



DO BUSINESS FASTER™

## **Jim's Profit Accelerator 251 Your Next President**

Horror Story: An excellent company decided to sell. Their track record, management, processes, and results were very strong, and their industry had a promising future. The current president and owner planned to retire. Their experienced investment banker interviewed over 200 qualified buyers, with these results:

- Many buyers were interested in the company.
- No buyer agreed to consider a purchase until an **internal** candidate for president was identified and developed!
- They did not want to risk an outside search in a tough job market, and then risk a period of adjustment into the new company, and then risk a poor choice and having to go back to the market for another candidate: a three-year risk!!!

Even if you don't plan to sell, this is a blaring alarm about the intrinsic strength of your business—observed by bankers, competitors, employees and new hires.

For many company leaders, finding the next president of their company is squarely in the “when I get to it” pile. It seems far into the future, relatively easy to solve, and not as vital as shipping this week's product. Here's why that approach is wrong and dangerous. A company with no clear successor president faces these risks in current operations:

- **Concern from your best employees** about how long their company (and their job) will endure. Healthy past and present results are not enough. The flood of information means that those best people will eventually wonder about their personal future, especially in the absence of clear succession development.
- **Hollowed-out leadership at the top**, with too much power out of reach of all but the president. Short-term results can be good in a top-down environment, but the capability for organization-wide reflection and adjustment is limited by the felt need for permission from the boss.
- **A culture focused on daily execution** and monthly financials, with little vision for the future. Your best leaders will wonder about plans to excel in a complex and competitive future and will be less and less willing to rely on their existing president. Daily execution is necessary but not enough.

**SPEED BUMP:** Without a successor in training, your future is insecure.

These common objections to growing successor leaders are the result of either lazy thinking or an exaggerated opinion of current leaders:

- **We can't afford to add another expensive leader to the team.** Besides suggesting a stunning lack of awareness about how to use a good leader, this thinking misses the point: a valid candidate for future leadership can lead one critical initiative after another, building skills and delivering results to the company.
- **We don't have anyone who can train that person.** Since more leaders are trained mostly on the job, why is this any different? Instead, designate two or three candidates for potential mid-level leadership in the company, and put them to work. The best ones will strive to learn and will find ways to get better. It's easy to train folks like that, using a few of the hundreds of resources now available.
- **We want to see that our culture is preserved.** While your people will support cultural norms in the short run, unless all their leaders continue to support the culture and find ways to make it work in the present, the culture will weaken and dissolve.

**SPEED BUMP:** The best leaders grow into their jobs with life practice.

**ACCELERANT:** Who is your candidate for next president?

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

A note on **SPEED BUMPS:** Use them to click quickly with an idea that can immediately be implemented in your life as a business leader. Think: "How can I use this today?" or "Who can use this?"

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

Jim Grew, the Business Defogger and Accelerator, helps leaders discover hidden opportunities within their businesses and exploit them for dramatic results. Jim has led 9 businesses, worked in 31 companies at C-level, and is an expert in strategy and executive leadership. He presents regularly to industry groups, mentors business leaders, and shares insights in his Executive Letter (above). Jim holds BA and MBA degrees from Stanford University. In his new book, *The Other Side of Succession*, he shares how to plan for the future by growing your business now.

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