

Avoid These Pitfalls: 9 Common Missteps That Can Kill A Transition Plan:

Part 1 in a Series

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Contributing Writer in Business Plan,
Operations**

By Sandy Blaha

The tenets of healthy living are rote by now: Eat plenty of vegetables, lift weights, get regular cardio exercise, reduce stress.

Managing your firm's life and your own financial life get a little more complex. Just a few missteps can throw the best intentions out the window. So if you are thinking about, and planning for, the next phase of your – and your business' life – here are the key potholes to avoid.

1. I've (not) got a plan

You may have heard it before, and you'll hear it again. Without a planned approach to leadership transition, it's difficult – if not impossible – to benchmark and measure accountability. With a plan, you can start clarifying your management and leadership expectations.

During transition times, a company's leaders need to communicate the changes taking place. They need to communicate more, and more effectively, than many have ever done before. That often means operating more formally than ever before, too – which requires a plan.

2. Scattered focus

Commonly, entrepreneurs, owners, founders, presidents, and primary rainmakers are used to multi-tasking and moving in different directions. When it's time to change leadership, the ability to slow down, free yourself of some day-to-day

operational work, and focus on the tasks at hand becomes critical.

Business owners need to focus time and energy on management and mentoring. Make sure you are available, and able, to teach and train your key people to become the leaders you need and expect. Alternatively, bring in an expert who can assist you.

3. There's no one else

"No one can do it as well as I do." You're right. No one has more experience or more expertise at what you do than you. That's exactly why you're now needed to serve as manager, trainer, and mentor (see # 2), giving the next generation of leaders the chance to practice.

Patience truly becomes a virtue for owners in transition. No one will complete a task exactly as you do, and chances are good no one else will do it as well as you the first few times. Leave room for mistakes. While most people won't get it perfect the first time, you may be pleasantly surprised at their growth with your help.

4. You won't get out of your own way

No one can know what it's like to walk in your shoes if you don't move out of the way! When you step out of your shoes and let others step into them, you can empathize with the difference between founding a company and following in someone else's footsteps.

5. Inability to identify true leadership

Not all followers are leaders. As you enter the transition process, look carefully at your entire field of high-potential people, including some of the

30-year-olds. Remember that it is unusual for only one person to replace one founder. Become an expert at recognizing good leaders, and then give the next generation the opportunity to try different elements of leadership to discover what best suits them.

6. Maintain the old network

With the average age of a business owner standing at 59, many of your business contacts will be retiring at the same time you do. While it is important to introduce and pass on your contacts, encourage your up-and-coming people to develop their own as well. Encourage and your key talent to enroll in city or chamber of commerce leadership programs, take appropriate classes, and participate in other networking venues.

7. You get benched

A common pitfall in transition planning occurs when owners exclude benchmarking in leadership transition strategy. Architectural, engineering, and project management job competencies, along with principal peer evaluations, should be in line for benchmarking so that you can understand, see, and measure your firm's progress during this critical time.

8. Hesitate

The "hesitation rate" refers to the shift in power, authority and responsibility. Don't let it bite you! The next generation team needs to choose each other. Transition business relationships so the next generation can lead business development. Don't give up clients you've had for 20 years, but do hand off new business relationships to key people.

9. Out of alignment

Just as your car needs proper alignment to run smoothly and efficiently, a leadership team must have alignment. Without a clearly articulated shared vision for the future, the firm's message sent will be diffused and confusing. Result? Lack of trust in the leadership team, divisions, wasted time, and the inability to attract and retain the best personnel.

Be sure your new leadership team has the ability to resolve conflict, is armed with an integrated shared vision, and believes in each other.

There's no doubt that the transition road can be a bumpy one. But by taking a few proactive steps, you'll be able to navigate it more smoothly.

There's no doubt that the transition road can be a bumpy one – but companies that develop a pathway for transition succeed 98 percent of the time. By taking a few proactive steps, you'll navigate the road more smoothly.

Sandy Blaha is president of Denver-based Sandy Blaha Performance Consulting, providing comprehensive leadership development and transition planning services, including consulting, training, and executive coaching. Serving the architecture, engineering and construction (AEC) industry since 1994, she has worked extensively with business owners to plan for retirement, develop exit strategies, and insure their companies' legacies.

*Sandy is the author of two major leadership development works: *Passing the Torch: A Toolkit for Leadership Development and Transition*, and *Stepping Stones: 5 Essential Steps for Transition Success*.*



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9 Steps for Succession Success

Avoid Common Transition Perils, Problems, Pitfalls:

Part 2 in a Series

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Contributing Writer in Business
Opportunities, Quality Management

By Sandy Blaha

When it comes to the planning for the transition of a business, good things do not come to those who wait. Those who do often find themselves feeling the pressure of a ticking clock, caught between needing to move quickly and immobilization.

If you are thinking about, and planning for, the next phase of your life – and your business' life – taking the following steps will help you move quickly toward your goal, and assure smoother sailing in the process.

1. Know your ABCs

Every owner I have ever talked with says that the company started to move forward once she/he learned to let go of the “C” players and develop an effective performance management and coaching process. You may find it difficult to do at first – and it will mean development of your conflict resolution skills – but it will pay off.

2. Pay attention to the alpha dog

You also may want to say goodbye to “A” players, where “A” stands for “alpha.” Alpha employees interact well with clients, are high producers, and work hard, but are abusive within the firm, can be bullies, and often serve as stumbling blocks to your succession success.

Identify these individuals, give them a chance to change, and then help them to separate with ease if it doesn't work out. The people you will want to

become buyers of your firm will not be interested if it means inheriting alphas.

3. Understand that the proof is in the... projects

Grant ownership only when a person has proved his or her leadership abilities. The proof is in strategic learning projects for your up-and-coming next-generation individuals. These projects will give them the opportunities to prove that they can move from project managers to company leaders.

4. Become a decision-maker

Your next generation of leaders will need a methodology for making decisions, practice in making difficult decisions together, and a model to follow. It is important to set a good example for decision-making, so if you are not a decisive person, it is a good idea to obtain coaching in that area. If you don't? Expect stagnation, delays, and discouraged personnel.

5. Be a talent scout

You may be missing the right talent mix in your next generation team. How is the world changing? What kind of leaders will your firm need? The next-generation leadership team may need different skills, sensitivities, and attributes than you to succeed in the future. Focusing on the vision of your company, think carefully about what you need now in leadership as well as three-five years from now. Professional assessment tools can go a long way to help identify the best talent.

6. Consider a sale

If you aren't ready to let go and share authority, or if you've tried several times and failed (perhaps losing

key employees in the process), you may be better off being honest with yourself about a legacy. Think about selling your firm to a third party.

7. Take your time

Once identified, the future president or your company must be a leader – someone people will follow. This person needs time to demonstrate his or her abilities, judgments, leadership style, and interactions with people. Be humble enough and vulnerable enough to listen and change, and recognize that you will need to hone your change skills during this process.

8. Avoid parity of power

While the next-generation team must make decisions and learn together, avoid trying to be equal to all. Each person should not necessarily have the same amount of stock or the power as the next. The executive team will eventually pare itself down to the two or three people everyone trusts. Ideally, a next-generation president should be appointed by consensus, based on his or her track record of leadership and ability to gain peer confidence.

9. Identify and correct fatal flaws

Check your behavior and leadership ability for these three fatal flaws in transition planning:

- The inability to set direction.
- The inability to align critical constituencies.
- The inability to adapt to changing circumstances.

If you notice any of these in yourself, it is important to work through them now. The ability to grow beyond your flaws is an important part of leadership – one that needs to be part of your work as well as your next-generation team's. Be a role model and make sure you're not committing a fatal flaw.

The steps discussed here may appear challenging, but paying heed to them now can set the tone for a smooth and effective transition in leadership. Managing a company and handling development of new leaders is a challenging task with risks and rewards to match. Don't be afraid to seek the proper tools and advisors to ease the process and ensure a smooth sailing.

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