A note from the CEO

The Critical Importance of Succession Planning in Care Homes

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Article:

Effective succession planning is essential for maintaining the stability and future of any **Care Home**, **Nursing Home** or **Assisted Living**. Despite its importance, research reveals that more than two thirds (**69%**) of UK family businesses, including Care and Nursing Homes and Assisted Livings, lack formal succession plans. Without clearly defined succession strategies, Care Homes face heightened risks of disruption, reduced valuation, and potential closure.

Succession planning involves identifying and preparing suitable internal or external successors well before an exit becomes urgent. Early planning allows the seamless transfer of operational responsibilities and helps ensure that care standards remain high. With **48%** of Care Home owners lacking a defined exit strategy, many facilities risk sudden leadership voids, operational instability, and non-compliance with increasingly stringent CQC standards.

On the contrary, effective succession planning can significantly enhance the attractiveness of the care home to prospective buyers. A robust succession strategy signals strong leadership and operational stability, greatly enhancing the perceived value and reducing the perceived risk. In a climate where regulatory scrutiny is intensifying and 23% of Homes are at risk of closure due to inadequate CQC ratings, succession planning is not merely prudent; it is essential. Owners who engage proactively in succession planning safeguard their business's continuity, enhance their sale prospects, and protect the care quality and employment stability they have worked hard to build.

Is there a viable and practical solution?

At Florence Legacy, we take pride in having successfully formulated **37 strategic exits** for Care Home, Nursing Home and Assisted Living facilities, each tailored precisely to meet the unique needs of each individual owner. Whether you're considering a straightforward sale, planning for retirement, transitioning your responsibilities, or seeking a smooth, stress-free exit, we are happy to help. We counsel our partners to begin planning **their strategic exit at least 3 years in advance**, but the more ideal timeframe is **5 to 7 years prior to retirement or stepping away**. Please reach out to us for a completely confidential conversation to discuss how we can support your next steps.

Keywords**:** *selling care home, exiting care, preserving legacy, valuation, exit strategy, Succession*

