



PLAYBOOK

The Confidential SME Succession Playbook

Align family, ownership and management before opening a transaction.

LANGUAGE

EN

STATUS

RELEASE CANDIDATE

EVIDENCE CUTOFF

24 September 2026

REFERENCE

P10

The Confidential SME Succession Playbook

Who should use it

Founders, family shareholders, non-family executives and advisers preparing a transition without confusing three separate questions: **leadership succession, ownership succession and a sale of the business.**

A family can change the CEO without selling. It can raise capital without losing control. It can sell a majority while retaining a transition role. The first task is therefore to define what the family wants to preserve, monetise or transfer.

IFC family-business guidance emphasises governance structures and formal CEO/senior-management succession planning. This playbook applies that continuity logic without pretending to resolve personal inheritance law.

Outcome

A succession/transfer file should contain explicit shareholder objectives, ownership-family-management maps, decision protocol, founder-dependency assessment, management continuity plan, confidentiality map, transaction-readiness file, sequenced communications and a post-transaction role plan.

Journey

**INTENT → FAMILY ALIGNMENT → GOVERNANCE → CONTINUITY → READINESS → CONFIDENTIALITY
→ BUYERS → NEGOTIATION → TRANSITION**

Gate 1 — Define the real decision

Each significant shareholder separately states the objective, horizon, control to retain, operating role after the transaction and unacceptable outcomes. Divergence is not failure; it is a risk to resolve before bringing in buyers.

Gate 2 — Separate ownership, family and management

Build three maps: who owns, who governs, and who actually runs critical functions. One family member may occupy all three with different authorities. The overlap needs to be explicit.

Gate 3 — Measure founder dependency

Test sales, banks, suppliers, pricing, recruitment, signing authority, technical know-how and institutional relationships. For each: replaceable, documented, transferable, time required, alternative owner.

Founder dependency does not prevent a sale; it changes preparation, transition and sometimes economics.

Gate 4 — Prepare management succession

If the family expects to retain the company or a stake, formal CEO succession planning matters. Define future role, criteria, candidates, timetable, development, decision authority and communications.

Gate 5 — Clean the family/company boundary

Identify family expenses, personal assets used by the business, separately owned real estate, shareholder loans, related parties, family employment, personal guarantees, dividends and current accounts.

The objective is not cosmetic adjustment. It is transparent treatment.

Gate 6 — Decide what can be said, to whom and when

Build a confidentiality map covering family, board, key management, advisers, employees, bank, customers, suppliers and buyers. For each define permitted information, trigger, spokesperson and message.

Gate 7 — Prepare the company before market exposure

Use the P01 Deal-Ready evidence domains: corporate/ownership, finance, tax, commercial, contracts, people, operations and permits/litigation. Institutional Deal-Ready certification, if pursued, remains a separate human decision.

Gate 8 — Select buyers against family objectives

Highest headline price may not match continuity, management or timetable objectives. Define capacity, thesis, proposed governance, funding, management treatment, timetable and factual track record before comparing offers.

Gate 9 — Negotiate the seller's post-close role

Possible structures include immediate exit, short transition, consultancy, temporary management, rollover equity or non-executive governance. State duration, authority, compensation, objectives, reporting, conflicts and exit mechanism.

Gate 10 — Prepare the first 100 days

Cover communications, strategic customers, management, banks, suppliers, authorities, cash, reporting, prohibited/approved quick wins and commitments made during the sale.

Family governance questions before launch

Question	Evidence / decision
Are shareholders aligned on pursuing a transaction?	minutes / agreement / open points
Who can negotiate?	mandate / resolution
Which information remains family-confidential?	confidentiality map
Is future leadership identified?	succession plan
Are related-party relationships documented?	register + contracts
Must the founder remain after closing?	transition term sheet

Stop conditions

Unresolved shareholder disagreement, unclear ownership/votes, unacknowledged founder dependency, promises incompatible with the transaction, no designated spokesperson, undocumented mixing of family and business economics, or negotiations started before authority is clear.

DealPME mapping

P01/P04 structure identity and seller file, P06 preparation/institutional certification, P07-P10 staged presentation/disclosure, P11-P12 NDA/VDR, and P14-P16 negotiation/completion. Family ownership and governance decisions remain with shareholders and advisers.

Sources and limits

This playbook addresses governance and transaction preparation. Personal inheritance, matrimonial, donation, tax and title-transfer rules vary by country and family situation and require specific professional advice.

Working tool — Communication Map

Print or complete this table during the process. Blank fields are intentional and should be completed using deal-specific evidence or decisions.

Audience	Information	Trigger	Spokesperson	Channel	Risk if early/late
Family					
Key management					
Employees					
Customers/suppliers					

Working tool — Family Alignment

Print or complete this table during the process. Blank fields are intentional and should be completed using deal-specific evidence or decisions.

Shareholder	Objective	Control to retain	Post-deal role	Horizon	Unacceptable outcomes	Open issue
	Liquidity / continuity / growth / exit					

Working tool — Founder Dependency

Print or complete this table during the process. Blank fields are intentional and should be completed using deal-specific evidence or decisions.

Domain	Current dependency	Alternative owner	Documented?	Transfer time	Action
Customers					
Banks					
Suppliers					
Technical know-how					

Sources, methodology and limitations

The sources below support the rules, methods or context used in this playbook. They do not turn the document into transaction-specific legal, tax, financing, valuation or investment advice.

IFC Family Business Governance Handbook

Publisher: IFC · Tier: Tier 2

Use: Family-business governance, board, management and succession planning guidance.

<https://www.ifc.org/en/insights-reports/2011/ifc-family-business-governance-handbook>

Family Business Governance

Publisher: IFC · Tier: Tier 2

Use: Current IFC family/founder-owned governance methodology and governance action planning.

<https://www.ifc.org/en/what-we-do/sector-expertise/corporate-governance/family-business-governance>

IFC Corporate Governance Methodology Tools - Family or Founder Owned

Publisher: IFC · Tier: Tier 2

Use: Progression matrix and document/information request tools for family or founder-owned companies.

<https://www.ifc.org/en/what-we-do/sector-expertise/corporate-governance/cg-methodology-tools>

Acte uniforme relatif au droit des sociétés commerciales et du groupement d'intérêt économique

Publisher: OHADA · Tier: Tier 1

Use: Official OHADA corporate-law framework for company functioning, transformations, mergers, divisions, partial asset contributions, dissolution, liquidation and publicity formalities.

<https://www.ohada.org/droit-des-societes-commerciales-et-du-gie/>

DealPME governed product baseline - Core Build Pack and P04-P25 process reference

Publisher: DealPME · Tier: Governed internal source

Use: Product rules for disclosure, qualification, VDR, diligence, closing, Deal-Ready, partner boundaries and human decision ownership.

Source interne gouvernée / Governed internal source