HUMAN CAPITAL CONSULTING PARTNERS

Aligning Organizational Performance With Shareholder Expectations

NEWS RELEASE

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schedule an interview, please contact:
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FOR IMMEDIATE RELEASE:

ARE YOU SURE YOUR SUCCESSION PLAN IS SET?

**6 COMMON MISTAKES THAT FAMILY BUSINESS OWNERS MAKE WHEN PREPARING FOR THE NEXT GENERATION TO TAKE OVER,
FROM ACCLAIMED BUSINESS STRATEGIST JIM GEIER**

(Philadelphia, PA) "Many owners of family businesses underestimate the organizational succession plan necessary to transition their company to the next generation," according to Jim Geier,founder and CEO of Human Capital Consulting Partners. He frequently observes, "A business owner will come to me, ready to retire within a short period of time, and after a few key questions, they realize that they really have no organizational succession plan in place, in order to turn the business over to the next set of leaders," says Geier. Geier highlights 6 mistakes that family business owners make when passing on their enterprise to the next generation or group of owners.

1. Not starting to plan early enough. Geier recommends setting a clear and defined action plan and timeline, starting at least five to ten years in advance of your expected event.

2. Taking too much time to give authority to your successor. Business leaders need to involve their potential successor in the transition process early on. They must involve them in the decision-making process, and ultimately give them the responsibility of making the decisions on their own. Trust is a huge part in all phases of the transition, and if you do not trust your heir apparent early on, they won't have the experience necessary to take over.

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3. Mismatched visions of the future. It is vital that there is a shared vision for the future of the company so your planning will efficiently coordinate with the evolution of the company after the next generation takes over.
4. Keeping your plans secret. It is important to strategize, communicate and implement a consistent plan. Getting everyone on board and working in the same direction towards the same goals will insure a smooth transition. The new generation will already feel ownership in the plan and be more inclined to make it succeed.
5. Assuming that what works for one business will work for yours. Avoid the cookie cutter model when it comes to your organizational succession planning transitions. While it can be beneficial to follow benchmarks, your culture, family and business are different from others. Take care to customize your succession plan to fit your uniqueness.
6. Tying the business to your own personal identity. Give the business a broader identity. True, you shaped it and perhaps even birthed it. However, with a broader identity, you will give everyone a sense of ownership during the transition. "When speaking of the business, refer to it as 'ours' rather than 'mine'," says Geier. "This allows your successor to adjust to the idea that they are included and eventually taking over. It's okay to let go."

Ultimately, it is in the best interest of the owner to pass on the responsibility of business operation and leadership. When done successfully, the retiring generation will guarantee themselves a more stress-free future when they leave their legacy in capable and dependable hands.

As a full service consulting firm, Human Capital Consulting Partners specializes in working with businesses to deliver on organizational and cultural change management initiatives, organizational assessments workforce planning, compensation strategies, succession, and executive search.

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Human Capital Consulting Partners is a full-service consulting firm, founded in 2004 by human resources innovator, Jim Geier. HCCP specializes in the alignment of organizational performance with shareholder expectations. Clients include owners, shareholders, boards of directors and C-suite executives of small, medium and family businesses. HCCP represents a diverse range of industries who seek the most effective ways to maximize their company's human capital relative to their business model, strategies and goals.

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