

## Q17 ? Does the company have a sound succession plan?

### Objective:

Continuity of leadership is key for a company's long-term success, and hence its investment worthiness. Hence, it is critical to assess a company's succession plan.

### What to look for:

- ◆ Is the company owner-managed? If yes, most likely, the successor will be from within the owner family. So, does the successor have at least the same level of integrity and competence as the predecessor?
- ◆ If the company is professionally managed, a key point to note is whether the succession is from within the company or external. Here too, the integrity and competence of the successor need to be ascertained.