

## Jim's Profit Accelerator 56: Make Life after Succession Your Second Midlife Crisis

Every business has a succession event. Yes, even yours. For once let's move the focus past the event to life afterward. No, this is not a paean to the joys of the retirement trio: reading, travel, and golf. Instead, let's make this your second midlife crisis, with a nod to golf.

My golf pro drove me nuts insisting that I "finish the swing." Good advice, hard to do since I couldn't see myself. I thought I was following through beyond belief; instead, I stopped short. Repeatedly. I stopped short because it felt like I was finished. The advice is the same for tennis, baseball, windsurfing, track, or push-ups: Push past what you think is the end. Run through the tape. Better results are guaranteed.

Here's an example of the payoff for running through the tape: It took three weeks to figure out how to cut waste dramatically at a successful company where I worked, and three months to make the cuts stick. Analysis:

1. First part of the race: Figure out a solution.
2. Push through the tape: Help others bring it to life.
3. Result: Annualized savings boosted profit 50 percent!

**SPEED BUMP:** Success requires running through the tape.

Here's your first quiz: Which of these accurately describes succession?

1. Replace the leadership.
2. Replace the ownership.
3. Shut down.

Answer: Any of the above.

Here's a stunner: No matter which of these occurs, there is a post-succession phase (PSP). Even better, you can influence that PSP dramatically, if you start now.

**SPEED BUMP:** A good finish seldom overcomes a bad start.

Just as sprints are often decided by the start, your PSP can be dramatically better if you start wisely.

Here's an assessment to get you started: Rank these in importance to your post-succession business. Note which is #2 in importance. (Yes, all are vital, but some are more vital than others.)

- Capital
- People
- Leadership
- Execution
- Niche (who buys from you and why)

OK, this is a trick question. The #2 factor for PSP is always Leadership, because just as the perfect car is useless without a driver, an organization depends on leadership to survive. Always. (And #1 is whatever you choose).

**SPEED BUMP:** The best successions start with the best leaders after succession.

Instead of just letting the next person pick the leader (and the leadership team), why don't you do it? You understand the business better than anyone. You are at least as good as the next person at picking people. If you pick the leadership team far enough ahead of the succession event, you can groom them to dramatically improve their odds of success. You don't even need to know where the business will go ten years after your succession. If you build the right leaders, they'll figure that out for you, with a little advice from you.

Wouldn't you rather be an investor/advisor than an owner manager? If not, we need to talk.

So where's the crisis (as in second midlife crisis)? It's in handing over real decisions to anyone else. As long as you're the CEO, no matter how you empower your key folks, they look to you for conscious and unconscious guidance. That guidance frequently happens without you knowing it. Each of your leaders knows what you'll accept and what won't fly, whether they talk with you about it or not. While you're CEO, that's hyper efficient, usually effective, and provides you with enormous daily comfort.

Since you're now looking past the tape to boost your PSP, which of these styles of CEO change will you endorse?

1. **Just Leave.** It feels like freedom to you, but leaving succession to the folks you left behind creates enormous risk to your future income and the success of the business.
2. **Gradual Grooming.** This takes thought and patience, as the power and initiative dance evolves, but when done well it's a powerhouse driver for success.
3. **Sell & Go.** (An outsider is brought in to run the business). Regardless of how you imagine it, the effect on the business, including employees and customers, is dangerously unpredictable. Why? Because an outsider who isn't groomed into the business brings her own values and goals, and they may be dangerously different from yours.

How do you want to build your PSP?



**ACCELERANT:** Will you create your own Post-Succession with the care and skill that you brought to the business?

For more information on how you can accelerate revenues and profits in your business, please call or email me.

For more information, visit [www.grewco.com](http://www.grewco.com).

Jim Grew is an expert in CEO-level strategy and executive leadership whose clients refer to him as the Business Defogger and Accelerator. Jim helps leaders swiftly discover the hidden opportunities within their businesses and exploit them for dramatic results. Nearly three decades of success as a COO and CEO coupled with his experience running nine thriving businesses provide the foundation for his consulting work as president of the Grew Company. He presents regularly to industry groups, mentors business leaders, and shares insights on his blog, BizBursts.com: <http://bizbursts.com/>. He holds BA and MBA degrees from Stanford University.

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