Who Will Lead?
Filling Leadership Gaps in Your Family Business

Jim Grew
President, The Grew Company

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The Austin Family Business Program Presents:

Who Will Lead?
Filling Leadership Gaps in Your Family Business

This webinar is being recorded and will be available for later viewing.

If you are having difficulty hearing the webinar through your computer you may dial in via your telephone:

Dial: 415-655-0002
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FILLING THE GAPS
WHAT’S AT STAKE?

• Valuation

• Emotion:
  • Your kids
  • Your business
ROUGH VALUATION FORMULA

ANNUAL OPERATING INCOME: $1,000,000

\[ \times 1.25 \]

\[ = \$1,250,000 \]

\[ \times 4 \]

\[ = \$5,000,000 \]

ESTIMATED VALUATION
THE PROBLEM IS YOU
PLAN YOUR EXIT

• PLAN YOUR EXIT

• THEN

• PLAN YOUR SUCCESSION
SUCCESSION TIMETABLE

• CEO
  • Chairman
  • Active Owner
  • Board Member
• Advisory Board Member
• Full Retirement (Out)
SOLUTIONS TO GAP

• SELL

OR...

• REPLACE YOURSELF
  • REPLACE KEY LEADERS
REPLACEMENT STRATEGIES

• SET YOUR TIMETABLE
• GROW OR BRING IN REPLACEMENT
• SAME WHETHER FAMILY OR NOT
• COMPETENCE BEATS FAMILY MEMBERSHIP
FAMILY STRATEGY

• START ANNUAL MEETINGS AT AGE 12
  • ROLES:
    • OWNER VS. FAMILY MEMBER
FAMILY ROLES
FAMILY MINORITY OWNERS

• PROVIDE DATA, DISCUSSION
OWNERS DECIDE

1. SELECTION PROCESS
2. JOB RESPONSIBILITIES
3. JOB QUALIFICATIONS
4. COMPENSATION
5. TIMING
KEY JOBS: NEW LEADER

1. Balance today’s results with actions for tomorrow
2. Structure communication in business and with family
3. Move leadership process from dad’s head to Mgt. Team
4. Deliver results for owners, employees and customers
5. Clarify role difference: Owner vs. Business Leader
6. Mine owner wisdom cleverly and respectfully
ALL ANSWERS INCLUDE COMPROMISE & RISK
MANAGING THE SHIFT SUCCESSFULLY

• SUCCESSOR LEADERSHIP PROCESS
  • INCLUDE KIDS AS CANDIDATES

• QUARTERLY LEADERSHIP REVIEW
• KEY SKILLS EVALUATION
• FAMILY PLAN
CRITICAL ADVISORS

• NEW TERRITORY
• MULTI-LAYERED
• SUCCESS OF KIDS
• SUCCESS OF BUSINESS
• RETIREMENT INCOME
For a complimentary copy of Jim’s new book, *The Leader Architect* email Roger Anderson at:

roger.anderson@bus.oregonstate.edu
JIM GREW

• 503 544 8857

• WWW.GREWCO.COM

• JIM@GREWCO.COM