

CLEARING BARRIERS TO SUCCESSION PLANNING FOR A FAMILY-OWNED BUSINESS

Dr. Jayne Gardner, MCC, LPC

“It’s time for Dad to step down and let me run the business,” Pam answered when I asked why she wanted to engage me as her executive coach.

Was Pam right? Was it time for the next generation to take over? It didn’t really matter if she was right or not, convincing Dad to step down was not happening.

“Pam’s not quite ready to have the whole ball of wax,” Dad told me when I interviewed him about succession planning for the family business. He had all the legal documents ready to make the transition, but he wasn’t packing boxes to move out of that corner office that Pam was so ready to redecorate. Dad thought Pam needed to become a tougher business person first.

Employee Uncertainty

Employees were concerned about when the leadership shift would happen and how it would affect them. The office manager reflected this uneasiness when she asked, “Who’s really in charge? We’re confused about whom to go to for decisions.”

Confusion and lack of trust were causing production to slow and tempers to flare. Soon, the bottom line was sure to show the unrest.

In truth, Dad’s inability to hand off the company to the next generation was hurting its growth. As their coach, I could see that what was preventing the business from thriving was the uncertainty around Dad looking toward retirement and Pam not yet ready to take charge. When this generational conflict was resolved, the company would be free to move forward with increased productivity and, consequently, greater profitability. But, for now, the family business was stuck.

Regaining Clarity

Coaching gave both Pam and Dad the platform for becoming clear about what they each wanted to happen next. Pam thought she was ready to run the business. Yet in coaching, she learned from employee feedback that they didn’t always trust her judgment about how to run the company.



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Pam hadn't been able to see this situation and had been denying the truth. The employees were loyal to Dad, who had proved to be a good and fair boss. Until she gained her father's complete trust, none of the employees was going to trust Pam to lead the company.

Family Business

In coaching, Pam figured out that she still depended on Dad to make tough business decisions. She had never challenged him, even when she knew she was right. Pam remembered that her mother had taught her to be a peacemaker and pleaser. As a result, Dad didn't find her strong enough to lead the company he had worked so hard to build.

"Be careful what you ask for, Dad," I thought to myself. As coaching continued with Pam, she gained the courage to confront her father when her opinion differed from his. In coaching, she practiced standing up to him and no longer allowed him to take over management meetings when he thought she was wrong.

Seizing a Turning Point

One day, Pam volunteered to drive Dad to the airport for a business trip. On the way, he told her he was tired of traveling so much and was ready to start some retirement plans for himself and her mother. "Your mother deserves to do that traveling I've been promising her for the last twenty years. It's long overdue," he told Pam.

"Dad, what do you want to do about leadership of the company," Pam asked. "It's hard to make decisions when you're gone. I feel as though I must ask your permission before I make a move," she confessed.

"Well, dear daughter of mine, I've been noticing some changes lately in how you stand up to people. I like what I'm seeing. That fancy coach you hired must be doing you some good. I can see a difference. I think you might be ready to take over, but only after we spend some time looking at how this might happen. I'm not ready to fly the coop just yet. I want to make sure you know what you're doing," Dad responded.



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As I moved into coaching them both, we designed a succession plan. Dad wasn't ready to step down immediately, but he was beginning to trust Pam (and me) and to respect her opinions more.

Embracing the Truth

What happened to change Dad's mind? As you might guess, it was Pam's work on her own self-confidence and personal worth. She was changing her pleasing ways into assertive behavior, engaging her father in calm confrontations when differences arose between them. Pam was building the self-trust necessary to convince her father that she was ready to lead the family business.

Trusting The Process

Often, family issues in succession planning underlie a company's problems with growth, productivity, profitability, and morale. When Pam began to trust herself more and found the strength to stand up to her father, Dad began to feel more confident in trusting Pam to lead the business he had worked so hard to build for his family's next generation.

When we concluded the coaching engagement, Dad told me, "You just got her to see that she's a chip off the old block and that sometimes a person has to be tough to get things done."

As Dad came to trust Pam more, the employees began to see the difference and trust her more, too. The family business regained the strength and worth it had when Dad was in his prime. Helping Dad and Pam resolve their business issues enabled the company to focus on profitability and growth once again, eliminating the uncertainty that had once threatened its future.

Dr. Jayne Gardner
Performance Coach

