



L A U R I E N I C H O L S
S U C C E S S I O N P L A N N I N G W I T H H E A R T

Five Questions Every Owner Never Asks and Should, to Create a Succession Plan That Works



Now, more than ever, it's important for professional service firm founders and leaders to assess the very real risks of not having a clear plan for succession.

Too often in my work with clients, I see firm owners rationalizing what John F. Kennedy called the "risks of comfortable inaction."

"There are risks and costs
to action. But they are far less than long-
range risks of comfortable inaction."

-John F. Kennedy

What you have built is too important to leave to chance.

If you've been putting off strategic and succession planning, deep down you already know that "someday" is now. Reframing your perspective to challenge the thinking that keeps you rationalizing the status quo or putting off the conversations that matter most, is a choice you can make today.

Are you ready to challenge the status quo?

Your singular focus on those activities you mastered to build your business and create the lifestyle you enjoy, will not guarantee:

- You a successful transition to your next chapter.
- You will build a sustainable business or...
- A business that will sustain your lifestyle for an extended period indefinitely.

Get real. Get clear.

If you're working on autopilot and feeling comfortable with the status quo - or worse - relying on wishful thinking, you're at risk of being pushed into "strategy by default." You get to choose: Is today, day one...or someday?



The Succession Readiness Appraisal: Five Questions Every Owner Needs to Ask

1

Am I ready? Followed by: **am I sure?**

This question cannot be glossed over. When was the last time you truly paused to reflect deeply on what you've achieved and your aspirations for your business and your life at this stage? Your business is likely your largest asset and plays an outsized role in every area of your life. With success comes greater time pressures and competing priorities that squeeze out time for self-reflection and strategic thinking. For most owners making the time to go beyond thinking to actually plan for succession is not easy!

Diving into the process of planning for internal succession or an M&A event can be stressful: planning for it, gearing up, negotiating deal structure, and figuring out your future role. At its core succession planning is all about the psychology of change. And change, for most people, is an emotionally charged experience that brings up fear and uncertainty about the future. Too many successful professionals either undervalue the importance of making time for self-reflection or rationalize putting it off. Are you ready to challenge yourself to rise above the hustle of your day-to-day activities to prioritize and reflect on your ideal vision for succession?

2

Do I have a **clear, compelling vision** for my ideal succession scenario?

You may have heard the expression, “when the vision is clear, the decisions are easy.” This couldn't be truer than when you contemplate what matters most to you and your goals for business succession. I am a firm believer in the importance of business owners designing a plan with a commitment to achieving a “triple win” outcome—a win for owners, a win for successors and the team and, of course, a win for clients. Without clarity on your ideal vision and what “winning” looks like for you, it's too easy to remain caught in the current of the day-to-day and not prioritize time for personal reflection. Equally important is valuing, and engaging with your essential stakeholders as you seek understanding of what their “win” looks like. A shared compelling vision can be the fuel needed to motivate yourself to prioritize planning and for inspiring commitment and buy-in with your stakeholders.



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3

Who are my “stakeholders”—team members, successor(s), clients—and, are they ready? Followed by: **am I sure?**

Too often, owners lack clarity on who their true stakeholders are in building a sustainable, enduring business, as well as in achieving their financial ROI, succession, and legacy goals. Without this clarity and intentional stakeholder engagement, time and money are often wasted, and stress levels elevated! Communication is likely ineffective or inadequate. Leadership skill development and role transition plans are lacking or non-existent. All of this contributes to owners making assumptions they have potential successors in place only to discover that these team members lacked interest, skills, or resources to become “next generation” owners and leaders. This is what I call “leaders assumption syndrome” and it contributes directly to derailing relationships and plans. Learn more in #4 below.

4

What assumptions am I making?

Unspoken assumptions and unmet expectations are trust busters, relationship killers and, potentially, deal killers. This is particularly true when planning for or navigating your way toward a succession or M&A event. The “leader assumption syndrome” occurs as businesses achieve success and owners find themselves trapped in the swirl of the ever-present, never-ending “to-do” list. Beliefs about time, what’s important, and who’s important become fixed and contribute to a lack of strategic planning, engagement, and communication.

It’s not surprising that many successful owners are strong communicators—especially with clients and centers of influence. Also not surprising, that communication with internal stakeholders is expedient at best and the intentions behind the communication miss the mark. In other words, what you said is not what was heard, and time is not invested in validating understanding. When this style of communication becomes the norm, it prevents the kind of engagement that leads to rapport and trust—both are essential when initiating high-stakes conversations about succession plans. What assumptions are you making about your stakeholders’ motives, concerns, values, or interests? What assumptions might they be making about you, your plans, and their place in those plans?



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5

What are you saying "yes" to **instead of planning?**

Essentially this is asking you to consciously consider what you are prioritizing so that you can be the leader your business needs at this stage to effectively navigate the changes ahead. My favorite M. Gandhi quote, "Your actions express your priorities." Here's a great place to start if you're not sure: take a look at your calendar over the last six months. Chances are, there is a lot of information you can mine from this exercise.

If you look closely with an open mind, you are likely to see missed opportunities for saying "no" and upping your delegation game. Don't shortchange this. For this activity to have a real impact, you will need to commit time and energy. It's the first step in the process for freeing up time for higher value activities, like planning and developing your team. As Michael Porter wisely said, "The essence of strategy is choosing what not to do."



A clear path forward

Clarity is confidence. You don't have to go it alone.

Let's work together to

- Step back and assess the big picture
- Create your personalized road-map and action plan
- Engage your team with renewed energy for your ideal vision

Together we'll determine what you really want for your legacy so that you AND your business will thrive on this phase of your journey... starting right where you are.

Schedule a confidential call