

## Stepping Back – When the CEO/Founder Passes the Baton

*Following is a brief account of what it's like to replace yourself in your business. This account is from a business founder who has now stepped back from his leadership role in the business he founded 27 years ago. His name is Gary Smith and he is a client of LeadershipOne as well as a dear friend. This is Gary's story, in his voice. It addresses the phenomenon every business owner faces – transition. Thanks Gary for sharing your experience. - Hal Johnson*

First, I will say the transition was not easy. It takes focus and hard work to hand your business over to a new leader. Like many business owners, my business filled a major piece of my life. My personality is such that the employees are my close friends – like family. I care about them deeply and enjoy the day-to-day involvement, as well as the stories each one of them is living out. But, one day you finally get it – you are not going to keep doing this job forever and it's time to face reality. You need to have a successor and you need a life outside of, and after, the business. Please realize that getting through this kind of transition was emotional. The tough part wasn't deciding to do it. The difficult part was the psychological process of “turning loose” of my “child.”

As I consider the process I have been through, I now see three phases. The first phase was what I call *the knowledge phase*. I needed to understand what this process of transition was all about, so I did extensive reading. My knowledge exploded about what business transitions involve – the good, the bad and the ugly. I found the bad and the ugly were usually the result of NOT preparing, planning and implementing well. I decided that wasn't going to be me. I had too much at stake, worked too hard, and wasn't going to diminish the value of my business by not transitioning my role in an effective manner.

The second phase involved *getting objectivity and perspective*. I needed to be able to visualize how the company would carry on without me. I

would still be Chairman of the Board, and have some oversight responsibilities, but I would be out of the day-to-day fray. We achieved the hand-over in part by institutionalizing a continuing strategic planning process. This established not only the plan, but perhaps more importantly, a very visible continuing implementation and execution process. We created a process of evaluating and implementing best business practices. The senior management team would be continually “tuning-up” the business. The alignment and focus this created gave me great comfort that our leadership would continue to focus on the most important things.

The third phase involved my own *trust and release*. Intellectually I got it. It all made sense. But I would walk into the office and immediately want to call the shots. “Why are you doing it that way?” I would think. I was a life-long, certified micro-manager and enjoyed being the answer-man and decision-maker. My understanding of the transition process was intact. My ability to do it just did not immediately develop. I'm sure I frustrated my staff while I was going through this process, but they persevered. (My turning point came as I saw more and more, *there was a process I could trust*.) My team could deliver good results without my meddling. They were committed and they would and could carry on regardless whether I was there or not. So, based on trust (trusting the system), I finally had peace of mind to let go and started doing so many of the things I didn't have time to do before. And yes, my wife was delighted. And so was I.

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My end-note would be this. My business was a jealous lover. I did not realize the hold it had on me, and what I was missing in so many other areas of life until I finally got some perspective. It is so easy to have a life seemingly full and busy with your business, until you discover that there are a lot of other very enjoyable things out there. I can now do a lot of other activities with the comfort of knowing my business is in good hands and it does not need me on a full-time

basis. I was able to do a good business transition – avoiding the bad and the ugly. I learned to trust the process. And yes, there is life after the business if you take the steps to evaluate what that might be and then prepare for it--before it's too late.

*Gary Smith, Owner/founder, Solvere, Inc.*