

Succession's Secret Sauce

Management succession in a family business is easy to define but hard to do. Put simply, it is the act of transferring authority and responsibility to the next generation. In practice, it is anything but simple.

Why Succession Is Hard

Succession involves relinquishing control of your business, which you've managed for decades. It needs communication, which is notoriously difficult in family businesses. It challenges your identity as a farmer or rancher, a vocation not so easily shed. It requires getting comfortable with the next generation's approach to business and life, which can be quite different than how you were raised or taught.

Succession also causes you to confront your mortality and your purpose in life. It forces you to consider the next chapter of your life story, when you may consider your current chapter unfinished. It's no wonder that people hesitate to engage in succession planning and transition discussions.



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The Psychology of Succession

It's tempting to solve succession planning with checklists, timelines, organizational charts, job titles and legal documents. Such tools are indeed part of the solution and a necessary part of the transition effort.

The problem is that succession is as much a psychological and behavioral transition as it is a management, ownership, legal, financial or tax transition. Succession requires you to think and act differently, not just create plans. It means changing how you see your work on the farm or ranch, moving from doing the work or leading the team to watching or helping someone else do the work. And, if you stay around, it means submitting to someone else's leadership.

It is difficult moving out of the top spot but still being around the farm and watching someone else take over the daily work. In nonfamily business settings, the CEO seldom stays around after a leadership transition. He or she knows the next leader will lead differently, and that change will be hard to watch.

Succession is built on your accomplishments, as the very act of transitioning means the business has survived

the economic cycles of agriculture through at least one generation and usually several. But, as the next generation begins to take over, it also brings your shortcomings into focus. The next leader changes the business, and those changes can feel like a critique of the way you operated.

Friendship to the Rescue

The longest-running study on human development, the Harvard Study of Adult Development, has found that “close relationships, more than money or fame, are what keep people happy throughout their lives.” Furthermore, psychologists suggest that friendships

help delay mental and physical decline, reducing the risk of loneliness, depression and anxiety while bolstering self-esteem.

I've seen firsthand through my work with family businesses and peer groups that friendships—particularly among senior generation members who are going through the succession process—can help smooth the transition. Friends can encourage you. They can challenge and critique you.

If you let them, they can hold you accountable for making progress. A small group of friends serves as your personal board of directors.

Friends are the people with whom you can share your hopes and concerns about succession. Perhaps one of your friends has been through a similar transition and has wisdom to offer. More likely, the mistakes they made can be instructive for your own transition experience. Friendships are where you find commonality, security and support.

C.S. Lewis said, “Friendship is born at the moment when one person says to another ‘You too? I thought I was the only one.’” Try looking to your friends for help with succession—you may be surprised at how they help. ///



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