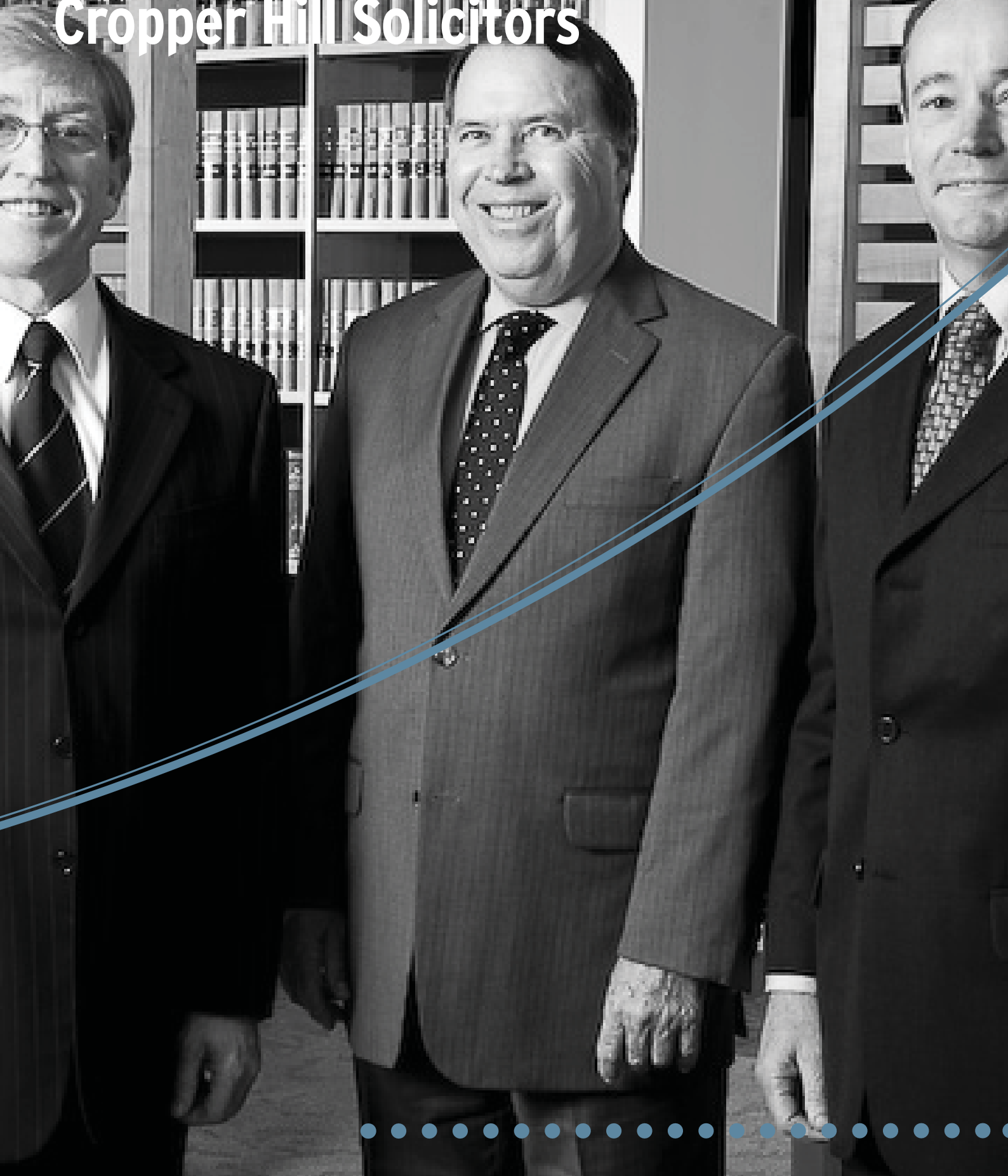


thinkBIG 2010

Cropper Hill Solicitors



Playoust family values steer a steady course

Sydney based law firm Cropper Parkhill Solicitors provides a comprehensive range of legal services to large and small businesses in most industry sectors. The firm has a long tradition of practising law in Sydney, its origins dating back more than 80 years. Today, the firm delivers cost-efficient services to businesses and individuals.

As a firm of long standing, Cropper Parkhill Solicitors has overcome the barriers that face newer enterprises. However, recently the business embarked on a project to ensure a smooth transition for partners who wish to retire from the partnership.

Exit planning

Partner John Simpson says that planning an orderly exit from the business has occupied the minds of the partnership for some time:

'We've constantly contemplated it! Have we reached a solution to it? Not quite!

'I have had discussions with RSM Bird Cameron over the years regarding succession planning and their input has been invaluable. In fact there is a project we're working on right now, which is looking at opportunities to bring people into the organisation who are younger and have an interest in ownership, or alternatively to merge with another firm that recognises the value in our client base and will allow us to exit over time. RSM Bird Cameron has helped us in finding innovative ways to tackle these challenges.'

According to John, the main objective of exit planning is to initiate an orderly process that maximises retirement wealth for equity owners:

'Well, if you don't do anything there will come a time when retirement will be involuntary because of factors beyond one's control like illness or death. If you haven't made any plans, you're likely to end up with not much.

'In terms of the goodwill we've built up over the years, we're trying to put some plans in place for an orderly progression so we can maximise what we get out of it.'

Succession planning

Most of the firm's work in succession planning is on behalf of its own clients, although Cropper Parkhill Solicitors undertook succession planning on its own behalf two years ago when a partner elected to leave the firm:

'The succession planning in our business was initially triggered by a partner wanting to leave the firm. Our partners met to determine an equitable departure and we asked RSM Bird Cameron to review what we were proposing and to oversee the "mechanics" of the exit plan. They were able to prepare information in a clear and concise manner which allowed the exiting partner and his advisers to consider all the proposed ramifications. Everybody probably had different expectations and RSM Bird Cameron assisted us in delivering a plan that all were happy with.'

In general, according to John, the main goal of succession planning is to plan an orderly progression to accommodate the unexpected wishes of partners or shareholders:

'The ideal is that you try and put the structures in place that are going to work most efficiently so long as the owners, whether they be partners or shareholders, are enjoying working with each other. But you're also planning for what happens in the event somebody wants to leave, sell their share, or is incapacitated or dies.'

Relationship with RSM Bird Cameron

RSM Bird Cameron has provided compliance and planning services to Cropper Parkhill Lawyers for nearly 20 years.

According to John, RSM Bird Cameron adds value to his partnership because of the director's in-depth knowledge of his business:

'Yes, RSM Bird Cameron has added value in a number of ways. Jamie O'Rourke, Business Solutions Director, has got to know the people here and our business well, and because of that knowledge, from time to time he offers proactive thoughts on things we could do to improve our business, whether it's minimising tax or better business structures.'

John recommends RSM Bird Cameron to his clients because the firm offers the benefits of a larger firm with a personal approach and a more cost-effective fee structure:

'I regularly recommend RSM Bird Cameron. I'm introducing some new clients to them right as we speak! They've got the full range of professional experience and expertise that clients may require with contacts interstate and internationally, but not the same fee structure and the lack of personal contact you get in the big firms.' ●

"We run the business with a high level of governance and reporting, which we like to benchmark against small listed companies, but without becoming overly bureaucratic or cumbersome."