



EBOOK

BY: TOM BRONSON

Succession
Planning

A step-by-step guide
to level up your brand
on social media



Succession Planning

What would happen to your family and business if something happened to you tomorrow? Would the business continue to operate? Would your family be taken care of?



important tip

**IT GENUINELY PAYS TO
THINK ABOUT THE
WORST-CASE SCENARIO
AND PLAN FOR IT.**

It's not a fun topic to think about for sure. But, I'm in a peer group that starts every meeting with a thought-provoking question. The question I was asked last month was the same one I posed to you a paragraph up. And it made me very emotional. Here's how I answered:

I'd get my children on a video call - tell them to just listen to me for 15 minutes - mostly while I apologized for some of the scars I left during their childhood, and then I impart a nugget of wisdom or two. Then, I'd spend the next 15 minutes apologizing to my wife because I had not yet completed the Green Box, leaving me just 30 minutes to fill in the gaps for her.

What is the Green Box?

It is an exercise that puts everything your family or your business leaders can use in the event you are incapacitated, so they know what you want to happen and how to continue the business. That conversation reminded me how important the Green Box is. If you've already completed it - good for you! If you haven't done it yet, get busy!

No matter how old you are - 29 or 58, no matter how long you've owned your business - 3 years - 20 years, the simple fact is that every business in the world will eventually transition! Succession Planning is so important to every business - in fact, your business and family may literally depend on a great succession plan someday!

Without a succession plan - there is potential for a power vacuum. Succession Planning allows the organization to target talent investments to ensure leadership and business continuity. It reduces the risk of leadership attrition. And it focuses on those critical roles that are so important to the critical objectives of the business.

important tip

COMPLETE THE GREEN BOX EXERCISE.
DOWNLOAD THE FREE SUCCESSION
PLANNING WORKBOOK



If you're like most small businesses, you don't have a process in place. 58% of small business owners don't say the same. Why? 42% of them said they just don't have the time to get it done, they are too busy running a company. Succession planning can get pushed to the bottom of a long list of to-dos. Do you find that true for yourself?

In dealing with many of our business owners with no plan in place, we find that they have made some assumptions about what will happen when the business transitions. We all know what happens when we make assumptions - it tends to make a mess of things, and it is a rarity when these assumptive plans work out. Especially if they are not communicated or written down.



58% of business owners do not have a succession plan.

“ An organization is not truly great unless it can be great without you.
~Jim Collins



important tip

Succession Planning is a PROCESS for identifying and developing new leaders to affect a smooth transition for business leaders when they leave, retire or die.

So, wouldn't it be a great idea to have a plan in place for that inevitable business transition?

Business succession, therefore, primarily focuses on the transfer of leadership and/or management from one generation to the next within the business. Let's start by defining succession planning.

Succession Planning is a PROCESS for identifying and developing new leaders to affect a smooth transition for business leaders when they leave, retire or die.

Succession planning is a key component of the Exit Planning process - which is made of 3 major sessions - Exit Planning, Succession Planning, and Continuity Planning. A frequent question I get from business owners is why succession planning is so important if I plan to sell the company externally.

Well, there are two great reasons:

1. Many buyers want to have a team in place already
2. Owner dependency kills deals.

There are 3 steps to developing a succession plan.



1. Identify Key Roles for potential vacancies [remember everyone eventually leaves, retires, or dies] and then assess the requirements and skills of existing employees - including you!

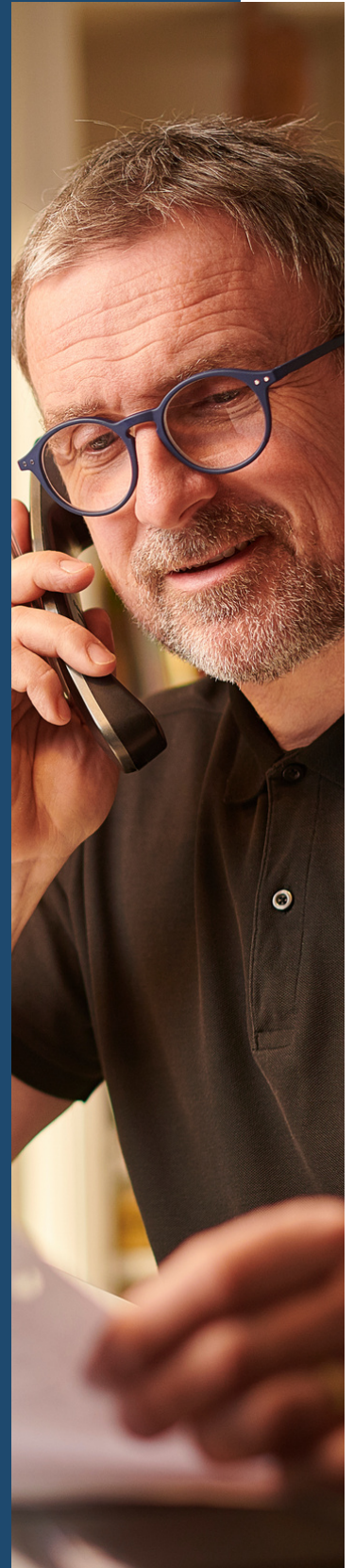
2. Fill in those future vacancies. Now you can do that one of two ways. First, consider internal candidates - this will help you identify future leaders that already exist. If none exists then, you should consider hiring. In my businesses, I always instructed my managers to always be hiring for their own replacement! Again, that includes you!

3. Start assessing the skills of the candidates from step two, and then fill the gaps through training and development.

STEP ONE: IDENTIFY CRITICAL ROLES

Since you are probably critical to the success of your business, you should start with yourself. Once you're comfortable with the process, I urge you to do the same thing with each of your managers, supervisors - and even carry it down to the front line employees! Succession planning has a place in the entire organization.

Start by listing all the things only YOU can do. Make a list of the critical functions that only you can do. Let me give you an example - believe it or not, many years ago, I was the only person in my organization that could calculate commissions. Why? Because I wrote the plan, and at the time we only had 3 or 4 sales people. I believed that I was the only person that would be diligent enough to get it right every time, and besides, it would take me WAY more time to teach someone else rather than just do it myself. One day, I realized I had a team of nearly 50 sales people and the process that used to take a few hours now took me 2 full days - 10% of my available time every month! Something had to change.





Reluctantly, I brought in one of our admin folks, and told her that she had to sit with me and meticulously document the entire process for the full two days. The following month, I went to her office and sat with her to follow the process for a full two days. You know what I discovered? Within a few months, she was able to do the same thing that took me 2 days in a fraction of the time. And, we had a documented process for someone to follow in case something happened to both of us.

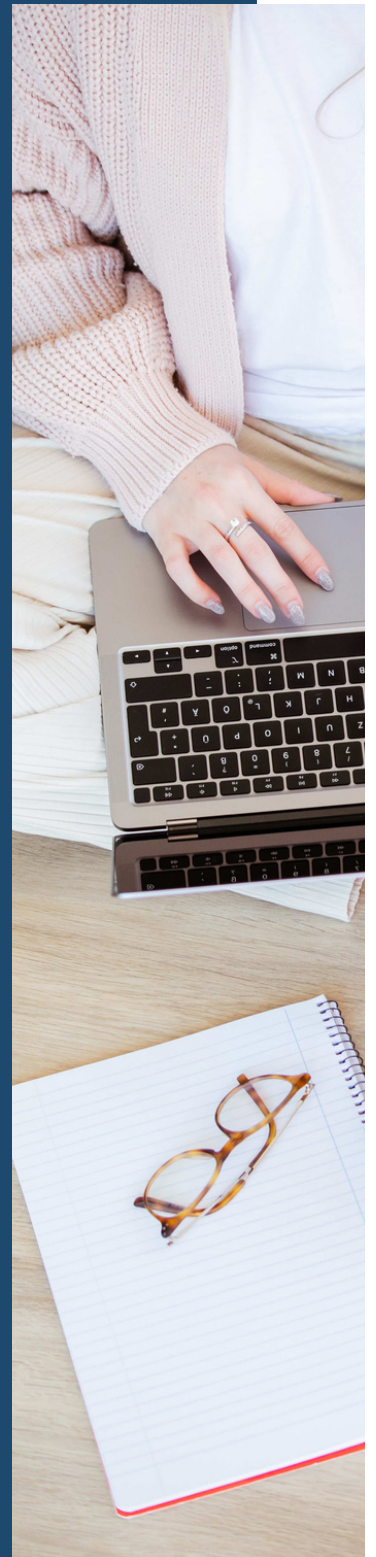
So - what are the things in your business that only you can do? Is it related to banking? Customer relationships? Overall management? List those things to get started - and then - we're off to step 2.

STEP TWO: Fill those future vacancies

For each of those tasks, jot down a possible successor for it. If there is not one internally, then just write “new hire” for that item. Now this is critical for step 2, and specifically for each of the internal “candidates” you’ve identified who are already in your business.

STEP THREE: Assess Skills

For each of the tasks and successors - it’s time for step 3. Determine how ready that person is to take on that specific role. Are they either 1) ready to assume full responsibility, 2) can perform the task with help or 3) completely untrained with little experience. Of course, if you listed the candidate as “hire externally,” you won’t yet know if that person has the skill set needed to assume the position - but you’d darn well better be able to assess it when you hire them!





important tip

Have you downloaded our Succession Planning Workbook yet? Go to masterypartners.com to get your free copy. Get started on your succession plan now!

I frequently hear that it gets a little challenging when you go beyond the tasks and have to identify the successor. But consider that if you do this as a routine process in your business how much easier and better it is compared to the challenge of how hard this exercise is if you're under pressure that someone left, died or became disabled...

OK - now that you have the tasks and you've assessed the successors - it's time to think about developing and grooming those candidates to get them ready to assume the responsibility. It is absolutely essential to start with an honest assessment of where the candidate is currently. Then, you can fill the gaps through training and development.

Come up with a strategy to develop those candidates. Every good development plan will likely include some of the following: on the job training, giving them extra exposure - sometimes actually doing the job for some period of time, or perhaps some

behavioral training, as needed. Once that candidate is fully trained, I like to give them frequent opportunities to use their new skills by having them perform the tasks occasionally - sometimes while I'm on vacation or away on business. That will keep them fresh on the tasks.

Now I fully understand some of the things a business owner might do - you might now want to hand off those tasks to anyone else - perhaps due to confidentiality or some other reason. If that's the case, then it's absolutely essential to clearly document those things so someone can assume those responsibilities if something happens to you. You might want to go back to our podcast on documenting processes to learn more about.



Check out our podcast on documenting processes! All info is on the resources page

**“ A leader's lasting value is measured by succession.
~John C. Maxwell**

The Benefits of Succession Planning

Now of course - there are many benefits of succession planning!

It is the 3rd step of a good exit strategy. Good exit strategy gives you the best odds to successfully transition your business. It makes your company more attractive to buyers. (See more on the 17% club in our resources section)

Remember the Green Box? Well - Things happen. And sometimes something happens that is so catastrophic that it knocks the train off the tracks.

What am I talking about? The 5 Ds!

No - not Dodge, Duck, Dip, Dive and Dodge again... Those are the 5 D's of Dodgeball.

The 5 Ds I'm talking about are Death, Divorce, Disagreement, Disability and Disaster! The 5 things we anticipate as we de-risk the business in an exit strategy...



important tip

LISTEN TO OUR 17% CLUB PODCAST SERIES
ON THE MAXIMIZE BUSINESS VALUE
PODCAST!



important tip

Succession Planning is a PROCESS for identifying and developing new leaders to affect a smooth transition for business leaders when they leave, retire or die. It takes time.

It genuinely pays to think about the worst case scenario, and plan for it.

If your business needs a home, what happens if the building is destroyed?

What happens if the owner dies or becomes disabled?

What happens if a key employee leaves or dies?

Planning ahead eliminates confusion and gives you peace of mind. Look - you might never need it. But if you're not prepared, and something happens, it's too late!

Your succession plan is a financial investment in your company's future.

Conclusion and Next Steps

Before we end here, I want you to write down the three most important things you plan to do this month to start succession planning in your business.

We all get caught up in the day to day - before you go back to your day, **make a commitment to being strategic about your succession plan!**

If you want me to hold you accountable (which I'm really good at), just email me your three things, and I'll be happy to hold you to them!



Don't forget to download our Succession Planning workbook to help you get started Succession Planning! You can get your FREE copy by visiting our website:

masterypartners.com

RESOURCES

We have a ton of resources on our website www.masterypartners.com.

Download the Succession Planning Workbook from our website.

This eBook is part of a half-day workshop we do on succession planning and only scratches the surface. Give me a call and let's discuss what we can do for you. Tom Bronson at 817.797.1488.

Here are some other resources available to you that were mentioned in this eBook.

- Peer group podcast: https://www.youtube.com/watch?v=cPr0Uk_EdUY&list=PLvS8nndMRcWen4dOGYMFDepFPqz1hA-hC&index=37
- Peer group blog: <https://www.masterypartners.com/post/three-reasons-peer-advantage-groups-promote-success-maximize-business-value>
- The Green Box Exercise Blog: <https://www.masterypartners.com/post/planning-for-success-in-2022-the-green-box-exercise-maximize-business-value>
- The Green Box Exercise Podcast: <https://www.youtube.com/watch?v=jwR0gol37MM&list=PLvS8nndMRcWen4dOGYMFDepFPqz1hA-hC&index=85>
- Documenting Processes Podcast: https://www.youtube.com/watch?v=3_QbD52CZG8&list=PLvS8nndMRcWen4dOGYMFDepFPqz1hA-hC&index=12
- 17% Club Podcast: <https://www.youtube.com/watch?v=iRxS4dGnlCk&list=PLvS8nndMRcWen4dOGYMFDepFPqz1hA-hC&index=68>