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CEO Succession for SMBS

**TIPS TO ENSURE YOUR BUSINESS' LONG-TERM
SUCCESS SUBHEADING**

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CEO SUCCESSION FOR SMBS

Planning future leadership changes for a smaller business, particularly family-run ventures, can be difficult. The main problematic issue here is the high degree of the founding CEO's personal investment and involvement in establishing and guiding the company. In many cases, the CEO-founder views the business and themselves as one in the same; a sort of L'État c'est moi worldview, if you will.

That's why it is often critical for small- and medium-sized businesses that are heading into the next generation of growth to seek outside help.

There are estimates that only one-third of SMBs have succession plans in place as concerns changes in top leadership roles. Without such plans, even the most successful, strongest enterprises can face managerial and guidance vacuums that will threaten their long-term success and viability.

If you are a small business owner considering retirement or preparing to step back from an active role in your company, I've provided below a few tips on issues that you should consider when preparing a succession plan for the CEO role in your company.

4 TIPS TO ENSURE YOUR BUSINESS' LONG-TERM SUCCESS

1. Communicate openly and honestly with your leadership team:

You should be up front with family members in the business, and your board members, about your plans. Sit down and discuss your ideas on transitioning out of company leadership and use other family members in management or board members as a sounding board for getting ideas on running a recruitment process that will deliver the best results for the company.

2. Accept that your business is not static and neither is the market:

With a high degree of personal effort and sacrifice involved in launching a successful business, there also comes a feeling that only you know how best to run your business. Such an approach is never good. Review the skills of your board and your executive team. Look for the visionaries in your company and talk with them to gauge their personal commitment to the company's success over the long-term. Assess how they interact with other members of management and how they lead and inspire.

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3. Give you and your business lead-time for processing change:

Replacement of company executives never happens overnight. You need, as mentioned above, time to scout out top leadership talent and assess how potential CEO candidates might succeed in the company's top role. Consider bringing potential CEOs on board for key projects, give them responsibility for managing this work, and monitor how they communicate with important stakeholders and manage teams during difficult processes. You will likely need a year or more to assess which candidate is the right person to fill your shoes.

4. Don't be afraid to explore external management options:

Ideally, you will have internal executive talent that can take on the CEO role once you step back from the day-to-day running of your business. However, we all know that sometimes leadership transition scenarios, especially in family-run businesses, are not always optimal. If your instinct is that appointing another family member might not be in the best interest of your company's future success, there is always the option of seeking CEO talent from among members of your board. Likewise, there is the possibility of selling your business to outside investors or working with interim management consultants to train a CEO replacement who can potentially fill the position according to your business' long-term strategy. The key task here is to articulate a written, strategic plan that outlines medium- to long-term business goals and the brand vision of your company going forward.

You want to step down with peace of mind that your company will have skilled management going forward, while still keeping with the vision that you put in place when launching your enterprise.



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He is considered a thought leader in talent acquisition across emerging markets, and specialises in C-suite roles, CEO succession and Board development across multiple sectors.

Mark majored in Psychology, Linguistics and Spanish at University College Dublin. He completed his post-graduate studies in International Marketing. Prior to his post-graduate studies, he took part in a study programme at Spain's University of Santiago de Compostela through the EU's Erasmus programme. He has been an active member of the Young Presidents Organisation since 2009, and has recently completed his role as Chapter Chair YPO London.