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A Succession Planning Guide for Michigan Business Owners

A five-year checklist for owners who plan to retire, sell, or hand a company to the next generation. By Scott Zack, owner of Creek Equity. November 2026.

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GUIDE · BY SCOTT ZACK

A succession planning guide for Michigan business owners

Most owners start planning a transition too late. Here is what to do three to five years out, and where Michigan owners can get free help.

WHY NOW

Michigan is in the middle of a generational handoff. About 23 percent of the state's business owners are 65 or older and about 53 percent are at least 55, according to U.S. Census data reported by Bridge Michigan. At least half of businesses have no formal succession plan.

I meet many of these owners through Creek Equity. The ones who end up happiest with their transition almost always started early. The ones who struggle usually waited until a health scare, a partner dispute, or burnout forced the decision. This guide is what I would tell a friend who owns a Michigan business and is five years from wanting to step back.

1. Decide what you actually want

Before talking to anyone, write down your answers. Do you want to stop working, or keep a role? Do you need all of your money out at closing, or would you keep a stake? Does a family member or a manager want to run the company? Do you care whether the business stays in your town?

Each answer points to a different path: a family transfer, a sale to managers or employees, a sale to a competitor, a sale to a fund, or a sale to a long-term owner. You cannot pick the right path until you know where you want to end up.

2. Make the numbers readable by a stranger

Buyers, lenders, and successors all start in the same place: three years of clean financial statements that someone other than you can understand. If your books mix personal and business expenses, or if only your bookkeeper understands them, fix that first. It takes longer than owners expect.

3. Build the bench

The most common reason a good small business is hard to sell is that it depends on the owner for sales, key customer relationships, or daily decisions. Start handing those off now. Name a second in command. Let your managers run a quarter without you. A business that runs well without its owner is easier to transfer and usually worth more.

4. Put the important relationships in writing

Handshake deals with your biggest customers and suppliers are a strength while you are there and a risk once you are not. Where you can, put key terms in writing: pricing, length, and what happens on a change of ownership. Check your lease, your licenses, and any loans for transfer restrictions.

5. Learn your options before a buyer calls

Most owners first think about selling when someone makes an offer. That is the weakest position to be in. Before that first conversation, have five answers on paper; I list them in Five Questions to Answer Before You Call a Buyer. Learn the options ahead of time, including

employee ownership, which some Michigan owners use to keep a business local. If your managers already run most of the company, they may be your best buyer; I explain how that works in Selling to Your Management Team: How a Management Buyout Works. Ask any buyer how long they usually own a company and what they did with the last business they bought.

6. Get your own advisers

Use an accountant and a lawyer who work for you and have handled business transitions before. Do this before you sign anything, including a letter of intent.

Free help in Michigan

- Michigan Small Business Development Center: no-cost consulting and business education across all 83 Michigan counties, including exit and succession planning.
- Michigan State University Extension: plain-language guidance on family succession and exit planning.
- Michigan Economic Development Corporation: the state's economic

- Your local chamber of commerce and the Michigan SBDC development agency, which supports county economic development office, which often know the buyers and advisers in your area.

Go deeper

Each step above has a longer article behind it at Creek Equity. They are collected, in reading order, as A Succession Planning Guide for Michigan Business Owners.

Succession: Michigan Business Succession Planning: An Owner's Guide, Business Succession Options for Retiring Owners in Michigan, Selling a Family Business in Michigan: Owner's Guide.

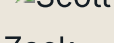
Valuation: How to Value a Small Business: What Buyers Actually Pay For, Business Valuation in Michigan: How Buyers Adjust Earnings.

Buyers and capital: How to Sell Your Business in Michigan: Options and Buyers, Who Buys Businesses in Michigan? 7 Buyer Types Compared, Alternatives to Private Equity for Michigan Business Owners, Permanent Capital Investors: Who They Are and

How They Work, Startup Funding in Michigan: Where to Find Capital at Each Stage.

Management buyouts: A Management Buyout in Michigan: How It Works and Is Funded, Management Buyout Financing: A Michigan Owner's Guide, How to Sell Your Business to Employees: A Seller's Guide.

> If you own a Michigan business and want to talk through a transition, with no obligation, write to me at scott@creekequity.com. My questions for owners thinking about a sale are in Questions to Ask Before You Sell Your Company.



Scott Zack is an investor and entrepreneur in Bloomfield Hills, Michigan and the owner of Creek Equity. This guide is general information, not legal, tax, or financial advice.

About Scott Zack

Scott Zack is an investor and entrepreneur in Bloomfield Hills, Michigan, and the owner of Creek Equity, a private investment company formed in 2017 that founds, funds, and acquires founder-led and family-owned businesses with its own capital and holds them for the long term. He played forward for the Ohio State Buckeyes in 1994-95.

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