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BUSINESS ADVANCEMENT INC.®

The Harper Report:

Keeping the “Success” in Leadership Succession

When you think about leadership succession planning and development, what comes to mind?

If you’re like many of the top executives and business owners we work with, it’s likely to raise a series of ambivalent thoughts and feelings. These include:

“Yes, I know it’s a best practice of the most successful public and private companies to have leaders identified and developed so they can maximize the value of their company and accelerate growth and profitability going forward.”

“No, we don’t need to think about this right now. I enjoy what I’m doing and I don’t plan on leaving or selling the company anytime soon.”

“Yes, I know we should have something formal written down and communicated. In an emergency it’s critical for others to know who we have in mind.”

“No, I don’t want to think about life after this company. Besides, we don’t have time for this right now. We’ll get to it later.”

And the list goes on...

It’s no wonder then, that while the value of leadership succession planning and development is universally recognized for companies of every size, ambivalence often results in it being handled one of two ways. Either it’s put off as long as possible until actionable

options are limited, or it becomes a formulaic exercise that is never brought to life.

What is the key to success? It’s dealing with the ambivalence that’s always associated with leadership succession. This is as important to success as financial planning, legal continuity, and the process of identifying and developing the next generation of leaders.

Name the Elephants in the Room

We’ve seen that much of the ambivalence surrounding leadership succession results in a reluctance of CEOs, business owners, and Boards to have candid discussions about the current and future direction of the company and its impact on identifying and developing current and future leaders.

Here are a few of the critical questions that can carry an unexpected emotional charge:

- What type of executive talent is necessary to lead the company right now?
- What type of executive talent will be necessary to lead the company to its next level of growth and profitability?
- What if there isn’t anyone in the company that I want to move into top leadership positions or replace me as CEO?
- What if the most qualified leaders are not in the natural progression of succession?
- What if “stars” who aren’t promoted become disengaged and decide to leave the company?

If agreements come too quickly or discussions become bogged down in conflict, it's likely that there are hidden issues that, if left unaddressed, will block effective decisions and actions related to succession.

Special Elephants for Family Business Owners

In addition to all of the issues above, CEOs who are founders and/or business owners need to face some of the biggest elephants of all when identifying and grooming his or her successor. These include: dealing with losing control of the company, deciding whether there are family members who are suitable for leadership, and facing what life and important relationships will look like in the future.

For example, one of our clients was the founder and CEO of a privately held middle market company who was struggling with identifying his successor. As we defined criteria for the role of CEO, it became clear that he was not ready to bring on anyone else because he didn't want to have someone replace him in the company he built and cherished.

Naming this elephant in the room and addressing the life issues behind it was important for this CEO in order to fully commit to the leadership succession process. Bringing together his leadership team (including family members) and key advisors in addressing the succession issues, enabled them to set an effective strategy to identify and develop his successor along with successors for the rest of the leadership team.

About the authors:

Since 1991, **Business Advancement Inc.** has enabled companies of all sizes, in a wide range of industries, to accelerate their growth and profitability – in any economy. Leadership succession is one of the many growth issues we've addressed.

<http://www.businessadvance.com>

Pamela S. Harper is the Founding Partner and CEO of Business Advancement Inc. (BAI), based in Glen Rock, NJ. She is an internationally known business performance expert, author, and professional speaker with over 20 years experience in internal and external consulting to successful entrepreneurial, middle market, and Fortune 500 companies in a wide range of industries. Pam is the author of the critically acclaimed book, *Preventing Strategic Gridlock®*. She has published and been quoted in media outlets including: *BusinessWeek*, *Investor's Business Daily*, *Entrepreneur*, *Chief Executive*, and major global newspapers.

D. Scott Harper, Ph.D. is Sr. Partner and COO of BAI. He is a globally recognized expert in innovation processes and systems with a unique ability to translate technical insights into desired business results, gained from over 20 years of leadership experience in major consumer healthcare companies. He has been published and quoted in prominent business media outlets including *Chief Executive Magazine*, *CEO.com*, and *CEO World Magazine*.

The Importance of Commitment

In the end, keeping success in leadership succession hinges upon transitioning from *knowing* that it's important to the turning point of truly *committing* to make it happen effectively. Facing and effectively dealing with the emotional and relationship issues along with strategic, financial and legal decisions is the foundation for building and strengthening that critical commitment.

For particularly difficult issues, having a focused discussion with your full team at a location away from the demands of everyday business to bring out different points of view. This makes it more likely that the discussion will move beyond too-quick agreement and that "elephants" will come out into the open and be addressed.

It can also be highly effective to engage an outside advisor with expertise in dealing with strategic and leadership succession and development considerations to lead the process. This will enable participants to think about and discuss the issues in new ways that produce more effective decisions and actions.

Gaining commitment on the wide range of succession issues on an ongoing basis accelerates identifying and developing the next generation of leaders so they're ready to take on new roles as needed. This ensures continuity and a lasting legacy for your company's success now and in the future.

