



CASE STUDY

# Family Succession

What if the next generation chooses not to follow in your footsteps?

## Challenge

We were approached by the owner of a 25-person professional services company that also had 350 independent field representatives. The owner was thinking about retirement within five years and wanted to start grooming a successor for his business. He had four adult children who were all working in the business, and he wasn't sure which one was the best choice to carry on his legacy. Knowing that whoever he chose would need significant development, he wanted to make a selection and put together a plan as soon as possible.

## Solution: Culture & Management Study


We believe effective leaders know themselves and their people and in order to help our client, we need to know the client, their management style, communication style, beliefs, and worldview. In short, we need to understand their culture and what it takes for a leader to be most successful in that environment. Our Culture & Management Study combines individual assessments of the senior management team and potential next generation managers being groomed for leadership or ownership. The result is a candid and specific description of the organization's culture.

## Follow-up from the Study

Once we complete a Culture and Management Study, we review it with the owners, answer questions, and sharpen our conclusions so that we have a clear direction and next steps. In this case, the idea was to use the information from the study to determine which of the client's children was best suited to being his successor and develop a plan to get them ready to take over within five years. The simple answer to the "who" question was that not only were they all lacking the core motivation and basic capacities for business leadership, but they also all were significantly disengaged with their work – they hated their jobs!

## Key Takeaways

- Answering the "who" question is a key element in creating a solid succession plan, particularly when there are multiple family members involved.
- It's never too early to start thinking about who your successor *might* be, understanding their capacities, and working on development strategies and backup plans.
- Don't assume the next generation of your family is interested in or capable of continuing your legacy.



We presented the findings of the Culture & Management Study to the owner, and he was understandably surprised and disappointed. Subsequent conversations he had with his children confirmed that they had never really wanted to join the business but had done so because it was always what had been expected of them.

## Interviews

We met with the owner and his senior leadership team to discuss a strategy and succession options. It was clear from that conversation that, although he had good leaders on his team, they were all of a similar age and thinking about retirement themselves. Ongoing discussion brought us to recognize that recruiting a senior executive with business development skills would complement the existing team, improve the business, and allow time for that person to be developed for an eventual buyout.

## Results

Three years later, the four children still work in the business but no longer have the pressure on them to stay and follow in their father's footsteps which has allowed them to take more time to pursue their own passions. An Executive VP of Business Development is on board and is growing the business as he makes progress toward being ready to take over the reins. The key caution here is one we so often see in family-owned businesses – don't assume that the next generation is capable of or interested in carrying on the company's legacy.

**Secure the future of your business by understanding the nuances of succession planning. [Contact STM](#) to get started today.**



(207) 373-9301  
solutions@strategictalentmgmt.com  
www.strategictalentmgmt.com