

Ernst Enterprises Newsletter



PREPARING THE NEXT GENERATION LEADER

Will they be ready to lead when you are ready to let go?

Family owned businesses comprise a majority of all businesses in America.

- Of all businesses, approximately 60% are family owned or controlled
- At any given time 40% are considering transfer of ownership, and 50% of those will transfer the business to the next generation.
- About 85% of family owned businesses have no formal exit strategy or succession plan.

Preparing the next generation of leaders is essential for the business to flourish and ultimately, for the current leader to exit the business and pass the legacy to the next generation. Preparing the next generation leader(s) requires planning for the leadership role they are to assume.

Creating a development plan for the next generation leader requires more than just having him/her work in the business doing the same things you did.

Consider the future and think about answers to the following questions:

- What businesses will the company be in?

- Who will be the company's customers?
- How big and complex will the business be?
- What skills will be needed to guide the company in the future?

Knowing where the business is going is first step in preparing a succession plan. Next you have to develop future-looking results-based job descriptions for key roles. These job descriptions will identify the skills, experiences and competencies that the next generation leader will need to be qualified for the role.

CHALLENGING ISSUES

The next steps requires that you involve the next generation leader and assess him or her in terms of capacity **and** motivation/desire to effectively perform these roles. This is possibly the most challenging assessment for a family leader to perform with the objectivity necessary to assure success in the leader development process.

Family pressure, fear of making a mistake, and family harmony are some the factors that can impact the decision making process. Neutralizing these and other influences are necessary when selecting the next generation leader based upon his/her ability, potential, and determination.

Now that you have completed the first part of the process, you can move onto part two. Building a plan that creates opportunities for the next generation leader to gain the experiences and skills identified in the job descriptions. And in many cases the next generation leader must still do their "day job" in the business, filling an important and at times an alluring role. Finding time for future development can be a significant challenge but without that development the future leader may never be ready to assume a true leadership role.

NO GUESSWORK

We have the experience and know-how to help business owner build a succession and next generation leader development plan. We will also work with the owner and next generation leader to implement the plans and prepare for ever more challenging roles.

Call Dawn Bremer now at 847/456-6334 to schedule a meeting to learn more about preparing next generation leaders.

To read more, see [PRESENTATIONS](#). Follow us on our new [BLOG](#) that is updated weekly.

If you are interested in having Mark present to your group or conduct a workshop for your company, see [SPEAKING ENGAGEMENTS](#) at our website.

What keeps entrepreneurs up at night? Take our newest [SURVEY](#) and see how you compare.

How secure are your I.T. systems? Take our short [SECURITY QUIZ](#) to find out how secure your systems are.

Sincerely,

Mark

