

# Succession For The New Year

*Form new habits and toss out old ones to help with management transition.*



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## Understanding how habits are formed gives

us the power to change our lives for the better. By implementing new behaviors and shedding bad habits, we can improve our health, our relationships and even our family businesses.

In the last few years, several best-selling books have been published about habits and habit formation. Charles Duhigg's "The Power of Habit," James Clear's "Atomic Habits" and BJ Fogg's "Tiny Habits" are some of the most popular.

The authors all suggest there are at least three common elements in habit formation. The first element is a cue or anchor, something that triggers the second element, which is a behavior or routine. The third element is a reward. For example, your phone dings (a cue), you pick it up (a behavior) and your reward is the brief feeling of excitement a new message generates.

A bad habit might be alcohol abuse. The cues might be stress or certain social environments, the behavior is drinking and the reward is a short-term feeling of intoxication.

If you hope to develop good habits, you should plug in a new routine or behavior after a current cue, then find a way to reward yourself immediately for the good habit. All of the authors encourage you to start small, as minor habits compound to result in major changes over time.

These books made me wonder if the science of habit formation can be applied to family business succession, a notoriously difficult process to navigate. If you make little changes to how or what you communicate, can those habits compound to make the succession process go more smoothly? Consider the following simple ideas and whether you could adopt some new behaviors to help the family business in transition.

## BETTER COMMUNICATION

Every family business struggles with communication. What if each family member in the business, when he or

she pours coffee in the morning (cue), sends a group text message with the top three things on their to-do list that day (behavior).

The reward could be a dollar allocated daily to each person who participates, with the payout at the end of the month. The longer-term benefit will be a sense that everyone has a better feel for what is happening in the business and less guilt that you are not having more meetings.



GETTY IMAGES

## FASTER KNOWLEDGE TRANSFER

Another challenge in a family business is helping the younger generation become acquainted with key landowners and advisers. What if every time the senior leader of the business emails, texts or receives a message (the cue) from a landowner, the lender, the accountant or the attorney, the leader simply copies or adds a member of the next

generation on their message (behavior)? The reward could be a tally mark on your list of key business relationships. Multiple tallies will generate and sustain a feeling of accomplishment, and provide a sense that you are making a true handoff.

## STRONGER RELATIONSHIPS

Family members working together often take each other for granted and can feel unappreciated. What if every evening at dinner (cue), you say or make note of one thing you appreciate about a family member that day (behavior)? Verbalizing your appreciation for a loved one will generate a good feeling and introduce a positive tone for the rest of the evening. Over time, it will result in more confidence about the pending transition.

Forming new habits is hard, but a benefit of working in a family business is the support you get from family members. Try introducing some small, new behaviors that will advance your succession goals for the coming year. ///