

## Case Study **Private and Public Companies**

*Family Business /  
Succession Planning*



# I Am Dad's Successor; It Is About Time I Took Control

## BACKGROUND

A family business has been suffering from an unclear leadership role shared by both father and son. Although the father had announced his retirement, he persistently interferes with his son's decisions, causing a breakdown in the leadership, and lack of clarity in direction and vision.

## EXECUTIVE SUMMARY

### Client Challenges

- After retirement, the father is not willing to hand over the reins of the business, causing discord in the family over splits in direction and vision.
- The breakdown in communication between father and son has spread throughout the organization and the family.
- The family alignment has started to crumble.

### Our Solution

- Called the family to a meeting and communicated with all its members.
- Conducted individual meetings with major stakeholders.
- Identified the aspirations and capabilities of all family members.
- Helped the founder to step down and hand over the family business by encouraging him to start a new venture in a complementary business that would keep him busy and in control, while the mother company remained under the management of his successor.
- Created a strong Board of Directors, chaired by the successor, but with the father included as a member.
- Called upon independent outside directors to become members of the Board.

### Our Intervention's Impact

- Reunited the family.
- Activated the Board of Directors and encouraged family members, including the father, to share their ideas and reach decisions together.
- Motivated the younger generation to start showing positive influence on the business. It is now adding value to the parent company while also seeking other business development projects.
- Aligned the employees and communicated a new strategy plan to them along with key performance measures and clear objectives.

- *The family was reunited and the business was on track again...*
- *The value of the business has increased...*
- *The younger generation is pursuing new expansion strategies...*

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## IN FOCUS

### Key Client Challenge

- The father and founder in a family business wanted to retain control and lead in spite of announcing his retirement from the family business.
- The family was lacking healthy communication among its members.
- The successor was always complaining about the father's interventions.

### Our Solution

- Created a functional professional Board of Directors.
- Engaged the father in a new venture.
- Advised the son to deposit a sum of money in his father's account as a gauge of trust enabling the latter to buy shares at a diminished price. The money would thus serve the older generation upon retirement.
- Kept the father posted about the business's status and invited him to key Board meetings.
- Smoothed over the transfer of leadership.
- Released tensions among family members and supported the new leader in his work.
- Aligned family members and regulated the way decisions are made.

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