



How much does a failed succession plan cost? Why emotions can be helpful.

Only one in five succession plans is successful! Very seldom is the succession process started early enough. This is very surprising, especially as most entrepreneurs know that succession planning requires a lot of time and preparation. The emotional cost of letting the company go is often underestimated. This can have a sustained negative effect on important customer relationships and the value of the company.

Everybody these days is talking about succession planning, and countless advisors and events have investigated this topic. The focus usually falls on the next generation. How can they be taught to take on this responsible task, and what education and professional experience do they need to follow in big footsteps? But why are these footsteps so big? Why is the next generation reluctant to accept responsibility? Is the next generation naturally hesitant?



My personal observations and experience in the past years paint a completely different picture. A well-educated generation is willing to take on responsible tasks. But high expectations, the boast of the outgoing generation that they know exactly how things should be done – which is often accompanied by unwillingness to go down new paths – can be very daunting. When this goes hand in hand with a zero tolerance for error,

many hesitate because they can't gauge whether they can master this Herculean task.

The acknowledgement and wish to pass on the operational management of the company, to have more time for yourself and your partner and to work together on defining this new phase of life give rise to many emotional moments. This often feels like riding a rollercoaster, being torn between wanting to do and being able to do, between rationality and emotional distress.

I have often asked myself why succession planning hasn't focused much earlier and more strongly on the outgoing person, the strong personality, the successful entrepreneur. This is probably because the outgoing person starts the process, and their rules and expectations lay the foundation for the succession process. This can make it seem that the outgoing person has already answered all their own questions and doesn't need any help.

In reality, however, my experience has been very different. Once again the entrepreneur has to take all the decisions on their own. They are expected to be strong and clear, and to accept all management responsibility. But what about their feelings, emotions, fears? Handing over means leaving the limelight, leaving the stage step by step, or after the final act. But what is a protagonist without a stage, a spot light, applause and the admiration of the public? I believe that many artists who were banned from the stage by the pandemic measures can describe these painful emotional experiences very well.

Regardless whether you're looking for a successor within the family or are thinking



about engaging an external manager, imagine yourself in the shoes of an actor who plays the leading role for the last time. What does this do to you? What emotions are stirred deep within you? What does this do to your self-image, self-perception, self-confidence and ego? To judge from my observations and experience, a succession process should begin by answering these exact questions and determining the personal and emotional point of departure.

With "fit for transaction", I don't mean the business aspects, but the personal preparation for the last round of applause, the final moment on the stage and then the silence.

Surveys in Germany and opinion polls in Switzerland have shown that only one in five succession plans is successful. There are surely just as many reasons for this as failed succession plans. One reason could be a lack of acceptance and tolerance that doesn't make any allowance for an open and honest dialogue between the generations. From the external perception, this can seem to be a reluctance to let go. Mantras such as "she/he doesn't want" or "she/he can't let go" are used to explain the termination of the process, to provide a rational argument for the failure, and – as so often in life – to identify a "culprit".

But it doesn't have to come to this if all those involved in the process are clear about their expectations, wishes and aspirations and can formulate these honestly with unvarnished openness from the start of the succession process.

I want to refer to "owner strategy", a term that can be used not only for entrepreneurial challenges but also for every personal change. From the point of view of an entrepreneur this means: my life belongs to me, I'm the "owner", and as such I should first be clear, both on the personal and professional level, about "what", "how" and "why" I want something. About the

changes and consequences I have to expect, and whether I'm willing to accept these.

Good reasons to start a succession plan with oneself, to train and become rationally and emotionally fit for the dialogue between the generations. This could help avoid uncertainties, irritation and being fearful of the future, which are expressed in reluctance or a zig-zag course.

In everyday life, every entrepreneur and every manager knows exactly what this means. Battling with yourself for hours and hours, lacking somebody with whom to discuss your thoughts and exchange ideas.

"Heroes" ask for help – not only on the stage, but also in real business life. The four partners of Experts for Leaders have experienced this personally as part of their professional activities. This is not least why they have specialised in supporting decision makers in answering these questions, in acting as sparring partners to record and mirror all thoughts, fears and anxieties and to develop individual solutions that enable you to emotionally separate yourself from your company and successfully hand it over to a successor. Support in implementation is also a fixed component of this cooperative relationship based on trust.

"You cannot teach a man anything; you can only help him find it within himself." Galileo Galilei

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