



What Women Entrepreneurs Need to Know About Succession Planning

As a successful entrepreneur, your days are filled with urgent priorities. At any given time, you might be juggling strategic planning decisions, approving product designs, and nurturing relationships with new clients. Those concerns are all essential to your company’s well-being. But there’s another element that is crucial to your organization’s long-term vitality, and that’s succession planning.

Why you need a succession plan

Every business needs a succession plan. Ideally, you’ll have two succession strategies in place — one for short-term emergencies and one for when you step down from the company. No matter how committed you are to remaining at the helm of your organization, there will come a day when you must resign or retire. As difficult as it is to consider, there’s always a chance that illness or death will force you from the position as well. You may become ill, or you may choose to take a leave of absence during a family health emergency. Having a succession plan in place will help your organization operate successfully even in your absence.

Naturally, succession planning can be emotionally challenging. Ceding control of the company you built will be bittersweet, even under the best circumstances. That’s why it’s so important that you decide who you want to succeed you and how you want the company to evolve. Knowing that the business is in competent hands will make the transition that much easier.

Key takeaways



Building a succession plan is key to your company’s legacy.



Working with your successor before stepping out of your role can allow you to shape your business’ future.



Being open to new ideas can help you transition out of your role.

Here's how to develop a strong succession plan for both short- and long-term scenarios:

Choose your successor

The first step in building a succession plan is deciding who you want to fill your shoes, though your choice may vary based on short- and long-term concerns. Perhaps you'd like your daughter to succeed you as CEO, or you intend for all of your children to take on C-suite roles as they mature. But if they won't be prepared for those duties for another 10 years, you need to decide who will steward the company in the interim. In that case, you may want to designate your spouse, another relative, or a close colleague within the organization as the short-term successor.

When deciding who will succeed you, consider their attributes and business philosophies carefully. Your number two person might know the business as intimately as you do, but do they share your vision for the company? Your daughter might demonstrate marketing savvy, but that doesn't mean she can lead an entire organization. Evaluate potential successors based on who is most likely to lead the company well and who will uphold the culture you've worked so hard to create.

Think beyond the top position as well. While it's important to choose a strong successor for yourself, you really want to groom the next generation of management. Implementing a mentorship program enables talented young employees to get into the leadership pipeline and invest in the company's future. Such programs can be particularly helpful for guiding more women into leadership roles.

Cultivate your successor

Once you've chosen a successor — or two, if your short- and long-term picks are different — work closely with them to prepare them for the role. If you've chosen a top colleague to step in during emergencies, share your decision with that person and outline your expectations for them. Make sure there's a support system in place to help them, and strategize with the entire team on what a short-

term leadership transition would look like. Set clear parameters for what this temporary shift will entail and what privileges and responsibilities are included.

In the case of a long-term transition, you should begin cultivating your successor at least several years before you plan to retire. Grooming is especially important if your chosen successor is young or inexperienced. Look for opportunities to "test drive" their leadership abilities, so to speak. For instance, if you're planning to take time off, task them with some of your day-to-day responsibilities during that time. They'll gain real-world experience with the role, and you'll be able to evaluate their performance. Once you're back to full capacity, you can discuss their successes and setbacks. Together, you can strategize on how to help them improve areas of weakness so that they're better equipped to take over one day.

Welcome new ideas

In a perfect world, your successor will share your ideas and values for the company's future. But even if that's the case, that person is bound to have their own ideas about how they will run the organization. Hard though it may be to loosen the reins, you should welcome their thoughts and perspectives. A change of leadership can usher in new energy and innovation, which is a good thing for your company's legacy.

Long before you plan to retire, invite your successor to share their ideas with you. Not only will the business benefit from their creativity, you'll also be able to help them hone their strategic decision-making skills. When they come to you with an idea that is unique but impractical, you can help them discern the kernel of genius and build on that. They'll learn how to strategize within the broader business context and gain confidence as they see their concepts come to life. Perhaps more importantly, you'll be modeling good leadership qualities that they will embody and one day use to groom their own successors.



Your company's success depends on succession

You've worked tirelessly to build your company, but its continued success depends on your commitment to succession planning. Once you've achieved sustained profitability, you want to ensure that the company will prosper no matter who holds the top seat. Creating a succession plan is the best gift you can give to your colleagues and employees because it guarantees that the company that has become their home will continue to stand for years to come.

The support you need

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