



Letting Go to Move Forward

In our work with family businesses we often hear the **next** generation lament that the **current** generation in charge will never “let go.” The **next** generation is keenly aware that if the **current** generation cannot “let go,” then they, the **next** generation, cannot move “forward.”

Our advice to the **next** generation is that unless the **current** generation initiates and supports succession, the process will be unsuccessful.

There are many possible reasons why the **current** generation cannot let go – some are valid reasons and others are grounded in the emotional connection to the business and uncertainty about their next chapter in life.

A survey of family business CEO's titled, *Laird Norton Tye Family Business Survey*, concluded that only 25% of **current** generation CEOs were confident that the **next** generation is capable of taking over the business. Furthermore, it found that 93% of the **current** generation's wealth and income was tied up on the balance sheet and P & L of the family business.

Therefore, notwithstanding emotional implications of transitioning the business, if the **current** generation has little confidence (founded or unfounded) in the **next** generation AND the majority of their financial stability is tied to the business, it will be nearly impossible for them to let go.

So what can the **next** generation do to foster an environment which encourages the **current** generation to embrace the succession process despite the inherent challenges? What often

needs to occur is a **shift** from negative attitudes that discourage succession, to positive ones which support succession.

The chart below shows negative attitudes on the left and positive attitudes on the right.

Next Generation Strategies to Support Succession

Negative Attitudes	Positive Attitudes
It is time for my Dad to retire! It is my turn to run the business!	I understand how difficult it must be for my Dad to leave the business that he built, as well as step away from his identity as owner.
I need to get my Dad out of the business. I am ready to make my own decisions!	I will take a critical look at my deficits and ask my Dad’s advice on what I need to do to be prepared to take over. I will then demonstrate through my actions that I am capable of running the business and show that we can work together through the succession process.
Dad just needs to tell me what he wants and I will do it. But once he does, he needs to get out of my way.	My siblings and I need to determine what to do on our own. In that way, we will prove to Dad that we are capable based on our merits.
Why doesn’t my Dad see that I am more capable than my siblings? I should be the successor. Once I am, I will get rid of one of my siblings – a deadbeat who only has a job because of birthright!	My Dad needs to know that I will support my siblings whether I am the CEO or if one of my siblings is the successor. We need to decide as a family who is right for the business and support those who are not in exploring other options.

As a **next** generation family member in the business, take an honest assessment of yourself. How might you be hindering a successful succession process by exhibiting negative attitudes? Or supporting the process by being positive? **Shift** the negative attitudes to positive ones and the **current** generation will be more likely to embrace a successful succession process so that you, the **next** generation, can move “forward.”

Strategies, Inc.

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