



PREPARING OR PROCRASTINATING?

See: <http://www.ey.com/us/en/services/strategic-growth-markets/ey-preparing-or-procrastinating>.
AND Business Jungle by André Diederichs

André Diederichs

SUCCESSION PLANNING IS AN ACT OF STEWARDSHIP THAT SHOULD NOT BE IGNORED

The question is often asked, "When is the right time to start with your Succession Plan?" The answer is "THE SOONER THE BETTER." Keep in mind that Succession is not only about the retirement of the existing generation BUT also about having a plan in place should something unforeseen happens to the current owner-manager.

HOW THE WORLD'S LARGEST FAMILY BUSINESSES ADDRESS SUCCESSION

"Succession is a hot topic for family business leaders. Around the time of leadership succession, emotions often flare, relationships in family and work undergo stressful changes, and the success – or failure – of an effective transition can impact the family and the business for years."

With the EJ report, they considered what some of the largest, longest-lasting family businesses in the world do to produce successful successions generation after generation. Their report is based on survey results

gathered from 525 of the world's largest family businesses.

The report made it clear that these family businesses prepare new leadership long before the actual succession occurs by:

1. Clearly defining who is responsible for succession. *This is wise because if some-one is not responsible then the task becomes nobody's responsibility*
2. Focusing on next-generation preparation - but not necessarily on outside work experience. *It is often said that outside work experience is a good practice. This is true BUT it should be a combination of outside and inside work experience.*
3. Nurturing an entrepreneurial culture. *This is vital. Many times the entrepreneur is in the 1st generation. It is important to kindle the entrepreneurial spirit in the incoming generations.*
4. Working to attract top talent. *Children have choices. To attract and retain the best talents amongst*

potential successors is part of long term strategic planning.

ARE YOU SUCCESSION SAVVY?

The Wild dogs of Africa are a sound analogy to convey important lessons for family businesses.

- They prepare their successors by catching their prey alive to teach their young to hunt (their core business). *How do you expose your successors?*
- They are the most successful hunters of Africa (87 % success rate) because they understand teamwork and do not argue about roles. *It they target you, you have problems! Are you working as a team with clearly defined roles?*



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