

Succession Planning Checklist: Nine Must-Do's for the Retiring Business Leader

by Jeremy S. Lurey, Ph.D.

Congratulations! If you're reading this, you've likely had a very successful career filled with many professional accomplishments and accolades, not the least of which is being in a position to plan what comes next for you and your organization. With nearly 10,000 Baby Boomers reaching retirement age every day from now until 2030, you're not alone. In fact, you are in very good company!

As you consider your very next steps towards retiring, review this succession planning checklist of nine "must do's" to guide your journey. While it may feel like your retirement is well off in the distance - maybe even several years away - there are a number of critical activities you'll want to start today to prepare yourself, your family, and your organization for a bright and prosperous future "tomorrow".

✓**Confide in your family** - There's nothing worse than being alone as we take on life's greatest challenges. Don't make this any harder than it already is by alienating yourself from those who care about you the most or pretending it's not a big deal. It is a big deal, and your loved ones will be there for you if you allow them to be. They may even have some sage advice for you if you're willing to listen and invite them to share. This is especially important if you run a family business and need to talk to your children or other family members (brothers, sisters, nieces, nephews, etc.) about taking over and/or inquire as to how else they might rather live their lives.

✓**Speak with your Board and other key stakeholders** - Whether you have a formal Board of Advisors, other shareholders in the business, or simply an executive leadership team, let them all know your preliminary plans for retirement before

they start worrying about it and have to approach you. This is just the first of many conversations you will have with them, so don't think you have to have all of the answers already. Also, this doesn't have to be the tremendously sensitive - and even contentious - matter that many believe it to be. You can be the living example of that for everyone by being courageous and initiating the conversation and creating a safe place for everyone to hear your current thinking and share any concerns they may have with you. Remember, you will desperately need the active support of these key champions every step of the way, so enroll them in the process early!



✓**Assemble your multi-disciplinary team of subject matter experts** - From attorneys to accountants to financial planners to leadership coaches and quite possibly family counselors, there are several trusted advisors you may need to turn to during your transition. Start identifying these multi-disciplinary experts now so that your team is ready for you when you need them!

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✓ **Clearly define your primary job responsibilities**

- To smoothly and successfully transition out of your current leadership role, you must transfer all of your primary responsibilities to others in the organization. This is even the case if you are going to sell your business because someone in the acquiring company will ultimately assume responsibility for handling your customer relationships and performing your key work functions. If you don't know what to give them, how will they know what to do? More importantly, how will you know who can fill your big shoes if you don't clearly define the requirements of the position?

✓ **Identify your successor** - As suggested in the last step, somebody must take over your work for you to leave. It is critical to identify who that person will be as soon as possible. If you have a few potential candidates internally, then you may be able to provide them all with some developmental opportunities (aka "special projects") to determine who the best candidate is to succeed you. If you do not have any internal candidates, then you may need to initiate an external executive search.

✓ **Coach and mentor your successor** - Once you identify who your successor is, there are two people in particular who will enable him/her to succeed - a leadership coach and you. You play a



vital role in mentoring your successor such that he or she can run the business successfully. It is unlikely, though, you will be able to coach your successor any better than a well-intended mother or father can teach her/his teenage children to drive a car. That's what student driving instructors are for! Leadership coaches play an equally vital role in helping your successor elevate his/her leadership and lay a strong foundation to play a bigger game in the future.

✓ **Know your number** - Determining how much you will need to live the lifestyle you want after you retire can be a daunting task when you may not know if you'll live another 10 or 20 or 30 years or more. Start by understanding your current cost of living and then schedule time with both your spouse/partner and your financial advisor to assess what it will take post-retirement. This is the first of many steps to getting your financial house in order before you are truly retired. Done well, this task will actually help you establish your transition timeline, which based on your number may not be for another five or ten years!

✓ **Find out what inspires you** - Many business leaders delay their retirement because they are afraid of leaving their professional identities behind. Others prematurely establish part-time

"Jeremy helped us facilitate a very successful and much appreciated succession planning process that engaged both Board members and staff in the transition. More than that, his direct coaching not only enabled me to transfer my management responsibilities to my successor, but also inspired me to embrace my retirement and begin living my "third act" in life."

- J. William Hudson Chief
Executive Officer,
Global Cold Chain Alliance

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roles for themselves such that they can remain in their businesses long after they retire. Before doing either, figure out what fulfills you and will have you live a happy and meaningful life. You may be surprised that "work" is not all you want to do for the rest of your life.

✓**Prepare for the sale** - If you do not have an identified successor in your family or otherwise in the business, you may choose to sell your business to achieve maximum value for your many years of sweat equity and perseverance. Selling your company to a suitable buyer is a much better option than not having your legacy live on and not cashing out to fund your later years. If a sale is in your plans, you'll need to enlist the support of several specialists not only to help you find that buyer but also to position the business for sale and structure the deal. And if you aren't planning to sell your business when you retire, preparing for the sale is still an invaluable strategy for improving performance before you retire because you will inevitably find ways to reduce operating costs if not increase top-line revenues as well in doing so - as if you need to make your business more attractive to prospective buyers.

Clearly, the above nine "must do's" do not provide a complete play book for managing your entire transition. They do, however, show you the



way one step at a time. Depending on where each step takes you, you will need to take a few more steps to achieve your intended outcomes for retirement. This is at least a 12 to 24-month process though, so focus on one step at a time for now. Before you know it, you'll be living your third act in life!



Dr. Jeremy Lurey is the President & CEO of Plus Delta Consulting. Dr. Lurey is a talented leadership coach and organizational change specialist who partners with his clients to improve performance and produce better business results. With nearly 20 years of progressive experience as a management consultant, he is a trusted business advisor for and has supported clients ranging from small start-up organizations to Fortune 100 multi-national corporations, including numerous not-for-profit and government agencies. Honored as a Top "40 Under 40" executive of the year by The M&A Advisor, Dr. Lurey has particular expertise in leadership development, succession management, change management, process improvement, and strategic planning.