Succession Plan Through Phased Partnership

🧭 Vision Overview

I'll continue to maintain the business at a manageable, low-overhead level until identifying a suitable partner with the interest, values, and potential to eventually lead the operation. Ownership and leadership would transition gradually, over a structured timeline, with the original owner (me) retaining a role in strategic guidance and support, even after stepping back from day-to-day operations.

This Succession Plan is designed for a motivated individual who wants to **build something of their own—with full guidance and support—without taking on the risk alone**.

This is not a traditional employee role. There are no set hours or fixed schedule. This is not a salaried or hourly job, and there is no operational pay — and that's by design. That's because in small business, income isn't tied to time — it's tied to results, growth, and the value you help create. This plan is about learning that reality in a supported environment where you'll have the freedom to contribute at your own pace, develop real-world skills, and experience firsthand how effort translates into opportunity. It's a chance to build confidence, competence, and a future — by stepping up instead of by clocking in.

This opportunity is ideal for someone who genuinely knows they want to be an entrepreneur but isn't sure how to take the first step — and sees the value in not having to build something entirely from scratch or do it alone. It's a great fit for someone who can afford to live lean in the early stages, perhaps living at home, attending school part-time, or working a flexible job while they learn, grow, and contribute. What matters most is the mindset: a strong desire to create something meaningful and a willingness to invest time and energy into building a real foundation for long-term success.

There will be complete transparency in every aspect of the business, including the accounting: income, expenses, and net profit. That's because understanding how money flows through a business — what it costs to operate, what drives revenue, and what's left at the end — is essential to becoming a capable business owner. You won't just see the numbers; you'll learn how to interpret them, make informed decisions, and plan strategically. This level of openness is intentional, because **real ownership starts with understanding what's behind the scenes — not just what's in your hands.**

As part of this opportunity, you'll be required to sign a Non-Disclosure Agreement (NDA), and Non-Compete Agreement, as much of what you will learn is proprietary information. This is a standard step to protect the business's confidential information — including systems, strategies, client relationships, pricing, and other proprietary details you'll have access to. It ensures trust on both sides and reflects the seriousness of stepping into a role with real insight and influence in the business.

📊 Timeline Structure – Phased Partnership & Ownership Transition

⏱️ Phase 1: Introductory Phase (Years 0–2)

- **Ownership**: 0%
- **Your Role**: Partner functions as a key operator, shadowing and learning all facets of the business to gain a competitive understanding of how the business runs.
- **Income**: Paid as a profit-sharing partner (not an owner) 5% of monthly net profits after expenses
- **My role**: Lead decision-maker, actively involved in operations.
- **Expectations**: Demonstrates reliability, initiative, and alignment with business values. May help grow the business within the current low-level operation.

Phase 1 is about proving compatibility, trust, and commitment. While no ownership is granted yet, this phase sets the stage for **graduated equity, increased profit-sharing, and eventual leadership** in future phases. During this phase, I'll continue to manage key aspects of the business — including client relationships, finances, and other operational details. There will still be full transparency, giving you a clear view into how everything works, but without the pressure of having to manage these areas on your own right away. This approach allows you to learn at a steady pace without feeling overwhelmed.

⏫ Phase 2: Earning Equity & Expanding Responsibility

- **Ownership**: 10% -15%
- **Mechanism**: Earned (not purchased) equity based on performance and commitment.
- **Your Role**: Takes on more responsibility for operations, with some decision-making autonomy.
- **Income**: Share of Profits tied to ownership percentage
- **My Role**: Still primary decision-maker, but stepping back slightly operationally.
- **Expectations:** Shows increased ownership mentality and takes initiative in managing daily operations with minimal oversight. Begins making independent decisions aligned with business goals. Demonstrates consistent effort and growing confidence in applying what's been learned.

Phase 2 is about taking on more responsibility, stepping into a greater leadership role, and beginning to see what it feels like to have a real stake in the business. At this stage, you'll earn a small percentage of equity, which means you'll now receive profit distributions tied to business performance.

This phase gives you a first real taste of how your ideas, effort, and consistency directly affect your income. You'll still be learning and supported, but with more autonomy to lead day-to-day decisions and help shape the direction of the business. It's designed to reward initiative and help you transition from operating the business to starting to think like an owner.

⏫ Phase 3: Expanded Equity & Leadership Development (Years 5–6)

- **Ownership**: Increased to 25–30%
- **Your Role**: Co-manages the business, making most day-to-day decisions.
- **Income**: Share of Profits tied to ownership percentage
- **Expectations:** Acts as a co-leader in both strategy and execution. Provides input on planning, budgeting, and growth initiatives. Begins mentoring others (if applicable) and consistently delivers results. Demonstrates vision, accountability, and a commitment to long-term success.
- **My Role**: Senior advisor, overseeing growth plans, offering guidance, stepping in as needed.

By Phase 3, you're no longer just contributing to the business — you're helping to lead it. Your equity stake increases, and with that comes a greater share of profits and a deeper level of involvement in decision-making.

This phase is about developing your leadership style, gaining confidence in strategic planning, and refining your ability to manage the business from a higher level. You'll have a voice in shaping goals, budgets, and growth strategies — while continuing to benefit from mentorship and support when needed.

At this point, the business becomes more of a reflection of your own input, vision, and values. It's not just about doing the work — it's about guiding the work, building relationships, and taking ownership of results. This is where your role truly shifts from operator to co-leader, and your income continues to grow along with your impact.

💰 Phase 4: Full Leadership & Future Ownership (Years 7–10 and Beyond)

- **Ownership**: Capped at 40%
- **Your Role**: Managing Partner or Director, effectively running the business.
- **Income**: Draws equity-based distributions.
- **Expectations:** Operates as the primary leader of the business with full day-to-day autonomy. Maintains business integrity, profitability, and client relationships. Collaborates on high-level decisions or buyout planning. Leads with vision and takes full responsibility for outcomes, culture, and growth.
- **My Role**: Founding Advisor or Chairman-type role—occasional involvement, strategic oversight only.

By this stage, you'll hold up to 40% equity in the business and will be fully operating as the day-to-day leader. You'll be making key decisions, guiding growth, and steering operations — with the founder stepping back into an advisory, as-needed role.

But more importantly, this phase marks a shift from running the business to potentially owning it outright. While 40% equity is the cap for now, your long-term path doesn't stop there — and several future options are built into this structure to reward your dedication and success.

🛠 What Comes Next?

As we approach the 10-year mark, we'll explore one or more of the following opportunities based on your goals, performance, and interest in taking the next step:

- **Profit-Based Buyout Plan**
  Gradually purchase the founder's remaining equity using a share of business profits — no loans or upfront capital required. You earn your way into full ownership over time, based on the results you help drive.
- **License/Revenue-Share Model**
  Run the business independently under its established name, systems, and reputation while paying a flat royalty or percentage of revenue. Ownership remains with the founder, but operational control is fully yours.
- **Expanded Profit-Sharing or Bonus Structures**
  As performance increases, additional incentive structures may be introduced to increase your income and financial upside — even without additional equity.