Case Study: Transition Planning
Establishing an Aligned Advisory Team

BusinessTransitions.org
The Challenge

The business owner of a small to medium sized manufacturing company in Minnesota was founded over 40 years ago. The owner raised his children with his children in mind to one-day take over the business. We have been working with this client for years to help with their enterprise value growth but now the founder and father is ready to retire and brought us in to help with his transition planning. The first planning meeting consisted of the owner’s attorney and wealth manager and it become quickly apparent that they were not aligned on their strategy to assist the owner in identifying their goals. The two advisors had conflicting strategies and was transaction focused, leaving the owner’s legacy and wealth goals unconsidered.

Our Solution

- Worked with owner and his wife to understand their legacy, wealth, and transition goals.
- Identified the key advisory team, including their current and missing advisors
- Identified the family member successors (5 children) and assessed their desires, ability, and skills. Developed a customized leadership development program for each of the children to prepare them for their new roles as owner/operators.
- Developed an aligned strategy with all advisors to support the development and preparation of the successors, to setup the transition structure, and to implement the transition plan.
- Re-assessed the organization and new ownership to identify any gaps and develop a new enterprise value growth strategy.

Results

After a significant eight-year decline in revenues and profits, the company was stabilized in the first six months and moved into the growth phase. The owner was realigned into a role that supported his strengths, which fostered greater levels of leadership among his team and increased engagement. The new business model is opening up growth opportunities for the organization as they continue to dream again, radically impact the lives of their customers, and leave a legacy.

Visit the Resources section of the Transition Collaboratory site for other articles, reports, surveys, case studies, and tools that relate to creation of collaborative transition planning teams.