



Succession Assessment

The succession elephant is in every business room. Here's a guide for owners and CEO's to decide which parts of the elephant to talk about, and when. Hint: Sometimes "succession" happens beyond your control.

Please answer yes or no.

"No" answers are your map to success.

I plan to be in the business for five years or more.

If yes, these are for you:

1. Our performance appraisal system for leaders focuses equally on current performance and skill building for the next position.
2. We have an Executive Team in place, with dual objectives: successful current operations and increasingly effective leadership requiring less and less of the current CEO or owner.
3. Our targeted operations measures guide overall performance that drives financial success.
4. Our leadership team has named a successor for every key position, including skill building and promotion path to competence. This plan is reviewed annually.

If no (I plan to leave in less than five years), these also are for you:

1. "Letting go" is often surprisingly difficult, so I have at least one trusted advisor who will hold me accountable to our plan, and enable frank discussion along the way.
2. We've outlined written succession plans with professional advisors including succession consultant, banker, accountant, attorney, and investment and insurance advisors. All have been updated in the past year, and discussed with family and owners.
3. We have set a date for the current owner/CEO to step out of the business, and discussed it and our general plans with family, Executive Team, employees, major customers, suppliers and banker.
4. Increasing the value of the business is a live objective, just like improving cash, profit and customer service. We measure business value annually, and review with Executive Team and owners.
5. A professional succession consultant has provided an action checklist to improve the value of our business at a future sale, and we're acting on it.
6. We've discussed with managers, employees, suppliers, and customers their roles in making this transition successful.
7. We've identified people to successfully lead the business if one or more of its current key leaders departs unexpectedly.

