



# Succession Management

One of the most important challenges and biggest threads for family owned companies arises from succession in ownership and succession in management. Crucial for intergenerational wealth and management transitions are openness and transparency.

Succession is highly sensitive and complex and confronts the founder or current CEO with apparently unsolvable problems:

- succession is an unwelcome reminder of age and mortality and threatens loss of influence and redundancy
- virtually no or very limited practical in house experience exists - it usually happens only once in the lifetime of a businessman, it is not business as usual
- traditional models of succession are undergoing transformation as business and family become more clearly separated

Professional managed succession processes contribute to above-average economic success of family businesses, need to be well prepared and thought beyond conventional ways.

## The right person in the right place at the right time

Succession in management requires a well-managed succession plan. It will take several years and cannot start early enough to enable possible successors to get well educated and experienced to take over or to find suitable external candidates and to enable the founder or current CEO to develop into his future role.

In every transition capable successors are essential and these decisions need to be well prepared and managed. This should go hand in hand with planning the future, evaluating the status and the needs of the company and a clear understanding of the culture of the company - resulting in requirements for ownership and management of the company.

Based on this profile a neutral evaluation process and professional assessment of the candidates is very important for a successful transition. It enhances the credibility of the successor but also the professionalism of the board taking the decision.

## Different times need different people

Ownership plays a hugely important role in a family business and its principal duty is to ensure professional leadership for the business, meaning also that a family doesn't necessarily have to run the business itself.

Preparation and training of the family for the task of ownership is necessary and an investment in the future shareholders.

## The art of making a success of succession

28% of family firms in the DACH region face succession within the next 5 years. Thereof 75% plan to do this family intern, 50% plan succession in ownership and management but some 27% plan ownership transition only with external management (PWC – Die Zukunft von Familienunternehmen - 2012)

We support you in all questions around succession and talent management to facilitate that you get the right person in the right place at the right time.

- Well prepared and well managed succession processes
- Clearly defined profiles
- new roles for founder or current CEO
- Neutralisation and professionalization with assessments and evaluation processes
- External know how and support to relief internal resources
- Consensual definition of process and criteria and integration in family constitution