

# MENTORING FOR CEO SUCCESSION IN FAMILY AND FOUNDER-OWNED COMPANIES

Family owned companies have a number of advantages compared to their listed competitors:

- ability to take a long-term view
- closeness of the owners to the operational aspects of the business
- capacity to make decisions at speed

However, when handing over leadership to the next generation, they face the same transition risks as any listed company, and in fact it can be argued they face a wider set of challenges. Getting the CEO succession right is part of the owner-family legacy and deserves focus, attention and support.

## CEO transition situations in family owned businesses

### **New family member at the helm**

After evaluating family members against external alternatives, appointing a family member can ensure the continuing link between owners and management. To mitigate risk before, during and after the transition an external Mentor with Chair and CEO experience can support the success of a family member. Our Mentors have supported many next generation family members on this journey.

### **Bringing in an external CEO**

When the family decides to bring in an external CEO the process of integrating into a family company - at speed - is crucial. The outsider must develop an understanding of the different dynamics at play and above all create a close and trusted relationship with the Chair.

An external Mentor can provide valuable insight and experience in this process and CMi Mentors have a strong track record of having helped external CEOs integrate successfully in a family business.

### **Listing a family company and IPOs - impact on existing CEO's role**

When a family owned company is transitioning from fully private to partially or fully listed, this change requires the incumbent CEO and the top team to develop new skills and new ways of working. An experienced Chair or former CEO who has experience in listed companies can significantly support a successful transition. A large proportion of CMi Mentors combine deep experience in listed companies with profound understanding of the key characteristics of a private family led business and have successfully supported many transitions of this nature.

## CMi Mentoring approach

Our knowledge is based on over 20 years of working with listed and private companies across the globe in all sectors.

CMi has pioneered and developed a market-leading CEO succession mentoring programme, where highly successful senior executives are provided with structured, personalised and confidential sounding-board sessions. Our Mentors are accomplished Chairs and former CEOs who have long and tested experience leading large and complex businesses.

Our Mentors have experience from both sides of the table in CEO succession processes and understand the challenges, pitfalls and pressure of such processes both from the company and the individuals' perspective.

Our experience is that top-level external and independent mentoring adds high value, as well as mitigating risks throughout the succession process. A personalised mentoring programme will support, stretch and challenge the potential candidates, prepare them for the CEO role and support the transition of both the appointed candidate, as well as candidates that ultimately do not make it to the CEO role.

CMi Mentors have deep experience in family businesses and have helped support successful transitions in specific family company situations.

*For more information on our proposition for family owned companies and for a more tailored list of Mentors with specific relevant expertise please contact Michele Luzi either by email [michele.luzi@chairmentors.com](mailto:michele.luzi@chairmentors.com) or call on +447768708557*