Management Succession in the Family Business

Every business has management succession – leaders and executives retire, move on and companies sometimes experience the unexpected death of a key person. What many family companies don’t have is a written and implemented plan of succession that provides business continuity and sustainability.

Succession readiness means defining and then taking the steps necessary to insure business continuity. Implementation may involve confirming a strategic plan, drafting a contingency plan, identifying leadership needs, strengthening governance or managing conflict.

For your culture, succession readiness means acknowledging “the ways things work around here” and considering how to enable the organization to prepare for and adapt to the inevitable changes resulting from leadership and management transitions. Implementation may involve organizational restructuring, targeted communications and training, or focused executive management team development.

For current leaders, succession readiness means developing a transition plan, reconsidering one’s future role in light of personal goals, evaluating timing, and being flexible. Implementation may involve identifying, evaluating and mentoring successors, receiving coaching, and accepting an evolving role in the organization.

For prospective successors, succession readiness means cultivating leadership skills and gaining relevant experience. Implementation often involves individual and team development, including mentoring, a progressive career path, stretch assignments and systematic feedback.

Most businesses find it difficult to set time aside to discuss who the next successors are and how they are being adequately prepared. Family business has an added layer of difficulty in honestly assessing each other’s capabilities and developing a plan that may include outside management.

Make a commitment today to dust off your org chart, look at your internal talent and begin planning for the future!

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