education complete, 46%of advisors guide the family through developing a roadmap – the succession plan that guides the family through its journey. The findings inform the roadmap. This roadmap may include considerations around the ownership model, governance, shareholder agreement, and any other critical technical components of consideration.
- Implementation: Although not all advisors mentioned they get to this phase, 23% cited that they eventually become engaged in implementing the succession plan. The range of time this could take was from 6 months to 2 years, depending on the complexity. This may include:
    - Establishing an Implementation Committee comprised of members across the family's 3CM.
    - Leading retreats for the family to come together and discuss implementation and ways forward.
    - Facilitating meetings: One advisor mentioned that this step could help begin signaling to the business and the family that the owner, who often leads meetings generally across the respective stakeholder groups, is transitioning out of business.
- Ongoing - Coaching and Mentorship: Throughout the process, 16% of advisors mentioned providing ongoing coaching and mentorship to stakeholder groups, particularly the current owner(s) and successor(s). Coaching also assists the advisors in

managing relationship dynamics between the two respective parties and mitigating gaps in competency that the successor may have. It also may enable the owner to acknowledge, process, and come to terms with their exit from the business.

- Ongoing – Governance Support: 69% of interviewed advisors mentioned that a critical ongoing step in their process was introducing and integrating governance structures and processes into the business to support the succession and the business's health and growth. To do this, advisors sought to increase the FR-SME's relationship-building, communication, and strategy development skills.

Connected to our previous argument, the process outlined here aligns with and shapes how advisors practice sensemaking and sense-giving as part of the FR-SME succession planning process. By leveraging research methods like interviews, surveys, and documents review in the discovery phase, advisors sense the non-economic and economic goals the FR-SME seeks to achieve. From there, they give sense back to the FR-SMEs to see if they align with their goals through the share back and education components. Sense-giving is when the invitation for reconciliation may appear. As the owner/decision-maker in a FR-SME hears the advisor's perspective during the share back, they align on a reconciled approach forward for strategizing the succession.

We also see at play in these steps the phases outlined by Michel & Kammerlander. Through the qualification call, advisors can come to understand the trigger which incentivized, most commonly the owner, to act on the formal process of their succession. From there, it may be argued that the research tactics used in the Discovery phase align with the preparation phase. By understanding and documenting the dynamics, context, desires, and interests of the stakeholders engaged in the process, the advisor is leveraging the knowledge to prepare the appropriate roadmap or plan for the FRSB succession. From there, we do see some blurred lines between implementation and selection. Advisors did not note in their interviews if they are assisting the owner in selecting their successor(s). Additionally, it appears advisors are less likely to continue past selection into training. This may imply that advisors interviewed are strongest at fulfilling the first two phases of the process but may wrestle with how to engage in selection in training, which might signal a gap in their process and a need for further research to explore how to mitigate.

Lastly, regarding the benefits and challenges of advisors present, we see emotional manipulation play out prominently in the Discovery presentation. In interviews, 31% of advisors mentioned that they found interviews and the presentation of initial findings enabled them to make stakeholders feel emotionally comfortable – and heard – in the process. Doing so gave them trust in the design of the succession plan and other vital parts. However, 31% of advisors also shared that the ramification of this opportunity is that it can fall short in its benefits of fostering goal reconciliation and more explicit expectations of the succession process if not provided.

Influencing Factors

We asked advisors about shared vital factors influencing its outcomes' success. These factors both present positive and negative considerations and engage various stakeholders.

Time Constraints

46% of advisors emphasized that time constraints were the most significant pain point with the process. An advisor shared that they often approach looking at the process in terms of timing based on the years the owner has put into the business. In short, the longer an owner has been involved, the longer the process will take. Another advisor encouraged their clients to view timing as a non-linear and ever-evolving component of the process – that strict deadlines are difficult to adhere to as components, and various factors emerge.

Based on this factor, advisors view timing as a key, ever-present dynamic in their process facilitation. First, we understand from their perspective that timing depends on factors like the length of ownership and capacity to engage. Second, advisors view timing as organic – it can evolve depending on the process's path rather than static. Last, timing is inherently related to the degree of capacity available for engagement across stakeholders. The more constrained the capacity is, the longer the process takes, and the advisor’s cost to the process.

Biases

All advisors, to some degree, spoke of how biases influence the process across stakeholders engaged. But notably, they focused on two key areas:

- Family: Advisors spoke of biases within the family. This included discussions around siblings as well as parent/child relationships.
- Advisory: Advisors highlighted that they witness fellow advisors bringing their biases into the process.

Family

All advisors interviewed spoke about the influence of family biases on the process. When analyzing the findings, two commonalities emerged:

Generational Differences

61% of advisors explained that a critical factor in family bias is the degree to which generational perspectives come into play. Although there was some variation in their definitions, each advisor looked at generational differences predominantly through the lens of the parent, the current generation of ownership of the business, and the children, the emerging generation of ownership.

In their analysis, advisors argued that the influences, assumptions, and behaviours which shape each respective generation come into play between them as they work through the succession process. In turn, each generation has a value they wish to get out of the process, which can be where conflict emerges between the parties. One advisor titled this the 'fissure of perspectives' where the degree of varied values, desires, influences, and interests in the business between the current ownership generation and the emerging next, results commonly in not only conflict but the sale of the business to a third party. Another advisor shared a similar perspective citing that this may be labelled by the current generation of ownership as 'murder' of the FRSB.

Additionally, 38% of advisors spoke to societal generational perspectives that influence and shape the differentiations between current and emerging ownership generations. Specifically, advisors explored how Millennial and Gen Z generational perspectives, which exist in the emerging category, interplay with the current ownership generation, often Gen X and above. In this, they argued that for Millennials, work-life balance and a lack of business competencies may influence the degree to which they place value on the business and what ownership may offer them. For Gen Z, advisors spoke more about grandchildren engaged in the process, who understand and interpret their engagement through social media.

Advisors who spoke to generational differences noted that it often leads to conflict more so than opportunity in the process. It is distinct because it exists within their family and business stakeholders' roles. Considering the other generational considerations, like the Millennial perspective, adds a degree of nuance and understanding to how external generational factors may influence and shape the values, interests, and desires of the stakeholders engaged in the process.

Parent/Owner Biases

92% of advisors noted that the owners commonly wrestle with the interplay of their ownership and parenting biases. One advisor shared that in their experience, they commonly see that owners will recognize that they hold biases against their children which fogs their judgement. At the same time, the role of parenting cannot be removed from owners during the process; instead, it is permanently embedded in their mindset. Consequently, this can lead the owner to look to the advisor to mitigate and manage the dynamics that emerge, placing them in a therapy-like role when that may or may not be within their competency and expertise to do so.

Further, and connected by generational perspectives, an advisor shared how they increasingly see Sandwich Generations playing out between parent/owner dynamics with their children. Ro (2021) defines the Sandwich Generation as "...middle-aged people who support both their parents and their children, whether financially, physically or emotionally" (Par 4). Current owners who fall into this category wrestle with succession providing sufficient, mainly financial, outcomes to assist them in caretaking for their aging parents while also financially supporting the emerging generation. According to this advisor, the Sandwich Generation recognizes that the emerging generation faces significant financial challenges in the current economic climate. As a result, this generation requires more financial support to take on ownership of the FR-SME.

Sibling Dynamics

77% of advisors spoke about the influence and implications of sibling dynamics. Analyzing their responses, the following two common factors come into play with sibling dynamics in the process:

- Variety: The more siblings that must be considered in the process, the more variety of implications emerge for the FR-SME to factor into their succession planning and outcomes.
- Equalization: FR-SME owners seek to strike a right-sized approach to ensuring that each child feels they are treated equally during the process. However, advisors cited that this is complicated by the variation among the children regarding their degree of interest, commitment, and competencies regarding ownership and how they perceive one another in turn. The owner may seek to engage each child equally, yet the variety within their

> own perception of the value of the business and their other differentiating factors make the process ripe for conflict.
>
> An example shared by an advisor was when working with an FR-SME owner, they sought to include all four of their children in the process. Half of their children were engaged and employed in the business while the other half were not. When the owner sought to ensure equalization, what resulted was that the latter half of their children, who had not been engaged in the business historically, then sought ownership, resulting in conflict with their two siblings who had been employed by the business for decades and expecting to take on ownership. In turn, it became a process riddled with conflict and complications, which, even years later, is still being resolved.

As a result, sibling dynamics presents additional consultations for advisors to ensure all necessary inputs are captured and given consideration in the process. It also compounds the influence of parenting dynamics on the process compared with the case of an owner with only one child. Nevertheless, in our analysis, only 15% of advisors, who spoke of sibling dynamics, explicitly called this factor out, even though it was prominent in almost all advisor interviews. For most, sibling dynamics intertwine into their stories and narratives of past client experiences. Their storytelling implies that although the siblings' dynamics factor is expected in the FR-SME process today, its differentiation and implications have yet to be flushed out.

Gender Biases

Today, only 7% of Family Business CEOs globally are women; however, only 12% of current family business owners plan to default ownership to their male heir (Targeted Strategies Group, 202, p. 7). In a recent article Peters (2022) spoke with Dr. Christina Constantinidis who argues that findings demonstrate ownership amongst family businesses increasingly being comprised of women.

Although we see glimpses of this in Anna’s story, the prevalence of women in FRSBs today is an emerging trend which, with further research efforts, will only increase in understanding amongst advisors and academics. As more women take over family business ownership, it is to expect that their perspectives and experience will influence and shape the succession process.

When examining the advisor's perspective, 23% of advisors discussed how gender bias influences the process, particularly within the family. They were all female.

- Gender As a Spectrum: One advisor spoke to how knowledge on gender is evolving – more individuals identify with a gender or genders outside of the binary of male and female. As a result, these perspectives are emerging within family dynamics and will in their mind increasingly influence the succession process. In their example, they cited seeing more representation among grandchildren.
- Women In the Workforce: Another advisor observed that she is seeing more women having business competencies today, resulting in them engaging in the succession planning process when historically they may not have otherwise.
- Father/Daughter dynamics: An advisor shared that FRSB owners, who are in trades, often a father, will not consider or engage their daughter in the business, even at an early age,

> even though she may be interested in the business. However, the father will engage his son in business from early childhood. In the advisor's experience, this creates conflict between the daughter and son when succession planning starts, as the daughter will indicate that she is interested in joining the business. The son will feel threatened by her interest. The son may go as far as to share with the father that he does not want the daughter in the business or argue that he will only consider ownership if he is the sole proprietor.

However, when examining the data from advisor interviews for gender considerations, it emerged that the most prominent gender influence in the process came from the distinction of the role of the mother. Specifically, 69% of advisors spoke about the role of the mother in the process alongside the father (owner). It is worth noting that of those advisors that spoke about the role of the mother in the process, 66% were male. Despite some variation in the advisors' insights on this topic, each connotated to some degree that the mother's role in the process is focused on ensuring that the family's financial needs were met, and most specifically, their own and their husband's (owners) needs.

Understanding and acknowledging gender's role in the FRSB succession process shows how it interplays with the notions of ownership and planning. For ownership, it shows that if the owner's child is a woman, she may face barriers to participation in the process because her father assumes a lack of interest in the business if it is in a male-dominated industry or aspires for her to achieve a higher professional/social standing than his. This may be further exacerbated if a son is also involved in the business, especially if employed early, and expects ownership to be passed to him. It is also possible that it did not occur to the father that the skillset needed for the business to continue could require financial/managerial and operational skills, and that a daughter could have the former better. The significance of advisors predominantly speaking to the role of women in the process – whether as daughters or mothers – implies that the advisor may orient them mostly to family considerations rather than the business. As a result, this may play into common biases that women face regarding a nurturing role rather than one as a business stakeholder.

Through this finding, we understand from advisors – both in what they did and did not explicitly share – that gender bias is present in their perspectives and evolving in their understanding of how it impacts the process. Additionally, the implications of defining the role of the owner's female spouse in most stories that advisors shared is worth noting. Advisors did not highlight, in these cases, if the mother was also an employee or co-owner of the business – further situating her experiences, perspectives, and influences upon the business within an advisor gendered role. As such, there is an opportunity for exploring new behaviours/frameworks within advisor practices to mitigate gender biases and how they influence the succession process for FRSBs.

Advisor Bias

46% of advisors interviewed spoke of the influence of advisors biasing the process. They attributed it to a few key areas:

- The Emerging Professionalization of the Field: Advisors cited that the professionalization of family business advising is still evolving, and as a result, some advisors need to be made aware of the knowledge, tools, and resources available to mitigate their biases.
- Lawyers: 23% of advisors focused specifically on the role of lawyers, and their biases, in the succession process with FRSBs. One advisor argued that in their experience historically lawyers, who serve this size of a family business, typically start providing their services to the owner upon purchase/incorporation. Over time, they continue to serve the business and family and foster a strong personal relationship and become invested in the business' success. Because of this, it can be difficult for the lawyer, as another advisor pointed out, to determine who their client is in the process. Is it still just the owner or are other stakeholders engaged? Given the training and usual role of a lawyer, they can only serve one client in the succession process, which presents a challenge.
- Their Own Biases: It was noteworthy that only one interviewed advisor recognized that they had biases influencing the succession process for FRSBs. This advisor was also one of the few not to hold an FEA certification. The advisor shared that while facilitating a meeting during an FRSB succession process, they received feedback from a fellow assisting advisor that they excluded one of the owner's children from participating. Upon reflection, they realized they were doing this because they had lived experience as the son of an FRSB owner. In that experience, they were excluded from being considered for business ownership, as the father by default selected the eldest son. The default decision resulted in a strained relationship between the advisor and his brother for over 20 years. As a result, the advisor stressed that they wished other advisors would look deeper into their own biases and take on unpacking, unlearning, and addressing them. This advisor shared that their approach to doing this included taking courses on topics such as active listening as well as, after 20 years of not speaking, resolving his strained relationship with his brother. The advisor passionately believed that by taking courses and rectifying his biases' personal and emotional roots, he could fully mitigate this moving forward in the process.

From these components, we learn from the advisors that the lack of standards in their field – whether through accreditations or government – presents challenges with navigating and mitigating their biases. Today, regulation within family business advising exists within private organizations offering accreditations and certifications, including succession planning. As a result, there are variations in learnings, understanding, and tactics leveraged for advisors to navigate their roles and, consequently, understand how to manage biases as they emerge. For example, although the government and other bodies regulate lawyers to understand that they are biased to serve one client, tension exists in understanding how that parameter interplays during a family business succession. Lastly, the interplay of advisors interviewed calling other advisors biases but not exploring how they manage their own, presents opportunities for further frameworks and resources for bias management. For example, through one advisor's experience, we learned how they manage their biases through taking courses on self-reflection, active listening, acting on observations/feedback from fellow advisors, and resolving previous bias situations. These signals imply that further resources could be of value to understand how advisors may benefit from additional learning opportunities to improve the influence and mitigation of their biases upon the succession planning process – not just for FR-SMEs, but all Canadian family businesses.

Planning

All advisors shared that an influencing factor of the succession process is the degree and depth that the stakeholders engaged, particularly the owner, bring to the planning process. Although planning, in this case, should be treated holistically as for an FR-SME, advisors recognized that it does not just concern the business owner but their own personal life planning and financial planning. However, a vital part of this factor is the owner's mindset toward the process, which is described as voluntary.

Voluntary Mindset

Best described as voluntary, all advisors shared that most commonly FR-SME owners, approach the succession process and even their general business planning as an optional, voluntary process. An advisor shared that this results in delaying action by the owner on the development, implementation, and generally follow through on the plan. However, analysis indicates that from the perspective of the advisors, implications of a voluntary approach also shape how they interpret standard components of the planning approach that FR-SME owners take. These are explored further in this section:

Financial Planning

38% of advisors discussed financial planning considerations that owners bring into the succession planning process. For FR-SME owners, all advisors discussed how wealth transfer influences their financial planning approach, especially in the current economic climate. Owners wrestle with how to transfer what financial assets they can to their families to address the rising living costs, a relatively recent phenomenon, while recognizing the need to ensure their own retirement and wealth transfer, which are common experiences. One advisor called this a new gilded age in the FR-SME landscape, where the competing financial needs of family members emerge in the process during discussions of income and wealth transfers and, consequently, result in heightened states of conflict.

Business Planning

Regarding business planning, advisors said-that FR-SMEs tend to take a lifestyle approach to their business. As one advisor shared, a lifestyle approach to the business is structured to provide a sufficient income and personal balance for the owner and their family; however, it has yet to be designed with succession in mind. Specifically, the owner does not nurture their child(ren) from an early age to understand the business, ownership, or general engagement therein. This leads to significant talent gaps and limited competencies within their child(ren) to take on ownership.

Advisors mentioned that when the owner realizes these gaps in competencies amongst their children for a viable successor(s) role, they will seek to sell the business to a third party. They do so believing that a third party may have the competencies to lead the business in which, due to timing or lack of interest, they cannot feasibly train their child(ren) to have. In doing so, the owner can reap the financial benefits required from the succession with less risk than if they were to try to have their children continue forward without the competencies required to be successful. This also may transition the children entirely out of the business as the third party takes over full ownership and shareholding. However, the competency gap limits the owner and their family from exploring alternative decisions and financial considerations they may have otherwise, if the structures were in place to keep ownership within the family.

Life Planning

31% of advisors spoke of the tension between voluntary planning mindset and involuntary exit situations, whether due to health or death. One advisor told of a recent example, where the business owner began dealing with health implications not just for his own aging but also for his wife and daughter. The pressure of the health implications on their succession process resulted in the father opting to sell as quickly as possible to respond to immediate needs.

Looking across the advisors' perspectives, there is an opportunity for advisors to understand how FRSBs use sensemaking for business planning. As explained prior, sensemaking is a primary business planning tool that FRSB stakeholders use in the business, especially during succession. Consequently, this form of planning approach is distinct from advisors' technical processes interviews, research analysis, and reporting – which they use to make sense of their client's needs and give sense back to their clients. Consequently, sensemaking may be misunderstood by advisors to be voluntary planning as it does not have visible tangible outcomes – like reports or plans – that demonstrate it. Therefore, what might be viewed as voluntary by advisors may be better described, with further research, as the sensemaking approach leveraged by Canadian FR-SMEs today in succession planning.

Lived Experience – FRSB Succession Planning

Recognizing a gap in the literature regarding succession planning specific to FRSBs, we utilized our three cases studies with Michael, Liam, and Anna to learn about their succession experiences to date. Accordingly, this section provides a detailed overview of each of their experiences. In doing so, we seek to intervene directly and reshape the conversation regarding succession planning for most family businesses in Canada by providing a snapshot of its current state.

Michael's Story

When asked about his succession experience, Michael describes the process he has taken and continues to pursue in the following steps:

1. Started Young: The process started when Michael and Vince began working for the business as children.
2. Shareholder Agreement: In 2006, the succession was completed when Michael and Vince signed a shareholder's agreement, and repayment plan, with Norman.
3. Preliminary Succession Preparations: Today, Michael and Vince's succession process focuses on ensuring the business is profitable and well-structured, including revisions to the shareholder agreement to support the change in ownership to come.

Michael believes that from this process, the likely outcome will be selling the business to a non-family member/third party in the next 10-15 years.

Started Young

When asked to describe his succession experience, Michael shared that it started when he began working in the business at an early age. Michael and Vince have worked in the business since childhood, starting under their grandfather. Michael proudly recalled that he would be in the business working away alongside his father and brother before school, during school breaks, and on summer days. However, as a father, Norman required that each boy finish high school and consider post-secondary education before formally joining the business as a full-time employee. Michael knew he wanted to work and eventually own the shop, so he joined as a full-time employee under his father's ownership at the end of high school. However, Vince briefly considered becoming a doctor but eventually decided to join the business – pursuing ownership.

Shareholders Agreement

In 2006, Norman retired and, like his father, sold the business to his sons. Michael and Vince signed a shareholder's agreement with their father as part of the sale. During this process, Michael mentioned that they worked with Norman's trusted financial advisor, who still supports Michael and Vince today. The agreement included two key details:

- Norman was kept on paper as the President of the business.
- The sons, through installments, purchased the business from their father. It stipulated that once they had paid Norman 75% of the purchasing price, their father would lose the ability to take the business back over for any reason. Norman could take the business back if the sons defaulted on payments before 75% of payments were made.

Michael shared that in the end, he and Vince completed their entire purchase of the business in 2015 – 9 years after the agreement.

Preparing for Succession

Over the last ten years, Michael and Vince have been preparing for their own succession planning by focusing on increasing the business' financial value. For Michael, this means that he and Vince should receive the highest possible purchasing price upon their succession. Additionally, they have discussed the viability of successors within their families and employees. As such, Michael's approach to preparing for his succession includes two parts:

1. Preparing the business for succession.
2. Determining if there are viable successors within the business.

Business Model Considerations

When it comes to their business, Michael and Vince have pursued preparing for succession by improving aspects of their business model to increase their business value. This includes:

- Networking & Fact-Finding: In the last ten years, Michael has pursued networking amongst fellow automotive shop business owners and associations to learn – and adopt – practices that can improve the value and performance of their business.
- Ontario Automotive Recycler Association: Outside of being a member, Michael is involved in the Association regularly by attending annual conferences, which his son is attending this year.

- Business Valuation: Michael and Vince have not valued the business since their 2006 shareholders agreement. However, Michael has sought to understand what his business may be worth upon its sale through networking within his local business community and the Association. Michael shared multiple examples of what fellow businesses are sold for. One example he cited was a similar business to his going for $7-8 million upon its sale. He believes his business is close to that valuation as well.
- Accreditations & Certifications: Through the Recycler Association, Michael has certified the business not only as an automotive recycler but also as meeting industry standards for environmental friendliness.
- Inventory Management: The brothers have implemented a barcoding system to manage their inventory. Michael shared that this was essential to keep up with industry changes as cars require more parts now than before.
- Financial Health (Accounting. & Book-keeping): Michael stressed that ensuring the business is in good financial health is integral to his process. He illustrated that if someone were to come into the business interested in purchasing it, they would want to see accurate record-keeping and due diligence.
- Asset Improvements: Michael mentioned that over the years, he and Vince had invested in the business to improve assets like their shop, computers, and other infrastructure. Gradually, he argues, this increases the business' valuation.
- Marketing: Leveraging the internet, Michael has had the business registered on various websites across North America so that consumers can easily find out if their business carries the specific part(s) they require.

Shareholders' Agreement Revisions

Now that Michael and Vince have completed paying their father for the business, they want to remove him from the shareholders' agreement to reflect the complete transfer of ownership. Doing this will also assist in the future succession process as it will remove their father from the implications of the eventual sale.

Michael shared that revising the agreement has been more complex than he believed it could be. Notably, the critical challenge is the revision of titles concerning his and Vince's 50/50 split of shares. In addition, as Norman currently holds the title of President, the position, on paper, would have to be filled, which has invited a conversation about who should fill it and the implications.

Preparing for Succession – Who Can Afford It?

As Michael and Vince work to increase the value of the business and get a clearer picture of the amount they hope to receive upon sale, they are also trying to understand who would be in the best position to buy it. Michael recognizes that it is a more significant, third-party business that will acquire their shop due to the cost of the anticipated purchase price. However, that has not made Michael shy away from conversations about purchasing with his employees as well as with his two sons – the one employed and the one working in the industry but not employed in the business.

When it comes to the employees, Michael mentioned that over the years, a few have joked and made casual remarks about purchasing the business once the brothers put it up for sale. However, Michael also knows that unless there was a way for the employees to pool their funds, the likelihood that they would have the collective financial means to afford buying the business at its value is improbable. Therefore, Michael did not mention considering employee ownership in our interview.

Similarly, when it comes to his two sons, the cost is also a challenge. In the interview, it was unclear if Michael and Vince's sons are interested in going into ownership together or separately. Michael is concerned that if similar terms in the shareholder agreement to those he and Vince had with Norman were replicated for their sons, they would be at a higher degree of financial risk to purchase the business within a reasonable time. Michael argues this is risky for their sons due to the higher value of the business and the rising cost of doing business with supply chain disruptions and technology changes (I.e., electric cars) in the sector.

Hopes For Succession – Meeting Everyone's Needs

Michael shared that by preparing the business to be sold for the highest value, he would be able to ensure that he and Vince are taken care of as well as his employees and family.

Michael hopes that a successful sale for the family would mean that his and Vince's immediate needs are met for a viable retirement and for his children. His ideal situation would be that each child of the respective owners receives a cash bonus to assist with their pursuits and goals. Michael also stressed that he and Vince always look out for each other in this part of the process – that if extreme circumstances arose, he knows that Vince would ensure Michael's wife is taken care of, and vice versa.

For employees, Michael mentioned it is essential that the new owner gets along and respects the loyalty of his current workforce. He shared that he hopes to place conditions on the purchaser that each employee has guaranteed employment for at least two years after the sale. At the same time, Michael recognized that some of his employees are near retirement and may do so then.

Analysis

When reviewing the interview findings, Michael and Vince are pursuing through their succession process to achieve the highest degree of possible financial value from the business so that their, their family, and their employees' long-term needs are met. To do this, we see in his story that Michael and Vince lead the process independently from others in the business. Although he briefly mentions regarding the 2006 Shareholder Agreement that they lean on their longstanding financial advisor for support, the process is primarily self-led between the brothers' collective efforts.

Integral to this self-led approach is a clear alignment in Michael's story with the sensemaking process argued by Diaz-Morianna & Kammerlander. Michael perceives the situations at play in his business as impacting his process. He then seeks to understand them through engaging stakeholders – like fellow business owners and his employees – to make sense of the information to inform his business goals. The most prominent example in this situation is the business valuation – where he looks to business owners in his sector who have recently sold to understand what his financial goal should be for the business' purchase price. From there, he communicates that back to his employees, and the sons to see if that reconciles with their capacities to purchase the business. Through that, Michael himself practices reconciliation – settling in on selling to third parties as the best path forward to meet his economic and non-economic goals and those for his family.

Further, regarding the advisor interviews and literature findings, Michael shared that his process started at an early age. However, his story varies because he views his succession experience as continuous. For Michael, purchasing from his father is a step in his succession experience rather than totality. As such, Michael's story may offer an insight into the aspect of continuity. The planning process for an owner, especially if they are 2nd generation and started at an early age, goes through their business purchase from the founder/parent and into their retirement. This finding may contradict the notion of a Trigger phase argued by advisors and literature alike. For Michael, succession is an embedded part of his experience with the business, due to being a second-generation owner. Therefore, Michael's trigger may be best situated as his early childhood engagement in the business rather than seeking an event to spark the current process.

In Michael's story, we also see an additional lens to the role of advisors distinct from what we heard in advisor interviews and literature. In his story, advisors show up for Michael implicitly and organically. He seeks it through his sensemaking of his goals via connecting with fellow owners in his community and the recycler association. Although he does mention long-term support from his and his father's financial advisor, the individual is treated more so in the background of the narrative rather than clear and explicit support through the current process. These findings signal that, in turn, there may be advisors who exist outside of paid roles, which were the positions that interviewed advisors came from.

Lastly, of critical concern to Michael is the affordability of his business for sale to fulfill the financial needs of himself, Vince, their family, and employees. This signals in our analysis connections to the wealth trap argument that advisors emphasized exist in the definition of Canadian FRSB navigating succession planning today. The consistent emphasis on selling the business and getting the highest valuation possible directly connects Michael to the notion of needing to get as much financial means back out of the business as he put into it. It also connects to the considerations regarding the family's reliance on the business for financial means and how upon exit, the business will need to provide a substantial value, in turn, to ensure that the various stakeholders receive a sustainable livelihood, even in the short-term.

However, Michael's story adds a layer to the wealth trap in consideration of employees and their loyalty. First, Michael recognizes that, considering their current financial situation, his employees cannot purchase the business. Nevertheless, he also recognizes that they rely on the business to provide secure employment post-sale. Their assumed inability to afford the purchase and their financial reliance on it may be seen as another layer of the wealth trap argument that neither advisors nor literature has considered.

Anna's Story

Anna shared her succession journey in the following parts:

1. Started Young: Anna said that her journey with succession started during her younger years involved in the business.
2. Shareholder Agreement: Her experience purchasing the business with her sisters from their mother.
3. FEA Succession Planning: She and her sisters attempt to begin proactively planning their succession from the business through an FEA Advisor in late 2019 - Early 2020 (halted due to the pandemic).
4. Current Planning: Anna is re-engaging the process as COVID-19 subsides through preliminary, informal discussions with her sisters, her daughter Bethany, and their employees regarding the possible process outcomes.

Started Young

Like Michael, Anna cited that her experience with succession started at an early age. Anna graduated with a post-secondary education in retail management from a local college. During that time, she began working for her mother in the business. Eventually, she also decided that running her own brick-and-mortar retail business, separate from her mother's, was a part of her succession journey.

Threads also could be connected through Anna's story to that of her sisters Gloria and Veronica's journey, with succession starting before the sale. Like Anna, both sisters also started a retail business for their mother before the amalgamation. Gloria and Veronica founded the Greater Toronto Area location in 2017 as their own business, which then merged with their mothers during the succession. Although we did not interview Gloria and Veronica, this similar career path - starting a retail business outside their mothers - is worth noting.

First Succession Planning – Shareholder Agreement

In 2018, Anna, Veronica, and Gloria purchased the business from their mother through a shareholder's agreement. Anna, in her interview, broke down those steps in detail:

1. Complete The Business Valuation: Accountants reviewed financial statements, inventory, assets, and the lease to determine the value of the business.
2. Determine Their Offer: Leveraging the findings, Anna and her sisters worked with their shared lawyers and accountants to determine the price they were open to offering their mother for the business. Throughout this step, Anna mentioned it was important to her and her sisters to keep in mind the importance of maintaining a good relationship with their mother and ensuring her ability to stay in business as an employee if she chose to (which she did).
3. Complete Purchase & Develop Shareholders Agreement: The sisters worked together to develop their shareholders' agreement once their mother accepted the purchasing offer. The outcome of this was:
    a. An even split of 1/3 ownership of shares across the sisters - removing their mother as a shareholder.
    b. Regarding selling/exit conditions, the agreement states that if a given sister wishes to exit, they can either sell their shares with the agreement of the other two partners or the other two partners can buy that third partner out.

   c. The merger of their sisters' Greater Toronto Area business with their mother's business.
4. Repayment Plan: A repayment plan was structured into the agreement so the sisters could afford the purchase. Anna did not share the terms of the repayment.
5. Rebrand the Businesses: Lastly, to signal the completion of the succession, the transfer of ownership, and the addition of the new location, the sisters paid for a rebranding of the respective business – putting them under the same brand identity.

FEA Succession Planning

Shortly after completing the agreement with their mother, their business financial advisor offered Anna and her sisters in late 2019 to begin preparing for their succession proactively. This was due to the financial advisor, at the time, training to become a certified FEA. The sisters anticipated that at the start of the process, they would walk away with a roadmap of their succession process to come in the next 10-15 years. Unfortunately, the process was halted in March 2020 because of the COVID-19 pandemic. As Anna stresses, ensuring the business' survival through the pandemic became of the utmost importance.

The process Anna went through shows similarity to the Discovery phase components shared by advisors in their process walkthrough. Please note that the steps listed here may not reflect a complete process due to COVID-19:

1. Process Walkthrough: Over zoom, a team of about five advisors in training with backgrounds in finance, insurance, marketing, and business walked Anna and her sisters through the process, its purpose, and the anticipated outcomes.
2. Questionnaire: After the walkthrough, Anna, her sisters, and selected participants, including employed family members, non-employed family members (i.e., Anna's husband), and non-family employees, were sent a questionnaire to complete for the advisors to understand the health of the family, ownership, and business.
3. Interviews: After the questionnaire, participants were interviewed confidentially 1:1 by an advisor to discuss their perspective on the business, family, and work/relationship dynamics.
4. Summary Report & Presentation: After the interviews and questionnaire, the advisors provided an insights report, sharing their takeaways from the findings on the health of the family business holistically to assist in the development of a roadmap for planning the succession. Generally, Anna found the information helpful, anticipating that she and her sisters would leverage it in their future succession.

Preparing for Succession

Today, Anna and her sisters are re-engaging in planning their succession. They are looking to time the exit within the next 2-3 years in alignment with the lease renewal of their Greater Toronto Area location. To do this, Anna shared that they focus on determining essential family and business factors. This includes:

Assessing and Improving the Health of the Business

Anna and her sisters' primary goal for the business today is to continue its recovery from the ramifications of COVID-19. From March 2020, Anna estimates that the business was physically closed to customers due to social distancing/lockdowns for one year - significantly impacting their performance. To mitigate the strain of closures, Anna and her sisters added an online store to their business. The online store is now a permanent part of their business model, particularly as the sisters adjust to the future of their brick-and-mortar in a post-pandemic retail environment. When reflecting on the future of her industry, Anna sees brick-and-mortar retail business models as unsustainable – not only due to COVID-19 – but the intersecting challenges with the rising cost of living, supply chain disruptions, and consumer behaviours.

Anna's Daughter's Interest in Ownership

As shared previously, Anna's daughter, Bethany, is currently a sales representative within the business. Anna and Bethany have discussed, informally and sporadically, her interest in purchasing the business. Based on Anna's perspective, she believes Bethany is a viable prospect for ownership because:

- Personal Interest: She is interested in the industry – not just as a business owner but as a consumer of their products and services.
- Degree of Competency and Performance: Aside from her success as a sales representative, Bethany has prior professional experience – through past work and education – that has demonstrated to Anna in and outside of the business her competencies regarding management, customer experience, and business operations.
- Entrepreneurial Spirit: Besides sharing with Anna that she is interested in ownership; Bethany has an entrepreneurial partner (soon-to-be-husband). Anna believes this would set Bethany up well for success with ownership because of his mindset and subsequent level of support as a husband and fellow – formal or informal – business partner.

However, Anna expressed that there are a few implications that rest on the continuation of this conversation:

- Going Into Business Together: Anna and Bethany have sporadically and informally discussed the idea of going into business together once Anna exits. Anna shared that she is excited by this prospect, given their synergy in working together.
- Upcoming Life Milestones: Bethany will marry her partner within the following year. As wedding plans continue, Anna wishes to wait until Bethany has reached this milestone to re-engage in conversation about her ownership interest.
- Cost of Purchase: Related to her concerns about the future sustainability of a brick-and-mortar retail business model, Anna recognized that the cost for Bethany and her partner to purchase the business, and its likely overall success, may cause affordability complications to the process if they were to consider purchasing the business.

Anna and her sister's respective professional and personal plans

Due to their shareholders' agreement and overall business operations, Anna shared that the implications/considerations of what she and her sisters plan to do post-exit from the business influence how the process occurs. For example, considering their retirement plans, Anna and Gloria are at a different life stage than their sister Veronica. Veronica is in her late 30s and has two young children. Because of her age and family, Anna shared that Veronica said she needs to continue working for the near future. Veronica's needs contrast with Anna and Gloria, who are older and no longer require the business' income for financial needs and are considering a different life plan, which may or may not include retirement.

To address this, Anna recognized a couple of critical actions that need to take place to assist with future succession planning:

- Anna and Gloria must individually consider planning what they wish to do in the next chapter of their lives, whether to continue working, retire, or pursue other interests.
- Anna mentioned that although she can see her daughter as the next business owner, in alignment with her life planning for the next chapter, she dreams of a large retailer – like 'Holt Renfrew' - purchasing the business. A purchase of that size would give her the income to pursue other interests and support her, her sisters, and her family's overall needs.
- Anna, Gloria, and Veronica need to come together for a 'long weekend away' to discuss their plans together and determine what success would look like for each of them after the exit.

Employee Retention and Possible Ownership

Lastly, Anna shared that an emerging – and integral – conversation to help with their planning is assessing and understanding the degree of interest amongst employees to a) stay engaged as employees in the business post-exit and/or b) become owners of the business.

Anna is proud of her and her sisters' relationship with their employees. They recently won an award for best workplace within their local business community. Their Greater Toronto Area location has two original employees still with the business since 2017. If employees have departed, it has been due to relocation to other countries. As such, Anna and her sisters have discussed informally with employees their interest in staying on with the business after the next succession. Some have indicated they would stay on as employees, while also some have shown interest in considering ownership. Due to this, Anna and her sisters have sought to understand through their research efforts what it might look like to offer shares to their employees and the business planning considerations that go with that. However, no conclusive plans have been put in place, and Anna has more questions than answers on the process it would take to establish an employee ownership model.

Analysis

Anna's experience with succession shows commonalities and distinctions with Michael's experience and the advisor and literature findings to date. Like Michael, the outcome for Anna in her succession is to ensure that the financial needs of her, her family, and her employees are met through the process. Anna wants to understand this context independently and through ownership with his sisters. However, unlike Michael, she does call on a financial advisor with a trained certification in family advising to support her.

Like Michael, Anna also argued that her experience with succession started from a young prior to a formal trigger. This enabled Anna’s sensemaking of the family business from a young age and in turn, enables Anna’s navigation of the succession process. Using information points and context from her environment across business, family, and employees – Anna is seeking to make and give sense of the viability of her economic and non-economic goals. Her economic goal is to sell the business, and her non-economic goal is to ensure that the social and emotional well-being of her relationships with Bethany, her sisters, and employees remain intact post-exit. Anna seeks to understand from the stakeholders their perceptions of the goals and the influences upon them. She then seeks to reconcile this and share it back with them to find the best path forward.

Specifically, sensemaking in Anna's story becomes even more profound in her relationship with Bethany. Anna recognizes and perceives in Bethany's environment factors in play that may or may not align with her goals, like getting married and the affordability of purchasing the business. Anna seeks to communicate this back to Bethany to reconcile together the best path forward. This reconciliation, Anna is cognizant, will come with tradeoffs, but not necessarily negative ones. For example, Anna implies that a tradeoff of selling the business is that she can go into business with Bethany in a new industry, which excites her. In this light, Anna's specific experience with sensemaking through succession may connect to Diaz-Morianna & Kammerlander's argument around positive tradeoffs.

Further, in Anna's story, like with Michael, sibling ownership is crucial to their planning. Anna is fortunate, like Michael, to have a healthy and communicative relationship with Gloria and Veronica personally and professionally. It gives space between them as owners and sisters to navigate the process together and determine the right-sized approach forward that meets their individual economic and non-economic goals.

Liam's Story

When asking Liam about his succession experience, he breaks it down into the following key steps:

1. Started Young: Liam was involved in the business from an early age alongside his grandparents and father.
2. Preparing For Succession: Throughout the 2010s, Liam and his father sought to improve and scale aspects of their business model, including adopting the EOS Traction System and franchising. Also, during this time, Liam attended post-secondary education for business management.
3. Formal Exit: In 2019, Liam's father contracted a large accounting firm to lead a formal succession process for the business. However, Harold died during the process, so it evolved into a purchase process between Liam and his mother.

Started Young

Liam remarked that his succession experience started when his father put a shovel in his hands at 12 years old – starting his working journey in the business. Harold expected him to keep up with his responsibilities from an early age as if he were an adult. Liam shared with pride and appreciation the degree of trust his father placed in him as a child in the business.

Important to Liam's journey was his time spent working alongside his grandfather. He shared that during the summers, he and his grandfather would work together from job site to job site. Through that, he learned the other ins and outs of running the business from his grandfather's perspective, which was also always emotionally invested.

It is important to note that during this time, Liam's younger brother, Cameron, also began to engage in business, but, as Liam saw it – in a different way. Cameron only became interested in the family business after he saw Liam complete a high school cooperative education credit through the business, rationalizing that it was a way to get out of school. Liam also pondered how Cameron may have seen the business lunches and other engagements that it offered as a luxury that came with working for the business. In all, Liam argued that Cameron's investment in the company was for very different reasons than his and mainly for personal fulfillment.

Preparing For Succession

As Liam transitioned into adulthood, he began preparing for his father's succession by increasing his competencies regarding ownership by working and learning on his own and alongside Harold in the business. From the late 2000s to early 2010s, Liam attended a local post-secondary college where he studied business management. He brought his learnings and competencies back to work in parallel with his studies alongside Harold – applying them along the way.

During this time, and continuing since, Liam's primary goal for the business is to continue building its scale and growth. While attending post-secondary, Liam focused on evolving the business into a successful franchise model and adopting an Entrepreneurial Operating System (EOS), which is a Software as a Service (SaaS) platform that entrepreneurs and their staff may use to:

- Clarify and enable vision alignment across the organization.
- Ensure accountability, tracking, and reporting on metrics related to the business' vision.
- Enable collaboration on key vision initiatives across the business and leadership team (Entrepreneurial Operating System Worldwide, 2023).

Further, in the 2010s, Liam and Harold started franchising the business by creating a holding company. Liam's father saw this as a way for them to start working together on his eventual ownership of the business; however, it meant that the primary, original business needed strategic direction. To resolve this, they implemented EOS to establish a clear and shared focus, adoption, and tracking of the company's vision across its respective locations. Liam shared that although he is proud of the effort, he and Harold put into this together, it came with strife. Tension was highest around the scale of growth Liam saw possible through the combination of EOS and franchising and Harold's hesitancy to pursue and invest at that scale.

Lastly, before selling the business, Graham, Liam’s father, established an executive leadership team as part of the structure. Many of the executive leaders continued after Graham's exit. Liam is proud of their collective accomplishments.

Business Advisor & Voluntary Life Planning

Liam believes that a key reason the succession was successful alongside the business' growth, despite the bumps, comes from his work with his business advisor. During this chapter, Harold sought to engage a business mentor for Liam. Harold's reasoning was not only to assist Liam in his growth specific to ownership and scaling the business. He recognized that he needed more capacity to continue mentoring Liam to the degree required for his success. Harold was still very much invested in staying connected to the business but was transitioning his efforts into his passion as a religious leader within their local community. For Liam, that transition became an emerging tension in the viability of his father's succession plan. As his efforts and interests in the business noticeably declined, and their shared vision became tense regarding the business' growth, Harold increasingly lost interest and desire to prepare and plan with Liam for his succession fully.

Harold successfully acquired a mentor for Liam through the Bank for Canadian Entrepreneurs (BDC). Liam credits the mentor with being a successful advisor to him during that chapter with his father, as well as the formal succession process to come and since.

The advisor came with the complementing competencies required to assist in that phase, and also had alignment with Liam's interests and vision for the business. In addition, the advisor had demonstrated experience in establishing successful franchises across Canada. Although he has retired since, his advisor has kept him as his only client. Liam has called on his advisor to support him with family meetings and critical strategic conversations within the business. He also called on him to support facilitating conversations with Harold regarding EOS and franchising, among other points.

Formal Exit

In 2019, while continuing to work on EOS and the business with Harold, Liam realized that his father's split focus between the business and his religious leadership was causing tension regarding planning for his succession. Even though his leadership efforts within his religious community were increasingly his primary focus, the notion of letting go of the business entirely and transferring ownership to Liam was a challenge for Harold. In short, Liam believed Harold felt like letting go of a part of his life that he was not ready to part with yet. Liam felt that Harold's offer of the holding company was a way to appease his requests to start the succession conversation, but not follow through.

To appeal to his son and seek guidance on the process, Harold reached out to a large accounting firm to facilitate the succession planning. At the time, Harold hoped the process's outcome would be ideally co-ownership of the business between Liam and Cameron. During this chapter, Cameron was an employed member of the leadership team in the business.

In late 2019, Liam, Harold, Cameron, and other family and business members began working with the accounting firm to go through a succession planning process. The steps included:

1. Kick-Off: A kick-off meeting to go over the planning process's purpose, process, and anticipated outcomes.

2. Discovery Phase: A series of research tasks like a documents review, questionnaires and interviews with employed family members, non-employed family members, and non-family employees to understand the business' health, the family dynamics, etc.
3. Share-Back Presentation: The advisors presented the findings to the family to discuss and consider the implications of this towards developing their roadmap for succession.
4. Ownership Roadmap: The family, particularly the brothers, worked to discuss and create their ownership plan. From there, the outcome was to be a shareholder's agreement.

Unfortunately, the process was overly complex, messy, and expensive for Liam – costing over $500,000. Liam generally shared his frustration and disdain for the process. He argued that it brought trials and tribulations into an already complex process. When asked about the root cause that complicated the process experience, Liam argued that it was the accounting team's lack of support and biases.

According to Liam, the firm did not address the ramifications of their findings after the discovery phase with the family. As part of the post-discovery follow-up steps, Liam reached out to Cameron to discuss the best way forward for ownership. Knowing there was no values alignment, Liam did not want to be co-owners with his brother. Cameron also expressed a lack of interest in ownership, changing his mind as he processed the consideration. Cameron told Liam that he would instead exit the business, leave the leadership team, and begin his own marketing company. Coming to this agreement, the brothers drafted a roadmap to present to their father which would, in turn, set the course for the shareholders' agreement. Although the brothers were able to complete this step much on their own, Liam expressed that this was a critical fault of the accounting firm's process and caused significant stress and turmoil.

Secondly, Liam felt that the accounting team was largely biased toward his mother and father throughout the process. That bias resulted in advice that made the process to reach a consensus between Liam and his parents on the transfer of ownership even more challenging. Liam did not feel that the accounting team considered his needs as the future owner nor those of his brother. The bias presented further stress and ramifications between Liam and his parents when discussing the path to ownership and his purchase of the business. Although he loves his parents, Liam resented them favouring the advice of the accountants over listening to his needs.

As shared prior, the outcome of this formal succession process for Liam was becoming the sole owner of the family business. After further difficult conversations, Liam and Cameron expressed to Harold their desire to abandon co-ownership. Instead, Liam offered to structure the business to support Cameron in funding the first year of his marketing company. Harold was disappointed that his vision for co-ownership among the brothers failed; however, he accepted the outcome.

Unfortunately, Harold died of terminal cancer before the shareholders' agreement could come into place. The cancer diagnosis came to light after the presentation of the ownership plan Cameron and Liam created. The health challenge consequently halted the process at this point. However, the ramifications of Harold's death during the process meant that Liam led the process. He worked with the accounting firm to create a shareholders' agreement informed not by the process taken to date but by his father's will.

In Harold's will, upon his death, the business ownership transferred not to either of his sons, but to his wife. The event meant ownership immediately changed hands to a new stakeholder who never intended to be an owner. As a result, Liam was tasked with creating a shareholders' agreement that focused on him purchasing the business from his mother – leveraging the details of his father's will and the business valuation to set the purchasing price and terms.

For Liam, a crucial part of his succession experience was his approach to negotiating the agreement terms. Liam took a balanced approach, recognizing the importance of maintaining his relationships with his family while ensuring that his needs were met. For Liam, this included as a first step understanding as much as possible the degree of financial commitment, he would take on by becoming the owner.

Liam said that his involvement in the business made him aware of its financial health and valuation. This knowledge meant he understood that he would be paying a higher price for the business than his father would have invested in it. However, it became challenging to meet the actual business valuation with the emotional investment and financial value his father placed upon the business, which was higher. Liam wanted to respect the emotional and financial value his father saw and expected to get out of the business, but he also knew that it was higher than he was willing to pay and what the business was worth. Liam said that this is a common challenge he hears of between 1st and 2nd generation owners as the value they place on the business from their distinct perspectives differs.

However, the waters became even muddier regarding the valuation and terms of the transfer and purchase after Harold's death. Liam stressed that he wanted to respect his late father's wishes and the value of the business, but also recognized that he was taking on a higher degree of financial risk and an even more complicated transfer than anticipated. Also, at this point, the degree of responsibility he was taking on overall by becoming the business owner was sinking in for Liam. He said this is not something that one really comprehends until almost the end of the process, and it made ensuring that the terms are favourable to one's needs are critical.

With this mindset in place, through the shareholder's agreement, Liam was able to structure what is called a vendor takeback. The takeback meant that through the agreement, the business owed Liam's mother money, requiring him to make monthly payments, which included interest, to her and that he must pay the principal down once a year at an agreed minimum rate (there is no maximum).

However, Liam's mother sought to pursue a different avenue. Initially, she had the business go directly into her name for ownership rather than immediately sell it to Liam so that she could take the insurance money from it. However, upon doing this, the accountants realized this would cost significantly in tax. So instead, they moved her business shares into a holding company that she and Harold had for years but was largely redundant. Through her lawyers, Liam's mother then came to him to ask if he would change the shareholders' agreement to be one between him and his mother's holding company – still with the same payment terms. Liam countered that he would accept making payments for the business to her holding company through a repayment plan - not through a shareholders' agreement. Liam's mother agreed, and this agreement still stands today.

Analysis

When looking at Liam's story, commonalities and differences emerge, with Michael's and Anna's and concerning the advisors and literature findings. To start, Liam shares with Michael, Anna, the advisors, and the literature that succession starts young and not as a result of a formal trigger or event. As Caster & Justis point out, exposure sets up the foundation at an early age for children to see themselves as viable successors. The advisors also noted and echoed this point that starting early, and engaging with children, can be beneficial.

Second, shared with the literature, Anna, and Michael, Liam shows signs that he leveraged sensemaking to navigate his succession planning experience. Specifically, it becomes most pronounced in his relationship and ownership dynamics with his brother. For Liam, we can see an interplay of economic and non-economic goals. First, his economic goals oriented toward the business and himself. He desired its performance, growth, and scale as evidenced by his efforts in implementing EOS. For himself he recognizes that he needs to consider his financial health concerning affording the purchase of the business. Second, regarding non-economic goals, most pronounced with his brother – ensuring the health of his relationships with his family was essential to Liam. This focus aligns with the finders that Diaz-Morianna & Kammerlander also present in this area.

Liam then seeks to perceive and understand the situation at play within the business and family when it comes to succession and how these goals relate to Cameron's goals and interests in the process. Liam shares back, or gives sense, to Cameron regarding his thoughts on ownership, and in turn, Cameron also shares back his considerations with Liam. The brothers then work together to reconcile the goals and recognize quickly that a tradeoff comes into play. In this case, like with Anna, the tradeoff had a positive connotation in that Liam could seek sole proprietorship in the end, and Cameron could get the support to start his desired business. The connotation again layers in the notion of tradeoffs being positive out of sensemaking for FRSBs in this process.

Related to Cameron, Liam's experience here also emphasizes, like with Michael and Anna, the role and consideration of siblings in the ownership considerations of the planning process. For Liam, sensemaking was the key tactic used for him and Cameron to understand and come to a consensus on how ownership may or may not be for them. Compared to Michael and Anna, the health of their relationship was not in a position for ownership to be viable; however, it was through sensemaking that the siblings could work together to reach a viable agreement.

However, Liam's relationship with his father is where we see tension and concern regarding sensemaking emerge. Throughout their dynamic, Liam seeks to perceive, understand, and reconcile his goals with his father's. However, Harold and Liam appear to struggle in communicating regarding making and giving sense to one another during this process, resulting in challenges around timing, commitment, and generally navigating the steps.

Further, we see a challenge regarding sensemaking arises for Liam in his engagement with the advisors. When the advisors leverage their process, arguably to also make sense of the family and the succession requirements at play, they fail, in Liam's eyes, to follow through on reconciling their insights to the process. In turn, this causes significant constraints. Liam's story, regarding advisors, shows how sense-giving and reconciliation between advisors and viable successors may fail in the planning process.

However, Liam's story highlights the more prominent role of a business advisor or mentor in the process compared to Michael and Anna. Through Harold, Liam accessed an advisor specific to his needs of growth and development as an owner of the business. We also learn through his experience the importance of values and vision alignment between the advisor and the viable successor. For Liam, this was critically important to the success of their relationship to the point that he sought his support as he navigated communicating his vision and needs throughout the succession planning process after that.

Liam's story highlights a difference compared to how interviewed advisors describe their roles. Only 16% of advisors said they would seek to provide mentorship during the process, especially to viable successors. Instead, the advisors focused their role on facilitation. This gap may highlight that there is an opportunity for advisors to leverage coaching and mentorship, especially to viable successors, to achieve more significant and sustainable outcomes in the process. It also implies that coaching and mentorship are sought by viable successors prior to, during, and after the planning process – they see it as an ongoing part of their ownership journey.

Lastly, when it comes to the wealth trap consideration, in Liam's story, we see signals that he is concerned about this through negotiating the purchase price of the business in alignment with costs. For Liam, part of his negotiation process regarding the shareholder's agreement and eventual vendor takeback was mitigating the weight that the wealth trap would place on him as the second-generation owner. To mitigate this, he sought to achieve terms in his agreement with his mother to ensure that he was in the best position possible, with all financial elements considered. Further, what was valuable for Liam, absent in Michael and Anna's story, was that he could understand the business valuation before the succession planning. Again, this may signal where the larger size of Liam's business compared to Michael’s and Anna's may have provided him with the competencies and supports to have valuation as part of his processes rather than a substantial cost.

Bringing It Together – Commonalities & Differences across FR-SME Succession Planning

When reviewing Anna, Liam, and Michael's succession planning experiences as Canadian FRSBs, we captured in our analysis both consistent commonalities and a plethora of distinctions. Regarding similarities, we capture the following vital factors across each of their stories:

Succession Started at a Young Age

All three interviewees shared that succession planning for them started from a young age when they were engaged in the business by their parents. For Liam and Michael, in particular, this invitation was connected to manual labour – reflective of their industry. For Anna, it was through the lens of her engagement in her mother's business and her exploration of her own retail business before the purchase. This finding further brings to light a distinction regarding the trigger phase in FR-SME succession planning literature. For FR-SMEs, especially second-generation ones, the trigger for viable successors and the process may start as early as their first day as a child in the business.

The trigger for the succession process, being the child's invitation into the business, insinuates a new lens into the narrative regarding when the process should start. This is validated by advisors' arguments that succession planning for Canadian FR-SMEs should start early and expect to evolve with time. Given the extended timelines advisors mentioned they commonly face due to delayed planning, advisors seek to modify and evolve their process by insinuating starting earlier in the successor's life as possible to avoid this familiar challenge. When considering that all lived experiences profiled started their process from an early age, their extended process timeline supports this Cater & Justis' argument that successors are more successful when they have the capacity and time to engage in communication and experiential learning within the business.

Sibling Dynamics & Ownership

Liam, Michael, and Anna all illuminated in their experiences the prevalence of sibling dynamics and ownership considerations in Canadian FRSBs today. Each interviewee entered their succession planning process assuming initially a shared ownership model with their siblings, whether they desired it or not. Although we did not interview Michael and Anna's parents, there are indications that their parents were assuming a shared ownership model between siblings.

Further, across all three cases, the health of relationship with their siblings enabled navigating the process and ownership together. Michael and Anna's emphasis on having healthy communication and shared values personally and professionally with their fellow siblings and owners was a critical factor in the success of their processes. For Liam, the lack of shared values between him and Cameron was a key reason why co-ownership failed (but the transition succeeded). In summary, for Canadian FRSBs, a successful sibling ownership structure relies on shared values, healthy relationships, and fruitful communication.

Sensemaking

When considering the lived experience interviews, we see the combination of sensemaking and tacit knowledge at play. For example, Michael, Liam, and Anna all shared their succession planning experience, starting as children or young adults in the business. This engagement from an early age allowed them to work as employees for the business and leverage sensemaking, as shared before, to understand the role of ownership and its relation within their given FRSB. This understanding was in the form of tacit knowledge as none of them were given an ownership handbook – a formal document – for understanding the connection. This directly connects to Caster & Justis' last point on inclusion in goal setting. By engaging in the business from an early age, each interviewee developed sensemaking competencies early on to assist in their abilities and capacities to navigate goal setting for the business, and its succession, today.

In our analysis, sensemaking was consistent in how each interviewee navigated defining, understanding, reconciling, and achieving their economic and non-economic goals in the succession process. Although none of the three described this capability as "sensemaking", their focus on communication, interpretation, and contextualizing situations within the business and market, implies that sensemaking is a crucial component of their planning process.

Literature on sensemaking in the FR-SME succession planning process and within advisor knowledge is limited. No advisor mentioned sensemaking in their interviews. We see an opportunity to explore more deeply the role of sensemaking in succession planning of Canadian FRSBs.

Innovation

In all cases, each interviewee was leveraging some degree of innovation practices within their businesses as part of the process to support its scale and growth.

For Michael and Anna, innovation through improvements to their business model was critical to ensure that the business could survive changes in their market. In Michael's case, examples like improving inventory management ensured the business could keep up with the market's shift in car design – where today he argued more car parts are required to be on-hand by mechanics for effective service. For Anna, adding an online store assisted in mitigating post-COVID consumer behaviour changes and shifts, arguably influencing her perspective on the brick-and-mortar retail.

However, for Liam, innovation was a way to set up the business for an ownership path aligned with his vision, values, and approach. Further, it enabled Liam to work with Harold along the way to get his buy-in on the changes and, in his mind, set the foundation and expectations for what ownership would look like for him as the next successor. However, we learn in their story that this approach came with a challenge. Harold sought to appease Liam on some points of the change while still being hesitant on significant growth points like franchising.

However, the reason innovation was a crucial part of a successful succession planning process for Anna and Michael compared to Liam is that they did not incorporate it into the exit with their parents; instead, they are leveraging it as owners now to set up the right course forward for their exits. To do this, Anna and Michael were inviting their children into innovation exploration through conversations about the business and, in Michael's case, attending conferences to learn about ways to improve the business. However, for Liam, innovation was leveraged as a trigger - a way for him to start the process regardless of his father's buy-in. He sought to use it to accelerate the process, which may have presented challenges.

Agreements & Involuntary Exits

In Liam's case, we can learn from his experience what it might look like when it comes to the evolution of a shareholder agreement when an involuntary exit, like his father's death, comes into play during the process. Like Michael and Anna, Liam pursued a shareholder's agreement between himself and his father; however, it ultimately folded due to his death.

This experience for Liam connects back to the prevalence of involuntary exits – whether for health, aging or death – that advisors emphasized they are seeing more common in the process. From their perspective, advisors commonly view involuntary exits as the process trigger. However, Liam highlights that it also can come during the process. The influence of involuntary exits should not be considered only as a trigger event by advisors but rather as a turning point that can emerge and implicate the process in its entirety.

Valuation & Goal Setting

In their process, each interviewee sought to explore and design their goals for the process and, in turn, how they value the business. In relation to sensemaking, Anna, Michael and Liam presented economic and non-economic goals throughout their narratives. For economic goals, each sought to increase the performance of the business to achieve the growth and financial needs of the business and family. In Anna and Michael's case, performance was intrinsically linked to purchase price to ensure enough financial means to support their next life chapter and their family's financial considerations. Liam's economic goals are also related to business performance but from the perspective of the incoming owner. His experience may shed light on how Anna and Michaels' children if they were to take on the business, may navigate the distinction between their perspectives on their economic goals versus that of the parents/owners.

However, ensuring that the valuation did not impact the non-economic goals of family continuity and cohesion was prevalent across all three. None wanted a situation where the purchase price of the business created conflict amongst them, with their children or, in Liam's case, his parents. Here, tradeoffs become apparent in either case. Anna and Michael recognize that if they were to pursue a valuation that their children or employees could afford, it would likely translate to a lower sale price. For Liam, the tradeoff was accepting a higher purchase price to keep a healthy, even if challenged, relationship with his mother after his father's death.

When examining the advisor interviews and literature perspectives on the topic, the influence of valuation on the process was not prevalent in their contributions. For advisors, we note that business valuation is a technical practice held by Certified Business Valuators (CBVs) and Chartered Professional Accountants (CPAs). The prevalence of this factor in the process for the interviewed Canadian FRSBs means that advisors need to educate themselves on how these businesses navigate valuation as critical criteria for their succession planning. This intrinsically connects to the wealth trap argument, as it assists the Canadian FRSBs in understanding the degree of wealth they can get out of the business holistically – recognizing that relationships and dynamics that are non-financial also influence the process.

Ownership Models

Prevalent in the lived experience interviews was the role and consideration of transitions in ownership models. This finding is in alignment with other Canadian FRSB succession planning today as owners are revisiting changes to their ownership model to ensure continuity and transition. Today, 42% of small business owners surveyed by the Canadian Federation for Independent Businesses (CFIB) said that they expect to sell their business to non-family (CFIB, 2021, p. 1).

Employee Ownership

Across Michael and Anna’s experience, each discussed the consideration regarding the role of transition ownership to an employee, or employees, as part of their succession. Again, this aligns with fellow owners, of whom 59%, or 1 in 2 owners, support employee ownership as an exit option (CFIB, 2022, Infographic 4). Support for employee ownership is growing across Canada. Recently, The Canadian Employee Ownership Coalition (2022) launched – a nonpartisan network that argues that the federal government should make employee ownership more accessible to businesses. When it comes to the available options for employee ownership today, CFIB (2021) cites Employee Ownership Trusts (EOT) and Management Buy-Out (MBO) are the most common selections.

As more owners transition away from considering family transfers or sales exclusively, this opens an opportunity for employees to be considered for ownership. Consequently, the lack of discussion regarding employee ownership amongst advisors interviewed is a knowledge gap that must be addressed at an accelerated rate to match the changes in the market. Advisors should be prepared to see employee ownership as a consideration by FRSB owners across Canada. Additionally, advisors should then also ensure that they seek to increase employees' representation as a stakeholder in their process. As employee loyalty and retention is a key factor amongst Canadian FRSBs, their buy-in and support implies likely a higher degree of appetite to consider ownership than non-family businesses.

Sibling Ownership

Across all three lived experience interviews and mentioned by advisors, the role of sibling dynamics and its influence on ownership is a common theme in succession planning for Canadian FRSBs. Michael, Liam, and Anna each engaged with sibling ownership as part of their succession process, and for Michael and Anna – their ownership since. For advisors, we see that a percentage argued that the sibling ownership and dynamic experience is distinct to the FRSB clients they work with.

Although heavily under-researched, Cisneros & Deschamps (2015) argue that sibling ownership is increasingly common amongst Canadian Family Businesses today. Ward (2004) argued that 40-50% of family business ownership will evolve in the foreseeable future to being between siblings (p. 3). Consequently, in the conversation of ownership models evolution today, considering the distinction of a sibling ownership model specific to FRSBs would assist in improving the process. By recognizing that this trend is also common amongst FRSBs, advisors and research can leverage their expertise to develop a model that may assist FRSBs in continuing ownership, if desired, within the family. Further, the model may also support situations like Liam experienced, where siblings are supported to decide if ownership is a dynamic, they wish to pursue within their relationship. As a result, recognizing and designing for the potential of sibling ownership as a part of the exit options would assist advisors and FRSBs alike in improving the completion of the process and a better structured ownership model thereafter.

Repayment Plans

An insight gleaned from the three cases is that all three required a repayment plan as part of their agreement. Additionally, each recognized that this was a different ownership experience from their parents' when the business was worth a lesser amount. As a result, each interviewee had to navigate developing and negotiating repayment plan considerations as part of their shareholder's agreement with their parents to purchase the business and complete the succession successfully.

For Anna and Michael, as they looked toward their exits, each also was wrestling with the feasibility of repayment plans not only possible for their children as successors but also for employees. In their reconciliation of this requirement, Anna and Michael both recognized that the financial capital required for purchase, when combined with the valuation of the business, industry changes, and the cost of living, may exclude their children or employees from being able to afford repayment.

However, no advisors interviewed discussed the importance of repayment plans in their process. Most advisors ended their process by either discussing the development of the succession plan itself or its implementation. However, we know from each lived experience perspective that the ability to afford the business was critical to whether the process could move forward. This aspect is also not present in the literature findings.

This might indicate a gap in knowledge amongst advisors and literature regarding the importance of repayment plans for Canadian FRSBs and how their influence permeates the entire process. For Anna, Michael, and Liam, sensemaking and reconciling the business's affordability and the repayment terms exist across their conversations and approach to succession from end to end and in their relationship with key stakeholders. For advisors, understanding the implications that repayment plans place on the process would assist them with more quickly understanding the goals and objectives of their Canadian FRSB clients.

Gender – Anna's Experience

Although not explicitly discussed in any of the three case interviews, gender does appear as a factor across the experience. Within available literature and advisor understanding, Anna's experience as a second-generation female Canadian FRSB owner fills a gap of understanding regarding the differentiation in experience between male-led and female-led FRSBs.

Particularly, when considering the advisors' perspective on the connotation of motherhood and its relation to FRSB ownership, Anna's story may offer insight into how motherhood interplays directly. In short, advisors spoke mainly of FRSB owners as males and not females or mothers. However, with the increased representation of women in FR-SME ownership and in the workforce generally, Anna's experience of navigating motherhood and ownership, especially in her relationship with her daughter Bethany, is of note. This finding should signal to researchers that there is opportunity within the Canadian FRSB landscape to explore and collect insights from female owners like Anna today on how they navigate their succession.

Lastly, in both Liam and Michael's interviews, each has a female spouse employed in the business. Although they referred to the individual as their wife to start, neither focused on their role as mothers in their stories but directly related it to the employee role in the business. In advisors' stories it was unclear if the mothers they spoke of were also employees. They only linked female individuals with ownership. This suggests that, when discussing FRSBs succession, the spouse's perspective be considered through engagement in the business rather than through the lens of a mother or other nurturing roles. This contrasts with the current advisor perspective, which centers on the mothering role in the process.

Advisor Considerations – Role & Approach

Lastly, within all three cases, advisors were present and engaged in the succession planning processes. Of the three, two interviewees specifically sought out an advisor related to FRSB succession planning. In Liam's case, his father sought out a large accounting firm to lead the process. Anna looked to her financial advisor who was getting certified as an FEA at the time. However, for Michael, advisory came through the business' longstanding financial advisor.

Yet, advisors were not a key component nor stakeholder for each interviewee. Rather, interviewees focused on the importance of family and employees over advisor. This narrative implies that from the lived experience perspective, advisors are likely less prioritized as a stakeholder than the interviewed advisors would argue. Although this may come down to a role bias, the power dynamic sheds light on the discrepancy between the prioritization by advisors of their own role and that of employees. In the advisors' categorizations, employees are mentioned less as stakeholders.

Improving FRSB Succession Planning: From Today into the Future

As we look across our findings from Advisors to Literature to the lived experience cases, we seek to answer our primary research questions – how can we improve the succession planning process for Canadian FR-SMEs?

We have emphasized in our report that it is critical to introduce a better definition and segmentation of Canadian FR-SMEs – one that recognizes that a majority of the FR-SMEs umbrella is distinctly made up of Canadian FRSBs. Unfortunately, a documented succession process for this crucial segment of the Canadian family business economy, arguably an important part of national economy, does not exist.

Documenting the current states of the succession process – from the perspectives of stakeholders, advisors and the literature – can improve the understanding and planning of succession processes thus contributing to the resiliency of Canadian FR-SMEs. Our report provides Canadian FR-SMEs today with knowledge on how to decide, navigate, and implement their succession planning. This knowledge is beneficial not only to Canadian FR-SMEs but advisors alike.

Our findings uncovered a challenge amongst certified family business advisors today to distinguish between the succession planning needs and requirements of Canadian FRSBs and Canadian FRMBs. By providing this analysis, we seek to assist in mitigating this gap for advisors so that they can improve their processes for their clients.

Additionally, this process synthesis should also assist the government in understanding critical aspects on which they may seek to collect more data regarding Canadian FRSBs. There is ample opportunity for the Canadian government to improve the economy's resiliency from coast-to-coast-to-coast by increasing its data collection efforts in this specific area and by providing new pathways to make Canadian FRSBs more resilient in their succession planning and the economy overall.

Improved Succession Process for FRSBs

Bringing together our literature review, advisor interview findings, and lived experience interview findings, we suggest that the *improved* succession process for FRSBs entails the following:

Step 1: Trigger - Start Young

The succession process for an FRSB should ideally start with introducing the owner's children to the business. In doing so, the owner can leverage experiential learning opportunities like summer employment to support their children in understanding the business dynamics, goal setting, and other considerations. With siblings, if possible, considering the timing of introductions to the business is critical. Age may result in gaps in introductions and hence different experiences; however, if the introduction is consistent across experience, it will ensure that each child has the same considerations for exploring the business. To do this successfully, parents should consider any biases that may implicate this.

Additionally, other events may trigger other parts of the process to come into play. Notably, the eventual exit of the current owner may be a technical trigger for other components, like a shareholder agreement, to take place. However, through the perspective of advisors, lived experience, and literature, the best situation for the first trigger in the process is the introduction of the owner's children to the business at a young age. From there, it will give space and capacity for the stakeholders engaged in managing other triggers more effectively, like retirement, rather than educating and bringing the children up to speed on the competencies required to navigate taking on ownership and the succession in tandem.

Translating the findings into action, it is suggested that FRSB owners incorporate succession planning into their business as early on in their children's lives as possible. Doing so gives a longer runway for ongoing dialogue, learning, and communication, not only for the planning itself – but to ensure that the children are interested in ownership. However, it may be assumed that the timing of this effort, alongside the demands of ownership itself, can cause barriers to enact this. A way to incentivize more proactive measures earlier in the children's lives may be by circulating research on the benefits. Further, educating owners on how sensemaking enables the sharing of knowledge, without necessarily the need for formalized structures/processes, with their children may also assist in sparking planning earlier in the children's lives.

However, identifying and engaging key stakeholders to spread awareness of the importance of starting the succession process at this infliction point is critical. Such stakeholders best positioned for this may be across all levels of government. For example, municipal economic development offices could deliver localized campaigns targeting local FRSBs owners, especially those they know with young children, with educational materials and campaigns. Further, advisors are an essential stakeholder in this part. By educating themselves further on the value of targeting the succession planning process to start when owners have young children, they are positioning themselves to have a longer relationship with their client which gives the flexibility and space for long-term communication between owners and children. It is suggested then that advisors may also wish to further educate themselves on working with children in the planning process to increase the success of this timing. Previously mentioned, advisors interviewed mentioned they are beginning to engage grandchildren in the process – signaling that efforts to transition advisory to include children is taking place.

Finally, although the optimal trigger is early involvement of the children in the process – it is recognized that life provides unexpected, involuntary turns where non-optimal triggers, like death or illness, may result in the process starting outside of an ideal timing. Like the points above, it is suggested that as part of the educational efforts detailed to assist FRSB owners in understanding the value of starting the process early on in their children's lives, this education also discusses involuntary triggers and how they can shape and influence the process. Further, in this discussion, providing examples of best practices for how to mitigate the non-optimal triggers would be highly beneficials for FRSB owners to understand that, although proactively starting early on with their children is key, there are ways to prepare for and navigate the unexpected turns that may come their way in succession planning.

Step 2: Leverage and Recognize Sensemaking

In all lived experience interviews and literature, recognizing sensemaking's role as a capability that assists Canadian FRSBs in navigating, setting goals, communicating, designing, and implementing the succession plan is vital. In doing so, the process can consider their available capacities for managing the business and the succession. It also strongly aligns with the argument that the process's trigger is introducing children to the business at a young age. By introducing the trigger of the process during the children's introduction to the business, sensemaking can be more fully embraced and nurtured. It allows both parent and child to perceive, understand, communicate, and reconcile the succession. It also recognizes that sensemaking takes months to years to complete. As such, sensemaking then has the time it needs to flourish rather than being constrained to a formal technical process which may be static and timebound.

Notably, for advisors, sensemaking should be recognized for its role in how an FRSB navigates succession and how they, too, may utilize it in their practices. For advisors interviewed, shifting their understanding of how FRSBs navigate succession voluntarily to one that may better align with sensemaking, will equip them with increased knowledge, understanding, and competencies to support their clients to more successful outcomes. It will also assist advisors in understanding what incentivizes an FRSB to begin the formal components of the succession planning process, like the draft of the plan itself and the shareholder agreement. Consequently, advisors can improve the timing of their efforts to appeal to and support FRSBs at crucial points in the planning process.

Lastly, sensemaking would also support advisors in facilitating succession planning with FRSBs. Advisors today leveraged components like interviews, surveys, and document reviews. To perceive, understand, communicate, and reconcile their understanding of the economic and non-economic goals an FRSB client brings to the process. Even more so, it would help the advisor understand why they are called upon to support – allowing them to target their efforts effectively. Targeting may also allow advisors not to feel constrained by timing. Although we agree that the more time available, the better the possible outcomes – leaning into sensemaking may allow advisors to get up to speed on the goals, contexts, and information the FRSB is navigating. This means that they may be able to re-evaluate the timing they need to conduct their efforts – whether that be more time in each area or less dependent on the factors unearthed.

To enable this step to be adopted for improving the current FRSB succession planning process, there are three key areas to explore. First, it is recognized that sensemaking is a technical term that is not necessarily accessible nor understandable to individuals outside of academia. At its simplest, Gordon (2022) argues that sensemaking is better understood as how individuals give meaning and understanding to their collective experience in an environment like a business. To resolve this inaccessibility, advisors may be best positioned through their expertise, as well as their relationships with FRSBs, to work on developing a term, and more accessible framework, for stakeholders to understand the role and benefit of sensemaking in their succession planning process. It is recognized, however, that advisors themselves need to also increase their knowledge, acceptance, and use of, sensemaking in succession planning processes. Awareness of this may be best placed within accreditation and certification programs incorporating sensemaking into their curriculum. Advisors taking such curricula would walk away understanding how FRSBs lean into sensemaking for business planning and in turn, how to leverage it to optimal benefits in the succession planning process. For further success, providing lived experience examples in the curriculum, like in this research report, would also provide advisors and FRSBs alike with the context and framing to see how sensemaking, in terms and situations they have shared experience in, plays out in succession.

Step 3: Set Economic and Non-Econonmic Goals

Each stakeholder in the FRSB succession planning should consider for themselves and as a collective the economic and non-economic goal(s) they wish to achieve through the process. To do this, engaged FRSB stakeholders in preliminary planning should develop a stakeholder list to identify who must be involved and how they will be included in the process. A suggested list to start with includes:

- Owner
- Spouse
- In-Laws
- Grandchildren
- Employees
- Shareholders
- Customers
- Advisors
- Lawyer(s)
- Accountant(s)
- Senior Leadership

In doing so, everyone is equipped with vital information to share with one another, especially the current owner, as they look to set the foundation for the outcomes of the process. Further, taking time to set goals reflecting that succession includes financial and non-financial value, assists advisors in balancing their use of technical and non-technical approaches. This ensures that the process is holistic and is not only geared to transactional results. However, for this to be successful, individuals must look at the goals not only through the lens of the collective but for what they wish out of the process. Taking time to plan goals for their next life chapter, especially as FRSB owners, is highly beneficial to assist in communicating and reconciling those goals with the goals of other engaged stakeholders, especially the successors. In all three lived experience interviews, this was a critical component of their successful successions and for Michael and Anna, their own successions to come.

Step 4: Bringing In Advisor(s) to Support Reconciliation

Stemming from sensemaking, the most prominent place where advisors may assist Canadian FRSB in navigating the process, is the reconciliation of economic and non-economic goals.

Looking at the advisors' shared process, all interviewed broke their process down into support for technical and non-technical outcomes. When reviewing their answers about the technical outcomes, they focused on performance and finance – components that align with the framing of economic goals. For non-technical outcomes, they support the social and emotional needs of the family around communication and relationship building. These also showed up in the non-economic goal framing we saw in our lived experience interviews and literature.

Leveraging this context, advisors' overarching facilitation role in the succession process mirrors the infliction point of supporting FRSB owners, particularly with goal reconciliation. To do this successfully, advisors must seek to understand the role of sensemaking in the FRSB owners' approach to the process. By doing so, they will more likely get up to speed efficiently on the perceptions, understandings, and overall sensemaking in place – and be able to communicate better, articulate, and support all FRSB stakeholders in navigating the design and implementation of the succession plan itself.

We argue further that advisors in this area should not gear to goal reconciliation for the owner alone but also to support other stakeholders. In our findings, we learned that a small percentage of advisors interviewed consider coaching and mentorship of successors a crucial part of their process. Further, only a handful held credentials specific to coaching outside their family business advising credentials. Mainly looking at Liam's experience, the role of advisors in reconciling his economic and non-economic goals while navigating succession planning with his father and the preparation and ramifications before and after were essential to his success. As such, reconciliation is more than supporting the FRSB owner in navigating succession planning. Advisors have a critical opportunity to show up and support FRSB successors as well – not just in the process but in their overall journey into and during ownership.

Additionally, for advisors to be well-positioned to support goal reconciliation skills in communication, active listening, negotiation, and conflict resolution will be critical. Looking to academic and/or learning organizations for courses in these areas would be highly beneficial for ensuring they are well-equipped to support the complexities in needs that arise as FRSB stakeholders engage in this effort. However, boundaries in this area will also be key for the advisors to ensure that their biases and clarity of their role in the process are maintained. This may include enabling FRSB stakeholders to understand their ultimate authority in deciding what the goals are for the process, rather than looking to their advisor(s) to decide that for them.

Step 5: Select & Develop the Right Exit Option

With goals reconciled, valuation understood, sensemaking at play, and advisors in place, FRSB stakeholders can then select the correct terms and conditions they see for a successful transition in the ownership model and business terms. We say FRSB stakeholders intentionally, as Michael and Anna's experiences allude to the fact that these conversations exist outside the family and incorporate the employee's perspectives, interests, and desires. Through the advisor's support, stakeholders can then engage in selecting the right exit option for the owner, including the shareholder's agreement and payment plan(s). However, advisors should strive to provide not just one exit option – rather, ensuring the FRSB stakeholders can select from more than a single solution is key to ensure that various viable alternatives are presented to meet their needs.

Here, we recognize that the literature and dynamics regarding exit are evolving. The prevalence of employee ownership conversations, among others, is influencing and rapidly evolving this process. However, regardless of the influences, we recognize that in all our findings, once goals are reconciled, the selection of an option is vital – from the right candidate to the correct exit terms.

Within this step, we also want to recognize that another round of goal reconciliation, or what may be better viewed at this stage as negotiation, is inevitable. Most prevalent in Liam’s story, as the viable successor(s)begin to develop with the current owner the exit option, and transition in ownership model, negotiation is a critical part of ensuring both parties achieve the results they are looking for. Again, this negotiation must recognize that each party brings with it non-economic and economic goals they wish to get out of the process – thus ensuring that the negotiation is holistic and the least transactional as possible

Step 6: Deliver the Exit

Ultimately, once the negotiations are finalized, the exit is then delivered. Within the terms set, the owner exits the business to the appropriate degree, and the successor takes hold. In Michael and Anna's experience, the exit was not implied to be challenging; however, for Liam, it became quite complex with the death of Harold coming into play. This complexity was echoed by advisors who emphasized that owners struggle with letting go of their business and transitioning their time and efforts into a new life chapter. We can see this in Anna's experience as she navigates understanding for herself and her sisters what the next chapter of their lives would look like without the family business.

We also learned from advisors that after the plan is delivered, they are only sometimes engaged in assisting the family in implementing the plan and the exit navigation. Based on this and our findings, we believe that there needs to be more knowledge regarding how to structure Canadian FRSBs for the exit portion of the process. Notably, we suggest it considers the following:

1. How to support exiting owners with navigating the significant shifts in their daily life and focus.
2. How to support the current owner in navigating settling into ownership.

3. Additionally, assisting current and exiting owners with communicating and navigating the process together.

Ongoing Steps

Prepare & Preform

Across all findings, the importance of preparing the FRSB for succession is an ongoing and vital component of the process – one that starts well before the technical considerations and continues thereafter. For each of the lived experience interviews, preparing for succession was intricately connecting to doing business – each saw their efforts of improving the business model through the adoption of new processes, technologies, and learnings as a vital part of their succession planning experience. Advisors echoed this as well; however, for them, they wrestled with the lack of formal structure as a signal that the preparations may not be taking place. Thus, we recommend that through increasing their understanding of sensemaking and tacit knowledge advisors to FRSBs will better understanding how their clients prepare for succession across all stakeholder groups and its relation to their business performance.

Further, preparation at this stage for an FRSB may directly relate to the formulation of other dynamic capabilities. As Alonso, Kok & O'Shea (2019) emphasize, dynamic capabilities directly relate to the FRSB's capacities to understand, design for, and integrate into rapidly changing operation markets. To assist in this, sensemaking is a vital component of their preparations as it enables FRSB stakeholders to ensure the business, and its succession planning, is agile and dynamic to evolve with changes that will occur in its environments as it navigates this likely years-long process.

Valuate

Unlike its technical process, an ongoing step for FRSB owners in the succession planning process is sensemaking the valuation of the business. In the interviews, only Liam had an understanding through technical support of the valuation of the business before negotiating the terms of the sale with his mother. Anna and Michael relied on their sensemaking of market changes and networks to understand the value of their business concerns and then inform them about achieving their economic and non-economic goals.

As a result, this notion that the valuation of the business is an ongoing practice during succession, presents challenges and opportunities for technical business valuation to occur. A technical review of the business's financial valuation would occur in the formal process to determine the selling price and other vital considerations. For a CBV, understanding the transition between FRSB owners and how they share/preserve tacit knowledge may have a more significant role in valuation than previously understood. Additionally, it may help them understand how the successor is navigating the valuation and the needs and emotions that inform the valuation they are comfortable with.

Through these steps, we aim through this report section to assist in improving succession planning for Canadian FRSB by mitigating knowledge gaps between literature, lived experience, and advisory. As well as bridging, analyzing, and synthesizing the knowledge shared across the respective parties into one comprehensive understanding of the process to date, this provides a basis for research to continue and seeks to give direct points for improvements to move forward.

For Canadian FRSB owners and stakeholders, having these steps assists in them being able to understand what it does take to effectively and complete succession planning at their size and scale. Increasing their understanding in this area will support them in seeking out advisory or resources sooner, structuring their businesses better for continuity, and considering the degree of communication and other efforts that go into play. Further, this understanding may also help them decide if succession planning is something they wish to pursue. For example, in Michael and Anna's case, each was considering a sale to a third party, which may mean that opting for succession to their children or employees may not be chosen. By seeing how these steps play out and the considerations that go into them, owners like them can decide the degree and depth, they wish to plan for succession and look to the right supports and tactics.

For advisors, reviewing these steps helps them understand the variations in process between FRSB succession planning and FRMBs – breaking down the generalizations in knowledge about FR-SME succession planning in Canada. This knowledge can then assist in improving their process – from targeting and supporting families when children are younger to recognizing the importance of valuation and sensemaking. These steps may also help advisors navigate biases within themselves and other advisors as they emerge. Having a baseline of efforts to return to would enable them to foster shared communication and understanding across all stakeholders engaged – not only other advisors but the FRSB themselves. In turn, this takes their knowledge of the process from one derived from their technical training and discipline, which may be biased or incomplete, to one that incorporates the perspective and experience of FRSB stakeholders today.

Lastly, we emphasized with utmost importance that the steps provided here give a foundation for the Canadian government to explore collecting more statistics, data, and insights into the current landscape of Canadian FR-SMEs today. As they make up most private businesses in Canada, a difficult or failed successions threatens the stability of FRSBs and would have a negative impact in this important sector of the economy. To have these businesses fail and not continue forward would result in considerable risk to the economy – loss of jobs, GDP, and other vital considerations. By equipping themselves with a better understanding of the composition and succession planning experience for Canadian FRSBs today, the government, in turn, can better structure its efforts, initiatives, and tactics to increase our national economy's resiliency overall.

Where To Go Next? Discussion

A consistent takeaway of this report for any reader should be that there is a plethora of opportunities available to expand and contribute to improving FRSB succession planning in Canada today.

Knowledge Activation

From the researcher’s perspective, a viable next step is distributing a summary of this report to MPs across Canada to create awareness for the need for more focus and support from the federal government on FRSB succession. In doing so, the report may increase awareness amongst MPs regarding the importance of further research into a key part of the Canadian economy. Similar for advisors, we have circulated a summary of the report to all interviewed with encouragement to distribute it amongst their networks. Doing so will assist in addressing the challenges presented in this report about FRSB knowledge gaps and differentiated succession processes.

To support FRSBs directly, next steps may include developing decision-making resources. Leveraging the FRSB definition, steps, advisory insights, trends, etc. - developing accessible and practical materials to assist FRSBs in navigating the process results in the likelihood of increased rates of successful transitions and outcomes generally for their businesses and key stakeholders. A practical example may be the development of a decision tree which can assist them in deciding what aspects of the suggested process in this report may be best suited to their needs.

Recommendations

We encourage further research to explore how to better support advisors by identifying, defining, and leveraging their role more clearly in the FRSB succession process. Efforts in this, we suggest, may be best led alongside government actors through accrediting organizations like Family Enterprise Exchange. The ambiguity present today results in challenges for literature and those with lived experience alike to understand the untapped potential of advisors in the process.

Second, as Anna and Michael, amongst other data, suggest, employee ownership is increasingly considered as a viable solution to the continuity of Canadian FRSBs today. For advisors, not further understanding the role of employee ownership would result in a significant knowledge gap in the succession planning landscape for FRSBs. Additionally, it would also be a failure of advisors to not increase their knowledge of this increasingly desired option by FRSB owners. To do so would require advisors to rapidly accelerate their engagement of employees outside of leadership teams in the FRSB succession planning process.

Lastly, our findings in this report invite the consideration of the role of children in the succession planning process. As advisors increasingly engage grandchildren in the process and literature emphasizes starting succession with children at an early age, this paradigm shift invites those looking to improve the process to explore further research into a proactive approach to successor engagement. In doing so, there are benefits in leveraging human-centered design from children's perspective in the FRSB succession planning process. Such training on human-centered design may be provided by institutions like OCAD to advisors or, again, there may be opportunity in incorporate human-centered design curriculum into accreditation programs. Centering their experience, mindset, perspectives and behaviours as one walks through the current and possible future, the state of the FRSB succession planning process may unearth new opportunities, options, and recommendations not found in this research. In short, the future is in the eyes of the children – and succession is the guiding way for FRSB to be a part of that next chapter.

Further Research

When concluding the research, further questions were identified for future exploration. First, research should further explore advisor bias and its role, and influence, in FRSB succession planning. With the emergence of privatized accreditations, like FEA, in the Canadian landscape, it is paramount that research explores the influences of these certifications and how they may or may not result in biases amongst the process. In turn, this also may invite research into the concept of what a nationally regulated family business advising certification would be like, and its limitations and opportunities pertaining to success.

Second, we suggest that there is a plethora of next steps from this report specific to better understanding the experience of FRSB stakeholders outside of the primary focus of owners – especially those that are employees. With the increased interest and adoption of employee ownership in Canada, family business research within this country should seek to understand its role within the FRSB landscape better. We would also include in here consideration the influence and consideration of other stakeholders like siblings as well – especially as they navigate possible shared ownership.

Conclusion

To conclude, Canadian FRSBs today deserve a succession planning process that reflects their position as most private businesses nationally today. This requires the recognition by advisors and researchers alike that using the definition of FR-SME to describe the FRSB succession experience results in knowledge gaps and persists the fallacy that their experience is akin to FRMBs. We propose defining FRSBs separately, inviting into consideration the key factors, influences, behaviours, stakeholders, and actions that are specific to them, and in turn, their succession planning needs.

Through defining FRSB specific processes and the lived experience of Canadian FRSB owners we learned about that sibling dynamics, financial needs, and business valuation are critical components that influence and shape their experience in the process. Further, we learned the importance of considering employees as not only a key stakeholder in the process, but viable owners. Although cost might be a barrier, the potential for employee ownership is ripe amongst FRSBs, and creative financing solutions to support it should be further explored by advisors and researchers.

Finally, we conclude this paper with a summary of the current state of the FRSB succession planning process today, which in turn acts as a documentation of the steps that do not exist in the process or in the literature today. This directly contributes to filling the knowledge gap of not only the FRSB definition situation but also the lack of succession planning standards today.

In summary, to ensure the resiliency of Canadian FRSBs today requires key actors like advisors, the government, and researchers to better understand who they are, what defines them and as a result, what succession planning process they need to succeed. With the stability from well managed successions, Canadian FRSBs are more likely to survive despite the trying economic times they face today and regardless of shifts away from ownership being exclusively within family.

References

Alonso, A.D., Kok, S. & O'Shea, M. (January 2019). The family business, adversity and chance: A dynamic capabilities and knowledge-based approach. *Journal of General Management, 44(2).* Retrieved from https://doi.org/10.1177/0306307018810585

Anderson, N. (2023 February 3). Heir and spare: avoiding sibling rivalry in succession plans. In *Canadian Family Offices.* Retrieved from https://canadianfamilyoffices.com/family-business/heir-and-spare-avoiding-sibling-rivalry-in-business-succession-plans

Aragón-Amonarriz, C., Arredondo, A.M. & Iturrioz-Landart, C. (2019) How Can Responsible Family Ownership be Sustained Across Generations? A Family Social Capital Approach. Journal of Business Ethics, *159(1*), 161–185. Retrieved from https://www.jstor.org/stable/45181106

Atva, L. (2018 April 25). Valuing A Small Business: Is there an easy way? In *Chartered Professional Accountants: British Columbia.* Retrieved from *https://www.bccpa.ca/news-events/latest-news/2018/valuing-a-small-business-is-there-an-easy-way/*

Avloniti, A. et al. (2012). "Sibling Rivalry and Intergenerational Succession in Family Business: A Theoretical Perspective." In *Western Decision Sciences Institute.* Retrieved from http://wdsinet.org/Annual_Meetings/2012_Proceedings/papers/Paper107.pdf

Baron, J. & Lachenauer, R. (January-February 2021). "Build A Family Business That Lasts." In *Harvard Business Review – online.* Retrieved from https://hbr.org/2021/01/build-a-family-business-that-lasts

Bassett, M. & Forbes, R. (2019). *The Economic Impact of Family-Owned Enterprises In Canada.* Retrieved from The Conference Board of Canada. https://www.conferenceboard.ca/e-Library/abstract.aspx?did=10310

BDC. (March 2014). Advisory Board: An Untapped Resource For Businesses. Retrieved from https://www.bdc.ca/en/documents/analysis_research/bdc_study_advisory_boards.pdf

BDC. (2022). Business Valuation: A Guide For Entrepreneurs. ISBN: 978-1-989306-48-2. Retrieved from https://www.bdc.ca/en/documents/marketing/ebook-business-valuation.pdf?utm_campaign=business-valuation-ebook-Download--EN&utm_medium=email&utm_source=Eloqua

Ben-Amar, W. & André, P. (May 2006). Separation of Ownership from Control and Acquiring Firm Performance: The Case of Family Ownership in Canada. Journal of Business Finance & Accounting, 33(3-4), 517-543. https://doi-org.ocadu.idm.oclc.org/10.1111/j.1468-5957.2006.00613.x

Bernhard, K. (2018 July 9). When fair is not equal: Passing the family business to the next generation. In *The Business Journals.* Retrieved from https://www.bizjournals.com/bizjournals/news/2018/07/09/when-fair-is-not-equal-passing-the-family-business.html

Bertschi-Michel, A. Kammerlander, N. & Strike, V. (2020). Unearthing and Alleviating Emotions in Family Business Succession. *Entrepreneurship Theory and Practice, 44*(1), 81-108. DOI: 10.1177/1042258719834016

Canadian Employee Ownership Coalitions. (2022). "About Us." *Canadian Employee Ownership Coalition.* Retrieved from https://employee-ownership.ca/

Cambridge Family Enterprise Group. (2023). "Our Clients." Retrieved from https://cfeg.com/about/our-clients/

Castoro, A. & Krawchuk, F. (2022 September 13). Plan a Smooth Succession for Your Family Business. In *Harvard Business Review. Retrieved from https://hbr.org/2022/09/plan-a-smooth-succession-for-your-family-business*

Cater, J. J., & Justis, R. T. (2009). The Development of Successors from Followers to Leaders in Small Family Firms: An Exploratory Study. *Family Business Review, 22*(2), 109–124. https://doi.org/10.1177/0894486508327822

Cesaroni, F.M. & Sentuti, A. (2017). Family business succession and external advisors: the relevance of 'soft' issues. *Small Enterprise Research, 24*(2), 167-188. Retrieved from: https://www.tandfonline.com/doi/full/10.1080/13215906.2017.1338193

Cestnick, T. (2021 May 14). How Small Business Owners Can Save For Retirement. In *Globe & Mail.* Retrieved from *https://www.theglobeandmail.com/investing/personal-finance/taxes/article-how-small-business-owners-can-save-for-retirement/*

CFIB. (2022 September 27). Exit options: passing to family, management, buy-out and selling to a third party. In *Canadian Federation Of Independent Businesses.* Retrieved from https://www.cfib-fcei.ca/en/tools-resources/exit-options

CFIB. (2021). Small Business Retirement Plans. In *Canadian Federation For Independent Businesses.* Retrieved from https://www.cfib-fcei.ca/en/research-economic-analysis/infographic-small-businesses-retirement-plans

Chen, J. Wang, C. , Wang, Q. & Luo, B. (August 2019). Sibling Rivalry vs. Brothers in Arms: The Contingency Effects of Involvement of Multiple Offsprings on Risk Taking in Family Firms. *Sustainability 11*(1), 1-16. Retrieved from https://www.mdpi.com/2071-1050/11/16/4447

Chrisman, J., Chua, J.H., De Massis, A., Frattini, F., & Wright, M. (2014 July 8). The Ability and Willingness Paradox In Family Firm Innovation. *Journal of Product Innovation Management, 32*(3), 310-318. Retrieved from https://onlinelibrary-wiley-com.ocadu.idm.oclc.org/doi/full/10.1111/jpim.12207

Cisneros, L. & Deschamps, B. (2015). The Role of Advisors and The Sequence of Their Actions in Sibling Team Succession. *M@n@gement 18*(4), 282-308. Retrieved from https://ocadu.primo.exlibrisgroup.com/permalink/01OCUL_OCAD/79okgr/cdi_hal_shs_oai_HAL_hal_01983128v1

Craig-Bourdin, M. (2019 November 18). "Family Enterprises: a major (yet little known) sector of the economy." In *CPA*. Retrieved from https://www.cpacanada.ca/en/news/canada/2019-11-18-family-businesses-canadian-economy

Chinara, W.S. (2020 May 6). *Dynastic Planning: A 7-Step Approach to Family Business Succession Planning and Related Conflict Management.* Business Expert Press. Print.

Davis, J.A. (2018). “How The Three Circles Change the Way We Understand Family Business.” *In Cambridge Family Enterprise Group*. Retrieved from https://cfeg.com/insights_research/how-three-circles-changed-the-way-we-understand-family-business/

Community Futures. (2023). “What We Do.” *Community Futures British Columbia.* Retrieved from https://www.communityfutures.ca/about/what-we-do

De Massis, A., Chua, J. H., & Chrisman, J. J. (2008). Factors Preventing Intra-Family Succession. Family Business Review, 21(2), 183–199. Retrieved from https://doi.org/10.1111/j.1741-6248.2008.00118.x

Diaz-Moriana, Clinton, E., & Kammerlander, N. (2022). Untangling Goal Tensions in Family Firms: A Sensemaking Approach. *Journal of Management Studies*. https://doi.org/10.1111/joms.12845

Doug, B. & Picard, D. (2005). Succession Can Breed Success: SME Succession and Canada's Economic Prosperity. *Canadian Federation of Independent Business.* Canadian Electronic Library/desLibris. https://www-deslibris-ca.ocadu.idm.oclc.org/ID/221477

Entrepreneurial Operating System Worldwide. (2023). “What Is EOS?” *Entrepreneurial Operating System Worldwide.* Retrieved from https://www.eosworldwide.com/what-is-eos

Gordon, J. (2022 May 15). Sensemaking Theory – Explained. *The Business Professor.* Retrieved from https://thebusinessprofessor.com/en_US/management-leadership-organizational-behavior/sensemaking-theory-explained

Family Enterprise Canada. (2023). “About Us.” *Family Enterprise Canada.* Retrieved from https://familyenterprise.ca/about-us/

Family Enterprise Canada. (2023). “Family Enterprise Advisor Designation.” *Family Enterprise Canada.* Retrieved from https://familyenterprise.ca/fea-designation/

Family Enterprise Canada. (2023). “FEA Directory.” *Family Enterprise Canada.* Retrieved from https://familyenterprise.ca/fea-program/

Family Enterprise Canada. (2023). “FEA Program.” *Family Enterprise Canada.* Retrieved from https://familyenterprise.ca/fea-program/

Family Enterprise Canada. (2019). *Family Enterprise Matters: Harnessing the most powerful economic driver of economic growth in Canada.* Retrieved from https://familyenterprise.ca/res/pub/docs/ResearchReports/FEX_2019_Report_Family_Enterprise_Matters.pdf

Family Enterprise Foundation. (June 2022). *Alchemy and The Family Enterprise: Finding Purpose. Conquering Communication. Leveraging Learning.* Published by Family Enterprise Foundation. Retrieved from https://familyenterprise.ca/wp-content/uploads/2022/06/Alchemy-and-the-Family-Enterprise-June-2022.pdf

Family Enterprise Foundation. (February 2022). *Who Are the Guardians of The Family Legacy? Canadian family business transition intentions – part 2.* Retrieved from https://familyenterprise.ca/wp-content/uploads/2022/02/Research-Report-Part-2-Who-Are-the-Guardians-of-Family-Legacy.pdf

Family Enterprise Foundation. (October 2021). *Ready, Willing, Interested – Or Not? Canadian family business transition intentions.* Retrieved from https://familyenterprisefoundation.org/resources/resources/research-and-newsroom/articles/2021/research/ready-willing-and-interested-or-not-canadian-family-business-transition-intentions/

FP Canada. (2023). "CFP Certification." *Advancing Financial Professional Planning.* Retrieved from https://www.fpcanada.ca/faq/cfp-certification#:~:text=CFP%C2%AE%20professionals%20have%20demonstrated,can%20Live%20Life%20Confidently%E2%84%A2

Fullbrook, M. (April 2018). *The Long-Term Survival of Family Business.* Retrieved from University of Toronto – Rotman School of Business Management. https://www.rotman.utoronto.ca/FacultyAndResearch/ResearchCentres/JohnstonCentre/Publications-and-surveys/FamilyBusinessCorporateGovernance/long-term-survival-family-business

Harrell, E. (December 2016). "Succession Planning: What The Research Says." In *Harvard Business Review – online.* Retrieved from https://hbr.org/2016/12/succession-planning-what-the-research-says

Harvard Gazette. (2011 April 26). "Renato Tagiuri, HBS professor emeritus, 91." Retrieved from https://news.harvard.edu/gazette/story/2011/04/renato-tagiuri-hbs-professor-emeritus-91/

Ipsos (2022 July 30). "Four in ten across 28 countries expect their disposable income to fall over the next year." *Ipsos.* Retrieved from https://www.ipsos.com/en-ca/news-polls/global-inflation-monitor-july-2022

Jaffe, D.T., & Resende, A. (April 21 2022). *When the Head of a Family Business Is Impaired – And Won't Step Down. Harvard Business Review.* Retrieved from https://hbr.org/2022/04/when-the-head-of-a-family-business-is-impaired-and-wont-step-down

Jayantilal, S., Jorge, S. & Palacios Bañegil, T.M. (December 2016) *Effects of Sibling Competition on Family firm Succession: A Game Theory Approach.* In *Journal of Family Business Strategy, 7*(4), 260-268. DOI: https://doi.org/10.1016/j.jfbs.2016.10.001

Keith, R. (2011). *The Origins of Business, Money, and Markets*. Columbia UP, New York, New York: pp. 9–27. Print.

Kohn, S. (June 2022). Canada – Family Enterprise Advising Considering The 'Soft-Skills' of Succession and Inter-Generational Planning. In *Mondaq.* Retrieved from https://www.mondaq.com/canada/wills-intestacy-estate-planning/1204610/family-enterprise-advising-considering-the-soft-skills-of-succession-and-inter-generational-planning

Konopaski, M., Jack, S., & Hamilton, E. (2015). How Family Business Members Learn About Continuity. *Academy of Management Learning & Education*, *14*(3), 347–364. http://www.jstor.org/stable/43697276

LeCounte, J.F. (2020). Founder-CEOs: Succession planning for the success, growth, and legacy of family firms. *Journal of Small Business Management*, DOI: 10.1080/00472778.2020.1725814

Lefebvre, V., Radu-Lefebvre, M., Gartner, W., & Clarke, J. (2021). Building Multitemporal Awareness and Reflexivity in Family Business: A Visual Sensemaking Exercise. *Entrepreneurship Education and Pedagogy, 4*(2), 194-203. Retrieved from https://journals.sagepub.com/doi/10.1177/2515127420921388

McNulty, B., & McNulty, M. (2006). *The Canadian small business owner's guide to financial independence: a comprehensive retirement and succession planning guide for professionals and small business owners*. Insomniac Press.

Michael-Tsabari, N. & Lavee, Y. (2012 May 3). Too close and too rigid: Applying the Circumplex Model of Family Systems to First-Generation Family Firms. Journal of Marital and Family Therapy, 38(1), 105,116. https://onlinelibrary-wiley-com.ocadu.idm.oclc.org/doi/full/10.1111/j.1752-0606.2012.00302.x

Michel, A. & Kammerlander, N. (October 2014). Trusted Advisors in a Family Business' Succession-Planning Process – An Agency Perspective. In *Journal of Family Business Strategy, 6(1), Retrieved* from https://www.researchgate.net/publication/267568511

Motwani, J., Levenburg, N. M., Schwarz, T. V., & Blankson, C. (2006). Succession Planning in SMEs: An Empirical Analysis. *International Small Business Journal*, *24*(5), 471–495. https://doi.org/10.1177/0266242606067270

Peters, D. (2022 Apr 29). Succession isn't just for sons: More women are taking the reins of the family business. In *Globe And Mail.* Retrieved from https://www.theglobeandmail.com/business/article-succession-isnt-just-for-sons-more-women-are-taking-the-reins-of/

Province of Alberta. (April 2007). *Leaving Your Small Business: Your Plan for a Successful Transition.* (Report No: 25m).Province of Alberta Employment, Immigration and Industry. Retrieved from https://open.alberta.ca/dataset/289b86fb-22be-4870-b825-ad673f5e6a70/resource/fd13fb89-03e5-4a96-9f49-5d6a818bb508/download/3950729-2007-leaving-your-small-business-your-plan-for-a-successful-transition-04-2007.pdf

Province of British Columbia. (2023). "Business Succession." *Province of British Columbia Employment, Business, and Economic Development.* Retrieved from https://www2.gov.bc.ca/gov/content/employment-business/economic-development/support-business-community/business-succession

Province of Saskatchewan. (2023)." Business Succession Planning Resources." *Province of Saskatchewan.* Retrieved from https://www.saskatchewan.ca/business/entrepreneurs-start-or-exit-a-business/exit-a-business/succession-planning

PwC. (2021). *Family Business Survey 2021 – Canadian Insights.* In *PwC Canada.* Retrieved from https://www.pwc.com/ca/en/private-company/family-business-survey-canadian-insights-2021.html

Rautiainen, M., Pihkala, T., & Ikävalko, M. (2012). Family business system models - A case study and some implications of open systems perspective. Journal of Small Business and Entrepreneurship, 25(2), 155-168, 253-254. Retrieved from http://ocadu.idm.oclc.org/login?url=https://www.proquest.com/scholarly-journals/family-business-system-models-case-study-some/docview/1022709694/se-2

Reay, T. Pearson, A.W., & Gibb Dyer, W. (2013). Advising Family Enterprise: Examining the Role of Family Firm Advisors. *Family Business Review, 26*(3), 209-2014. Retrieved from https://journals-sagepub-com.ocadu.idm.oclc.org/doi/pdf/10.1177/0894486513494277

Ro, C. (January 28, 2021). Why the 'sandwich generation' is so stressed out. *BBC: Worklife.* Retrieved from https://www.bbc.com/worklife/article/20210128-why-the-sandwich-generation-is-so-stressed-out

Ruzek, J. & Eddleston, K. (2020). How Family Firms Can Prevent (or Cool Down) Sibling Rivalries. In *FamilyBusiness.Org*. Retrieved from https://familybusiness.org/content/how-family-firms-can-prevent-or-cool-down-sibling-rivalries

Scheter, B. (2019 April 30). "Family businesses survive longer and offer less investment risk, Rotman study finds." In *Financial Post.* Retrieved from https://financialpost.com/news/fp-street/family-businesses-survive-longer-and-offer-less-investment-risk-rotman-study-finds

Selling Family Businesses in Canada. (2007, November 1). *Mergers & Acquisitions: The Dealmaker's Journal*. https://link.gale.com/apps/doc/A170505822/AONE?u=toro37158&sid=summon&xid=130c1c48

Society of Trust & Estate Practitioners. (2019). Assess by Exam Route to TEP Designation: STEP Canada Diploma Program. *Society of Trust & Estate Practitioners.* Retrieved from https://step.ca/media_files_store/TEP_Designation_2019_web.pdf

Statistics Canada. (2023 February 13). "One in four Canadians are unable to cover an expected expense of $500." *Statistics Canada*. Retrieved from https://www150.statcan.gc.ca/n1/daily-quotidien/230213/dq230213b-eng.htm

Statistics Canada. (2022 June 7). "Small and medium businesses: driving a large-sized economy." *Statistics Canada.* Retrieved from https://www.statcan.gc.ca/o1/en/plus/1253-small-and-medium-businesses-driving-large-sized-economy

Strezos, T. & Martellacci, C. (2021 February 2). *Special Considerations When Valuing A Family-Owned Business. In* Grewal Guyatt, LLP. Retrieved from https://www.grewalguyatt.ca/valuing-a-family-owned-business/

Su, E. & Junsheng, D. (2013). How Does Knowledge Sharing Among Advisors From Different Disciplines Affect the Quality of the Services Provided to the Family Business Client? An

Investigation From the Family Business Advisor's Perspective. *Family Business Review. 26*(3), 256-270. Retrieved from https://journals-sagepub-com.ocadu.idm.oclc.org/doi/pdf/10.1177/0894486513491978

Svoboda, P. (2019). Family Business – A Sustainability Model. *Acta Oeconomica Pragensia, 27(*3-4), 45-60. Retrieved from https://www.researchgate.net/publication/341806627_Family_Business_-_Sustainability_Model

Tam, S., Sood, S. & Johnston, C. (2022 March 3). "Analysis on small businesses in Canada, first quarter of 2022." *Statistics Canada.* Retrieved from https://www150.statcan.gc.ca/n1/pub/11-621-m/11-621-m2022004-eng.htm

Treasury Board of Canada Secretariat. "Succession Planning and Management Five-Step Process." Retrieved from https://www.tbs-sct.gc.ca/gui/spgr/spg-gpgr-02-eng.asp?for=hrps

Tatoglu, E., Kula, V., & Glaister, K. W. (2008). Succession Planning in Family-owned Businesses: Evidence from Turkey. International Small Business Journal, 26(2), 155–180. https://doi.org/10.1177/0266242607086572

The Targeted Strategies Group. (October 2021). Family Dynamics Are Central to Business Succession Planning. In *The Targeted Strategies Group.* Retrieved from https://targetedstrategies.com/wp-content/uploads/Family-Dynamics-are-Central-to-Business-Succession-Planning_Oct2021_Low-Res.pdf

Treasury Board of Canada Secretariat. "Succession Planning and Management Five-Step Process." Retrieved from https://www.tbs-sct.gc.ca/gui/spgr/spg-gpgr-02-eng.asp?for=hrps

Voordeckers, W., Steijvers, T., Lybaert, N., & Umans, I. (January 2019). The Influence of Transgenerational Succession Intentions On the Succession Planning Process: The Moderating Role of High-Quality Relationships. *Journal of Family Business Strategy 12*(2). Retrieved from https://doi.org/10.1016/j.jfbs.2018.12.002

Wang, & Shi, H. X. (2021). Particularistic and system trust in family businesses: The role of family influence. Journal of Small Business Management, 59(4), 700–734. https://doi.org/10.1111/jsbm.