

# RISING TIDES

2025 NJASLA Annual Meeting Conference  
January 26-28, 2025

## TRANSITION: Challenges & Opportunities for Small Firms

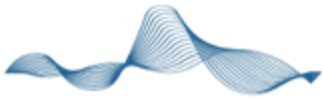
Sunday, January 26, 2025  
3:30pm – 4:30pm

### OVERVIEW

According to the 2021 U.S. Census, 86% of landscape architecture practices in the U.S. employ fewer than 10 employees - 19% of which are sole proprietors. In the state of New Jersey, this is especially prevalent. As practitioners consider the next steps in the evolution of their firm, the issue of planning for transition becomes especially critical. Transition planning is a critical component of a firm's growth and overall success. And of the myriad, diverse solutions available, the one selected must complement the individual firm's own culture to ensure consistent and continued relevancy and in the face of the evolving needs of the firm - and industry. Presented in case-study format by three firm leaders, this interactive session will outline the process each firm has followed in their succession transition plans - from a firm that has completed their succession strategy, to one that is just beginning their journey.

### Learning Objectives

- **One Size Does Not Fit All:** Become familiar with the different entity structures, valuation methods and financing options each speaker's company employed and how it impacted their succession planning and outcomes.
- **It's Never Too Early:** Learn why transition planning is important and why it's a critical investment and opportunity for a firm's future success.
- **Time to Go:** Discover the best time to start planning - and what to do when the process gets stuck and needs to get back on track.
- **Culture Eats Strategy for Breakfast:** Understanding how company culture may determine succession planning - but may also influence its efficacy.
- **I Can See Clearly Now:** Leave the session with an actionable checklist and understanding of possible solutions with direct applications to your own firm's next steps.



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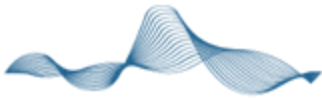
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## WORKSHEET: Ownership Transition/Expansion Exercise

### QUESTIONS FOR OWNERS

- How many years until you want to retire, or begin phased retirement?
- What level of financial return do you need or want from the value of your firm?
- If applicable, have you resolved the family issues that often accompany leadership and ownership decisions?
- Does your plan include a strategy to reduce estate taxes?
- Will there be sufficient liquidity to avoid the forced sale of the business?
- If succession will one day require the transfer of assets, have you executed a “buy-sell” agreement that details the process ahead of time?



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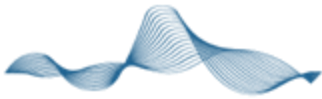
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### **QUESTIONS FOR OWNERS (cont.)**

- Is there a detailed contingency plan in case the business owner dies or becomes unable to continue working sooner than anticipated?
- Have you identified and considered alternative corporate structures or stock-transfer techniques that might help the company achieve its succession goals?
- Have you determined whether you or anyone else will depend upon the business to meet retirement cash flow needs?
- Have you recently had the business valued and analyzed in the same way potential buyers and competitors would?
- Are you interested in being acquired and have developed a desirable niche market, location or client base?
- How can you best preserve your legacy?



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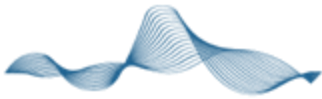
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### **QUESTIONS FOR OWNERS (cont.)**

- Have you identified a successor?
- What are you doing to prepare them for succession?
- What are the criteria for promotion?
- Who are the decision makers?
- How can you best preserve your legacy?



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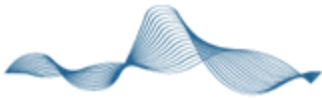
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## PREPARING FOR TRANSITION: The Checklist

### QUESTIONS FOR SUCCESSORS

- How many years until you expect to have equal or majority ownership?
- What are your goals in becoming a firm owner?
- Can you afford to forgo bonuses and profit distributions in order to buy into the firm?
- What return on your investment do you expect over time?
- If the current owner(s) are retiring, how confident are you that the firm will continue to prosper?
- What information about the company do you want when making decisions?



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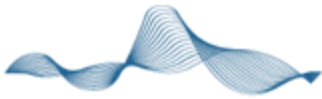
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### **QUESTIONS FOR SUCCESSORS (cont.)**

- Do you have access to the company documents (shareholder agreements, corporate documents, articles of incorporation, etc.)?
- Have you talked to your family and other personal considerations?
- Do you understand the liability and risk of ownership?
- What training or mentorship do you want provided to plan for succession?
- When can I be promoted (Is there a timeline)?
- What if I need help with my performance?





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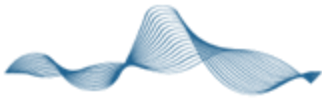
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