The Keys to Successful Succession Planning
What is the definition of a Family Business?

Harvard Business School:
When two or more related people own, lead or make major decisions for the business.

CFBC:
The way we see it, your employees, partners and investors in one way or another are family.
Causes of Transition Failures

- Lack of communication & trust
- Inadequate preparation of the next generation
- Lack of vision / mission
- Other

70% of intergenerational wealth transfers fail, Roy Williams and Vic Preisser, Institute for Preparing Heirs, 2003, pp. 35-50.
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Embed Video:
John Davis Talk, Plan, Agreements
## The Human Element

<table>
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<th>Awareness</th>
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<td>Self-Awareness</td>
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<td>Relationship Management</td>
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EQ = Awareness and Choice
Awareness of Barriers

1. Pride, Ego, Arrogance
2. Fear, Self-Doubt, Insecurity
3. Anger, Resentment, Blame
4. Busy being a human “doing”
5. Tendency to talk a lot
6. Drive for success.... Status and money
3. Be kind. Have positive body language. Forgive. Ask yourself, how would you like to be treated?
5. Talk less, listen more. Ask questions. Be open. There is magic in the silence.
6. Express appreciation. Commit to both results and relationships.

EQ = Awareness and Choice Choice of EQ Behaviors
Family Business Ownership

Are we a family in business or a business directed by family?
Leadership Development

EARN and LEARN

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Welcoming the next generation in the family business
Agreements

Ownership

Buy-Sell

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Financial Success
Retirement plans for owners

Financially

Emotionally

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What’s the contingency plan? CRASH CARD
10 Must Haves for Excellent Succession Planning

1. Owner’s Personal Financial Plan
2. Owner’s Vision of Personal Legacy
3. Commitment to a Specific Retirement Style
4. Fair Market Valuation
5. Leadership Contingency Plan
6. Objective Outside Advice
7. Job Descriptions for Next Leaders
8. High Potential Leadership Pool
9. Timeline – Evaluation/Choice/Integrate/Let Go
10. Honoring the Legacy of Outgoing Leaders
Transitional Preparation Assessment
Are you listening?
It’s not about the nail...

Could listening and empathy help you with any of your conflicts?

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Share...

- Any “Next Actions” on your To-Do List?
- One thing you appreciated about this break out session?
Thank You!

A special thanks to our Strategic Partners

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