

Please Welcome to the Stage in their New Role...

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“Who.... are you? Who, who, who, who...”

- The Who

It is hard to answer that question simply. Most of us play many roles: mother, lawyer, spouse, sibling, church elder, etc. There are roles we aspire to take on, such as business leader, and there are other roles we are stuck in by virtue of history or reputation, like the “difficult one.” There are still more roles we earn or are assigned, like doctor or “peace maker.”

Transitioning or evolving into a new role presents a host of challenges. Many fall into three key areas:

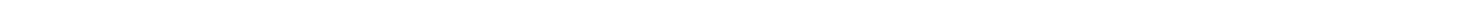
- Managing the learning curve. There may be new skills or responsibilities to which you need to adjust—and big role changes can mean some steep learning curves.
- Accepting change. You may have to give up a treasured role to take on the new one. This means that as you are adapting to your new role, you may be mourning the loss of the prior one at the same time, creating feelings of ambivalence.
- Perceptions of others. Others around you may struggle to accept or see you in this new role, which can create conflict and frustration, making it more difficult for you to succeed.

These challenges are likely present in most role transitions, but in a family business setting, where the stakes are high and roles tend to be more rigidly set, these pressures may be more acutely felt. Let’s examine the impact of these groups of challenges through the prism of three vastly different role changes we see in many of our client families: taking on a leadership role, stepping into responsibility for the first time, and retiring.

Scenario 1: Taking on a leadership role

Managing the Learning Curve

Even if you have been preparing all your life to lead your family’s business, arriving at that vaunted position will come with many lessons. As the leader, people look to you to make the tough decisions and to set the tone and vision for the enterprise. While you may have been part of the leadership team for a while, these issues feel different when you are in the role of being “the decider.” In addition, you report to the board and are accountable to your shareholders in a much more direct and personal way than in any other role with the business. Finally, you have to master the art of being the voice of the enterprise, speaking on behalf of all stakeholders, sustaining the legacy of the past while establishing a path and vision for the future. Satisfying all is hard.



Insights to consider:

- Expect to learn. Be patient and humble enough to ask questions of folks throughout the organization;
- Reach out to others who have “been there.” Find mentors and peers who can guide you and provide a good sounding board.

Accepting the Change

Folks often get promoted to a new role because of the great success they have had, but it can be hard to walk away from a work role in which you feel confident and comfortable. I have seen many individuals elevated to CEO from vice president of sales, COO or another key role in the enterprise who are surprised at how much they miss their prior role. They worry about their old team and the client relationships they built; will they be maintained at the right level? Some folks attempt to do some of both jobs (clearly not a formula for success). Sometimes the learning curve in your new role can accentuate the loss you feel for the old one where you knew how to succeed and had already established credibility.

Insights to consider:

- Effective succession planning cannot only be about the CEO’s role. If elevating a leader to CEO creates chaos from the resulting vacancy, your new CEO will struggle;
- Allow for a little mourning of the role you are leaving. Celebrate your successes, throw a party of appreciation for your team and make sure that they are clear and comfortable with the new leadership structure.

Relating to Others

Change is hard for everyone. Even the most admired new leader will face resistance in their new role. Sometimes a member of the leadership team who was very close to the prior CEO is concerned about how their influence may be reduced. Sometimes a family member still sees you as an irresponsible 19-year-old. Sometimes a customer just doesn’t feel they can trust you yet. Credibility can only be earned over time.

Insights to consider:

- Invest in your stakeholder relationships. This is a

critical use of your time in a family business where relationships are so complex. You need to cement those relationships (mend as needed) in order to be effective;

- Be open to feedback, transparent with changes you intend to make, and patient with a process that may not move as quickly as you imagined. While you may have key changes in mind for the business, do not embark on a campaign of wholesale change in your first 100 days. You will need to build and earn trust in this role before you can successfully lead the organization in substantively new ways.

Scenario 2: Turning over a New Leaf/Starting Fresh

Managing the Learning Curve

Life does not always follow a straight path. Sometimes people spend years “finding themselves,” perhaps due to lack of maturity or because they have struggled with issues such as addiction. Making positive changes and taking on real responsibilities involves a significant learning curve. The longer a person has lived outside the realm of regular responsibilities, the steeper curve they face when confronting the whole range of adult tasks, from self-care, to care for family, job duties, home tasks, etc.

Insights to consider:

- Transition into responsibilities in a measured way to avoid feeling totally overwhelmed and running the risk of feeling you will never be “up to it”;
- Set yourself up for success. Take on responsibilities where you have a passion and a skill so you can rack up a few wins to help sustain you in the darker moments of self-doubt to come.

Accepting the Change

Giving up the role of dilettante or of addict in order to turn over that new leaf is hard. Departing the familiarity of that role may be uncomfortable, and you may have a social circle that you choose to largely leave behind. While you and others may agree that a more productive direction in your life is for the best, and you are excited for this change, taking on this new role involves a significant redefinition of self and that is very hard work.

Insights to consider:

- Handle a change like this one day at a time, and show yourself compassion when you feel frustrated by the pace of gaining comfort or mastery in your new role;
- Do not be surprised that you are behind some of your age peers. Set yourself manageable goals and evaluate your progress against yourself and no one else.

Relating to Others

Folks are often surprised at the resistance they encounter when they are trying to change for the better. While your family may have been pressuring you for 10 years to clean up your act, when you do, everything changes in the system, which is stressful to everyone. If you have always been the difficult one, you are no longer playing that role and that creates a sort of vacuum in the family. These roles can be very entrenched and make change that much harder. As you want support from your family, this can be very frustrating, in particular if you feel your efforts at positive change are not being recognized or appreciated.

Insights to consider:

- Assume there will be some resistance to your change from your family. Try to gently point out how you have changed when appropriate, but do not get angry or defensive, as this will not help. Patience is required, and if that does not yield change, some help with a counselor may even be warranted.
- Do not get discouraged by the naysayers. Many people are rigid in their opinions of others and it may take a very long time for you to earn their trust or admiration. Find individuals who are able to be supportive and willing to recognize the changes you have made and get objective feedback from them on how you are doing.

Scenario 3: Embracing the Next Chapter

Managing the Learning Curve

When transitioning to the retirement role, people often focus only on what they are leaving behind and do little to intentionally define a new role for themselves. Retirement is not simply the absence of your paid job

-- it is a new way of being in the world that can free you to pursue passions or causes that have long been of interest to you. To achieve success in this role, you need to manage changes in almost all aspects of your life and routine. You have to find a way to structure your days so you do not feel directionless. You have to find and articulate some goals for yourself and determine ways you can evaluate if you are making the progress you want. If you were previously working in your family's business, you have to adapt to the role of non-working shareholder and the differences in levels of knowledge and information you may have in this role.

Insights to consider:

- Develop a routine that enables you to feel challenged and stay connected with others so that you do not feel that you are becoming irrelevant;
- Set measureable goals for yourself around projects you choose to undertake. Business has many metrics for success or failure and you may need to create similar benchmarks for your retirement role to gain satisfaction from your efforts.

Accepting the Change

The difficulty family business CEOs have in letting go of their leadership role has been frequently documented. Despite how aspiring successors may see it, this struggle is about more than just hanging on to power. Retirement forces us to confront our age and mortality, two topics that make most people uncomfortable. Also, the longer you have been in a particular role (family business leaders often have long tenures) the more central it is to your sense of self and the harder it is to give up. In addition, North American culture is very oriented around our professional roles, making retirement feel like a profound loss. We all need to feel like we are relevant and can contribute.

Insights to consider:

- Actively plan for your retirement; do not just blunder in but treat this as a next role and opportunity to tackle new challenges or adventures, as the spirit moves you;
- Many leaders find transitioning out of their role in stages can help them to adjust to these changes. Give up some of your responsibilities while you

develop new pursuits that will enable you to find new goals and purpose for your abilities.

Relating to Others

While some may be eager to see you move towards retirement, others may be at best ambivalent about this change and may complicate your success in this new role. Certainly anyone with whom you have a strong professional relationship may feel threatened by your retirement and, in various ways, try to keep you in your old role (which will impair your transition to your new role and undermine the ability of your successor to take on their new role). Family members may also fear the change in leadership and may relate to you as if you were still in your prior role. In addition, some family members may experience a role loss with your retirement (e.g., no longer spouse of the CEO) that may lead them to struggle with this change as well.

Insights to consider:

- Talk to your family about your thoughts on retirement early on, in particular your spouse. As much as your daily life will change with your

retirement, this change will impact his or her life almost as profoundly and it is important that the two of you engage in joint planning for this next stage in your life;

- Be as transparent as you can be around your retirement planning with all stakeholders of the organization. When individuals feel they know what is coming and they can see thoughtful preparations are being made, it will reassure them and reduce their anxiety.

Whether you are choosing a new role, are being assigned to a new role or are working to exit a role in which you have long been stuck, the changes you are making and experiencing do not happen in a vacuum. What much of this underscores is the importance of thoughtful planning, healthy transparency and a good dose of empathy. When you find yourself struggling to adjust to a new role (or to adjust to someone else's new role), embrace the changes but bear in mind the learning curve involved, the losses that come with the gains, and the way these changes are affecting others.



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