

## Tough Transitions in Family Business: Unlocking Secrets to Success through the Neurosciences – Part 2

| Brain's 5<br>Operating Principles | Ideas for Mitigating Threats and<br>Generating Reward Response   |
|-----------------------------------|--|
| Status                            | <ul style="list-style-type: none"> <li>• Reflect on your own status needs and how the transition process may be threatening that need.</li> <li>• Increase your awareness of the status needs of various family and non-family members and be sensitive to the same.</li> <li>• Provide positive feedback and coaching to all potential successors during the transition.</li> <li>• Create individual development plans for all potential successors.</li> <li>• Involve others in planning and decision making whenever possible (causes an increase in status).</li> <li>• If decisions need to be made unilaterally, get input and feedback at a minimum.</li> </ul> |
| Certainty                         | <ul style="list-style-type: none"> <li>• If possible, create a specific time table for exit.</li> <li>• Identify how the next leader will be selected. Make the selection process inclusive.</li> <li>• Define and articulate expectations for performance.</li> <li>• Create routines during a transition even if they are temporary.</li> <li>• Clarify roles and responsibilities before, during and after a transition.</li> <li>• Remind people what is not changing!</li> <li>• Tell people what you know whenever you can.</li> </ul>   |
| Autonomy                          | <ul style="list-style-type: none"> <li>• Give people choices and options as to where they fit within based on their interests, capabilities and capacity.</li> <li>• Recognize that next generation work patterns and habits are different – create flexible work routines.</li> <li>• Let family members choose if they want to be in or out of the family business, but have the conversation!</li> <li>• Involve key stakeholders in designing the future.</li> </ul>   |
| Relatedness                       | <ul style="list-style-type: none"> <li>• Create opportunities (both formal and informal) for building trust, addressing conflicts and enhancing relationships.</li> <li>• Create opportunities to strengthen family cohesion at every family meeting.</li> <li>• Create and utilize a code of conduct to help people improve communication.</li> <li>• Discuss and manage undiscussables where appropriate.</li> </ul>   |
| Fairness                          | <ul style="list-style-type: none"> <li>• Clearly explain context and rationale for decisions.</li> <li>• Be transparent and open regarding the decisions-making process.</li> <li>• Foster and model adherence to policies.</li> <li>• Create a culture of accountability.</li> <li>• Explore and discuss perceived issues of unfairness.</li> <li>• Compensate and recognize based on contribution and performance.</li> </ul>  |

This exhibit is excerpted from Family Business Wisdom, Thoughts & Education blog post "Tough Transitions in Family Business: Unlocking Secrets to Success through the Neurosciences - Part 2" by Wendy Sage-Hayward of The Family Business Consulting Group.

To read the full blog post, please visit:  
<http://blog.thefbcg.com/tough-transitions-part-2>

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