SUCCESSFUL
GENERATIONS

Thanks to Mitchell Kaneff for sharing these **Insider Tips at a Glance** from his book *Taking Over: Insider Tips from a Third Generation CEO*.

1. Decide if the family business really excites you. Feeling passionate about taking over the organization and genuinely wanting to shape its future are key not only to achieving a smooth transition but also to making a positive, lasting impact.

2. Get clear about your goals to quickly gain the respect of the entire organization for addressing the company's future. Most important, you'll feel good about yourself for starting to move toward that future by developing a vision of it.

3. Examine family values and emotional issues as they relate to the business *before* you take over. Trying to do this later, when you're on the job, is like trying to get the lay of the land from a foxhole.

4. Don't hesitate to turn to consultants for help. Not only can they shave years off the transition process, but by reducing stress, they can *add* years to your life as well.

5. Hit the ground running by reviewing your relatives' salaries prior to taking the helm. Establish fair compensation for each position based on performance and market standards, not on a family member's demands.

6 Be honest with yourself. If you don't share your predecessor's passion, do him, yourself, and everyone else a favor and relinquish the role to another successor or buyer. Go all the way—or go home.

7 How you enter the business and how you leave it are connected. The degree to which you understand and honor this connection will determine how successful you are as a CEO.

8 Shooting all the messengers won't change the facts. To create a healthy working environment and position your company for success, you must welcome all the news—the good and the bad—and review data objectively.

9 Family businesses often get mired down in the status quo—but to stay vibrant, companies must constantly evolve. When you assume leadership, trust your intuition to point you in new directions.

10 Remember that projecting your good intentions on rivals can yield unsavory results: a friend today could easily turn into a competitor tomorrow.

11 To revitalize and grow your company, eliminate generations-old informal and erratic practices. Discipline plus empowerment plus accountability equals progress.

12 Make transparency an integral part of your business culture. It is essential to achieving financial consistency.

13 You will undoubtedly feel overwhelmed with the tasks of your new position, so take time before assuming control to fully evaluate the skills and values of working family members and the other personnel awaiting you.

14 Your company's health will dictate whether you need to keep anyone from the previous team or start from scratch. Don't rush the decision process—but don't take too long either—and stay open to changing course if you realize you've made a wrong decision.

15 If a weak link exists within your core leadership team, you must remove the individual—or the integrity, resolve, and strength of the entire team will be irrevocably compromised.

16 With all the stresses of transitioning into a family business, you could easily hang on to outside advisors too long. Cut them loose—even though you feel like you're free-falling. If they helped you once, you can always hire them again.

17 During meetings with industrial psychologists, establish an agenda and follow-up actions to maintain momentum. A succession, like a living organism, must be nurtured—or stagnation will set in.

18 Recruit and interview all potential advisors carefully. The decisions you make jointly will significantly affect your family's future.

19 You may love your work, but you must get away from it occasionally to return fresher and recharged, especially when you run a family business. How you spend your downtime doesn't matter—as long as you give yourself this gift.

20 Struggling to fit work, family, health, and personal activities into your schedule can forever be used as an excuse for not being able to find the time. Don't surrender to procrastination—jump right in!

21 Begin succession planning a minimum of five to ten years prior to the new leader's taking control. This will provide sufficient time for reviewing and fixing your plan—and some fixing will almost always be needed.

22 To increase the likelihood of a positive transition, the CEO, successor, and family stakeholders must fully dedicate themselves to the process and participate in all decision making.

23 An effective succession may involve selling the business or choosing dual leaders—explore all possibilities and be willing to brainstorm creative solutions.

24 Don't kid yourself into thinking that the leadership transfer in a family business will magically work itself out because blood is thicker than water. You must take deliberate, impartial action to locate the best new leader.

25 Look for passion as the top quality in your replacement. Your company's future depends on having a leader who can excite and motivate people.

26 To set the stage for future success, the current leadership must give a successor-in-training the freedom to make mistakes. So often, CEOs stall the transition process because they're afraid to see their replacement fail.

27 Upon succession, set a plan to deliver immediate and measurable results to one area of the business. A quick success will build confidence in the new leader, the new team—and the organization.

28 Take advantage of recessions and other low-income periods to transfer more value to the heir apparent and reduce tax consequences.

29 At the start of the transition, the outgoing and incoming leaders must work together as internists in evaluating the company's financial health.

30 Use external auditors to objectively review your company's financials since they can recognize potential problems and present workable solutions to improve your bottom line.

31 An estate-planning dream team can ensure that all pertinent documents are properly drafted, accurately signed, and safely stored in an accessible place ready for delivery at the right time.

32 Spend the time and money to draw up estate-planning documents and keep them safe. It's a small price to pay for the security of knowing that no one will be able to claim more from your estate than you have entitled them to.

33 As the owner-leader of a family business, you should follow a well-planned, long-term gifting strategy that gives everything to your heirs during your lifetime—so that you ultimately die with nothing.

34 Letting go is a critical part of a successful transition. In fact, from the moment you take over a business, you must begin emotionally preparing for the day you relinquish power—otherwise, chaos will likely ensue.

35 You may find it impossible to envision a life away from the challenges and excitement of the business you've built. Losing such a large part of your world can be frightening. But don't let this impede the leadership-transfer process.

36 Keep a journal of your evolution as CEO. This rich resource will guide generations to come as they enter the family business and then step aside for their successor.