



**CLA Global TS**

The Growth Strategist For Asia

# Succession Planning: Why “Later” Is the Most Expensive Option

Private Wealth Series - Part 1

April 2026

© 2026 CLA Global TS. All rights reserved.

Visuals designed by Freepik.

Succession planning is rarely ignored but is frequently deferred. We get it, the thought of appointing a successor is a difficult and often a deeply personal topic. The thought process demands preparation, faith, trust and the courage to let go.

For family-owned businesses, Ultra-High-Net-Worth (UHNW) families, and family offices, it often sits in the category of *"important but not urgent"*. The reality is that succession becomes hardest and most value-destructive when it becomes urgent.

In today's environment of heightened regulatory complexity, longer life expectancies, cross-border asset structures, and evolving next-generation expectations, succession planning should be reframed. It is no longer a single transition event. It is a strategic, multi-year programme designed to preserve continuity, confidence, and control.

# Succession planning starts with a conversation and then becomes a system

Many families approach succession as a question: *Who takes over?*

We thought the better framing should be:

*What system ensures the business and family can function through change?*

Effective succession addresses three distinct yet interdependent elements:

- ▶ **Leadership** — who leads, decides, and represents the enterprise
- ▶ **Ownership** — who holds economic rights, voting power, and wealth
- ▶ **Governance** — how decisions are made, challenged, and resolved

Problems arise when leadership, ownership, and governance are treated as a single, indivisible decision. In practice, these are separate levers that move at different pace and should be addressed independently.



**Leadership can change without any immediate transfer of ownership. Ownership can be restructured or diversified while day-to-day management remains in professional hands.”**

In many cases, governance, the rules, processes, and forums for decision-making should be strengthened well before either leadership or ownership changes occur.

The most successful successions recognise this separation. Rather than attempting a single “handover moment”, resilient families deliberately decouple these elements and sequence them over time, reducing disruption and preserving both business continuity and family relationships.



# Start with intent, not structure

Succession plans fail not because of poor technical execution. Often, they fail because the family has not reached clarity or consensus on what the succession / transition is meant to achieve.

"Intent" is not a statement of values or a list of documents to be implemented. It is the explicit prioritisation of outcomes, recognising that different generations often hold different and equally legitimate views on what matters most.

In practice, families are usually trying to balance several objectives at once, including:

- ▶ maintaining family control over the enterprise,
- ▶ ensuring business continuity and professional sustainability,
- ▶ treating children fairly (which may not mean equally),
- ▶ creating liquidity or diversification for certain members, and
- ▶ preserving family identity, values, and legacy.



These objectives are in tension. Optimising for continuity may require reinvestment and restrict liquidity. Optimising for fairness may dilute control for certain family members. Preserving legacy may limit commercial flexibility. There is no structure that can fully satisfy all objectives simultaneously.

If these trade-offs are not surfaced and addressed upfront, the eventual ownership, leadership, or trust structures will feel arbitrary and are far more likely to be challenged later, by the authorities or the family members themselves.

A disciplined succession process therefore begins not with legal diagrams or shareholdings, but with alignment around a harder question:



**What are we optimising for and what are we consciously prepared to compromise?"**

# Governance is the anchor during transition

Succession is a stress test for governance. Where governance is weak, transitions become personal. Where governance is strong, transitions become procedural.

## On the business front, governance clarifies:

- ▶ The distinction between shareholders, the board, and management
- ▶ Decision rights and approval thresholds
- ▶ Performance expectations for current and emerging leaders (within or from outside the family)

## On the family side, governance provides:

- ▶ A forum separate from business operations
- ▶ Shared ownership principles and participation rules
- ▶ Agreed pathways for conflict resolution

Family constitutions, family councils, and clearly articulated shareholder policies are not "nice-to-have" documents - they are stabilisers. They depersonalise difficult decisions and reduce reliance on founders as permanent referees.

# Successors are developed (not declared)

One of the most delicate succession risks is prematurely appointing a successor without a transparent and credible process. These risks undermining both the individual and the enterprise.

## Readiness for leadership typically rests on three pillars:

- ▶ **Capability** — technical and commercial competence
- ▶ **Credibility** — confidence from staff, customers, and capital providers
- ▶ **Commitment** — genuine motivation to lead, not assumed obligation

Robust preparation often includes rotational experience, external exposure, structured mentoring, and measurable milestones. This is not about creating hurdles; it is about protecting the legitimacy of leadership, particularly in the eyes of non family executives and stakeholders.

“A successor who has **earned** authority is far more likely to retain it.”



# Design the transition, not just the arrival

Many succession plans focus on the end state - a retirement date or ownership transfer, while leaving the transition itself under-designed. This creates uncertainty at precisely the wrong moment.

## Effective transitions are phased and observable:

- ▶ **Stabilisation** — documenting processes, decision logic, and relationships
- ▶ **Delegation** — transferring authority with defined limits
- ▶ **Control shift** — adjusting boards, mandates, and signatories
- ▶ **Ownership transition** — implementing share transfers or restructuring

Each phase should have clear triggers and accountability. This reduces ambiguity for management teams and reassures external stakeholders that continuity is being actively managed.



# Fairness and liquidity must be addressed early

Succession exposes latent questions on fairness. These do not resolve by themselves and delaying them often amplifies tensions.

Typical pressure points include:

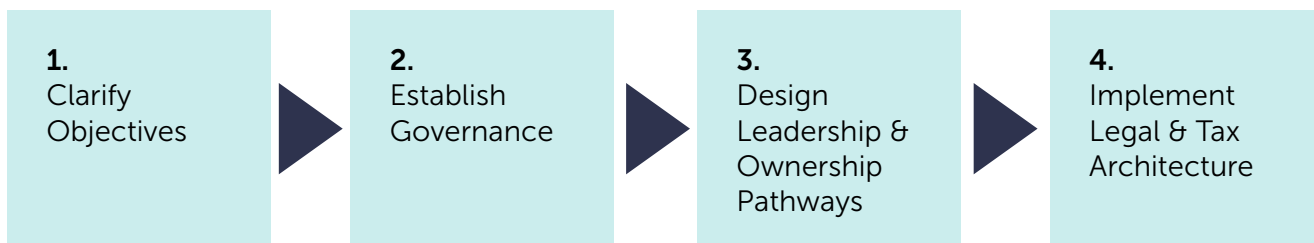
- ▶ Family members active vs inactive in the business
- ▶ Control concentrated with uneven economic outcomes
- ▶ Dividend expectations vs reinvestment needs
- ▶ Exit options for those seeking liquidity

Experienced families address this by separating financial fairness from operational control, supported by clear dividend policies, buy sell mechanisms, and long term liquidity planning. The goal is not to eliminate disagreement, but to ensure there is an agreed framework for managing it.

# Structure follows strategy — not the reverse

Legal, tax, and trust structures are necessary, but they are expressions of strategy / intent, not substitutes for it. Implementing structures too early before priorities and governance are defined often results in rigidity and unintended consequences.

A more resilient sequence is:



This approach delivers structures that are durable, adaptable, and aligned with long term intent, rather than optimised only for short term efficiency.

# A simple test of readiness

A succession plan is robust if you can answer "yes" to the following:

- ▶ Leadership, ownership, and control are clearly distinguished
- ▶ The business can function without key individuals
- ▶ Decision making authority is documented and understood
- ▶ Family disputes have predefined resolution mechanisms
- ▶ Exit and liquidity pathways are explicit
- ▶ Transition milestones are defined and tracked

If not, the plan likely exists more in principle than in practice.

## Closing perspective

Succession planning is ultimately about reducing uncertainty for the family, the management team, and the enterprise. The costliest transitions are those forced by time, health, or crisis. The most successful are those shaped deliberately, early, and without urgency.

In an increasingly complex operating environment, succession is no longer a single handover moment. It is a strategic discipline and one that rewards those who engage with it before they have to.”

# Where to go from here

The most successful transitions are designed deliberately, not reactively. If succession planning is still viewed as a future exercise within your family or organisation, now may be the right time to revisit that assumption.

We work with families and principals across the full lifecycle of succession — from early stage framing through governance design and transition execution. We welcome a private conversation to discuss what a transition ready plan could look like in your context.



# Contact us

Private Wealth Specialists



**Edwin Leow**  
Co- Advisory Leader  
Director, Head of Tax  
[edwinleow@sg.cla-ts.com](mailto:edwinleow@sg.cla-ts.com)



**Shaun Zheng**  
Director, Tax  
[shaunzheng@sg.cla-ts.com](mailto:shaunzheng@sg.cla-ts.com)



**Tan Xin Yi**  
Manager, Tax  
[tanxinyi@sg.cla-ts.com](mailto:tanxinyi@sg.cla-ts.com)



**Else Guo**  
Manager, Tax  
[elseguo@sg.cla-ts.com](mailto:elseguo@sg.cla-ts.com)

▶ T: (+65) 6534 5700  
[connect@sg.cla-ts.com](mailto:connect@sg.cla-ts.com)  
[cla-ts.com](http://cla-ts.com)



We have taken great care to ensure the accuracy of this newsletter. However, the newsletter is written in general terms, and you are strongly recommended to seek specific advice before taking any action based on the information it contains. No responsibility can be taken for any loss arising from action taken or refrained from on the basis of this publication.  
© 2026 CLA Global TS. All rights reserved.

CLA Global TS is a trusted public accounting and Asia-focused business advisory firm. As an independent network member of CLA Global Limited (CLA Global), a leading global organization comprising independent accounting and advisory firms, CLA Global TS represents the network in Singapore, Southeast Asia, and China, serving as a key firm for CLA Global in Asia. Led by professionals with over 30 years of experience, CLA Global TS offers assurance, taxation, accounting, and a wide range of advisory services from locations in Singapore, China, and Malaysia.

We come to work every day with a singular purpose: to create winning opportunities for our People, our Clients, and our Communities.

CLA Global TS is an independent network member of CLA Global. See [claglobal.com/legal-disclaimer](http://claglobal.com/legal-disclaimer).