

What's Your Succession Plan?

Exposing the silent barriers to family business succession



BY FRANCINE CARLIN

Economists forecast that 85% of Canada's family business leaders will retire in the next 15 years. Given that 80% of this country's business community and a similarly high proportion of grocery retailers are family-owned businesses, this effectively means that the largest business transfer in grocery history lies ahead.

While the upcoming transition represents great opportunity, too few people are addressing the emotional underbelly of the succession process. Deciding to transfer a business to one's adult children or sell it to an external party is an emotionally charged event. Uncertainty about when to act, poor communication between retiring owner and spouse/partner, expectations of offspring, personal conflicts about retirement—these are just some of the silent barriers (undercurrents of conflicting attitudes and behaviours) that can disrupt a business transition in negative and unpredictable ways. Ignoring silent barriers can be costly. Sorting through issues on an ad hoc, reactive basis can prolong the succession process or even capsize it altogether and threaten a company's longevity.

On the personal side, festering issues can undermine family relationships. The Walker* family is a case in point. William Walker, the 68-year-old founder of a mid-sized grocery chain, is a typical entrepreneur: driven and closely identified with the company he and his wife, Sarah, nurtured from infancy. I met William and Sarah when their adult children, Sam and Laura, came to me with concerns about the company's future. Both had started working in the business as teenagers and had carved out management roles as adults. Now in their late thirties, the siblings were brimming with ideas to grow the chain, but were frustrated by what they perceived as their father's lack of confidence in their abilities and his refusal to loosen his control. Reluctantly, both were starting to consider external career options.

Fortunately, the younger Walkers' and their parents' willingness to discuss what was on their mind and in their

heart allowed them to take the first step in a process that has helped multiple business families expose and address the silent barriers to succession. Although each enterprise's unique needs influence program specifics, the "Silent Barrier Breakthrough Process" involves four main steps:

1. Speak your mind. Private interviews with Walker family members give them the opportunity to reveal deep-seeded concerns about succession issues that they had previously been reluctant to air for fear of creating emotional rifts.

2. Acknowledge the issues in a safe group setting.

During the facilitated meeting, the Walkers collectively explored the interview findings and acknowledged the legitimacy of each other's thoughts and feelings. As emotions ebbed and flowed throughout the session, a number of breakthroughs occurred. The patriarch's closing comments reflected this shift in perspective: "Sam and Laura bring a lot to this business and we need to find a way for them and the company to flourish together."

3. Identify sensitive succession topics. The Walker family agrees to arrange subsequent meetings (with or without a facilitator) to identify and prioritize sensitive issues for further dialogue/discussion/exploration.

4. Working with silent barriers is an ongoing process; not a one-time fix. The Walker family agreed to set aside time in all meetings for family members to "check in" with each other to ensure that issues are being respectfully addressed: How are you feeling? What do you need? How are we doing?

By helping the Walkers talk openly, the Silent Barriers Breakthrough Process transformed their relationships. Once they became aware of each other's concerns and began to address them constructively, the Walkers became a highly functioning family business leadership team, paving the way for successful generational transition and succession. **CG**

*To protect client confidentiality, the "Walkers" are an aggregate of several business families.

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