

# The Succession Task Force: A Tool for Managing Challenging Times

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Intergenerational business leadership successions present specific challenges, including letting go for the outgoing generation and preparing to take charge for those in the next generation. Moreover, succession often brings the added tumult of strategic, organizational, and cultural changes driven by the differing perspectives of each group. Further, shifts in power within the family system as specific individuals are chosen for leadership positions may send reverberations throughout the extended family relationship.

During such times, a Succession Task Force can often be an invaluable tool to guide and support all parties through the succession. Fundamentally, the Succession Task Force offers three profound contributions:

- It offers *steadiness* — a constant tiller through the seas of change.
- It regulates the *pace* of transitions — regulating faster or slower implementation of the succession plan.
- It *monitors* each party's compliance with the personal commitments necessary to successfully fulfill succession's goals.

The task force serves as an independent entity under the authority of the board, which has ultimate responsibility for selection of leaders. The makeup of the Succession Task Force depends on the situation. Sometimes it is a board committee composed of independent directors;

sometimes it is an ad hoc mix of a non-management family leader, a senior or retired executive not affected by succession, the human resources officer, or a consultant/advisor. What's important is who's not on the task force: the departing CEO, the successor(s), anyone with a personal stake in the expected company changes during or after succession, younger family members not selected as leaders, and family members not involved in the business.

The members of the Succession Task Force need to discern the system dynamics in the organization, in the family, and in the industry and outside world. The Task Force can play many roles:

- Assure requirements for successor preparation are clearly articulated and met.
- Anticipate impacts and repercussions of change both from within and outside the organization and develop plans to address the same.
- Guide timing and content of succession announcements.
- Coach successor for public announcements.
- Consider compensation changes for all involved — including the retiring CEO.
- Monitor and hold accountable the departing CEO's behavior to reduce interactions or interferences with the new leadership.

- Encourage “performance measures” of strategy and cultural key success factors to comfort the departing CEO and to assess early actions of the successor and reactions to the successor’s appointment.
- Counsel successor when the unexpected happens amidst all the change.
- Mentor the successor in the development and articulation of his/her purpose, vision, values, and goals for the business.
- Prompt updates of personal and professional development plans for the successor and all affected parties; family and nonfamily members.
- Anticipate necessary changes in the board of directors’ makeup and style.
- Ensure that family processes are in place to support the business succession.

Of course, if the family business is transitioning to co-CEOs, the Succession Task Force also monitors and supports the behaviors necessary for that partnership to work well.

The Succession Task Force typically begins performing its role even before the succession is common knowledge because advance sensitivities and preparations are essential. The Task Force may also continue for up to a year after the succession announcement.

During its tenure, the Succession Task Force will often meet alone. It will also at times invite both the incumbent and succeeding CEOs, along with others (e.g., company human resources head, board chairman or lead director, family council chair) as appropriate. The Task Force plays a critical role in identifying and convening the appropriate parties needed to make decisions, buy-into decisions, and communicate decisions across the company and family.

Over time, if the successor is well established, he or she develops the agenda and takes informal leadership of the Task Force. But, until disbanded, the Task Force retains its special independence under the commission of the board.

To set up such a vehicle to support a successful succession requires courage and long-term commitment by the business’ current and future leaders. The Task Force itself is a great indicator of succession’s success and commitment to continuity. If the Task Force is empowered to fulfill the important roles identified above and does so successfully with the support of all constituencies involved (family, management, owners, board), then the process is likely to be a success.



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