

Is Your Company Choosing Future Leaders Intentionally?

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As far-fetched as it may sound, this is a true story:

I was working with a small engineering firm, to assist them in the succession transition from the original founders to a new CEO. The two original founders had “hand-picked” the new CEO from within their ranks. He was a loyal, 20+ year employee, an engineer by trade, and the leader of a small working group within the larger company.

In our first meeting, which lasted about 2.5 hours, I heard the “new” CEO say, “I don’t want this job,” in about five different ways. He never came out and said it forthrightly, but he hinted at it by saying things like,

- » I don’t know if the staff will be OK with the transition, I have a more command-and-control leadership style than (the current CEO)
- » I don’t want to do billable hours when I am the CEO
- » I don’t know what a CEO does!

and a few others.

Reflecting on the meeting and the conversation made me think: This leadership transition wasn’t very intentional – it was convenient.

Convenient because the founders didn’t have to do anything but pick someone from within their ranks. They didn’t have to make a job description (they had none), they didn’t have to hire a recruiter or interview potential candidates. They simply said, “Tag! You’re it.” I think they felt they were rewarding



this potential new CEO for his loyalty. But he was woefully unprepared to take on the role and moreover, he was quite vocal about the fact that he didn’t see himself in the position. (But it’s kind of a feather in your cap when the CEO picks you to succeed him, right? What are you going to say, no thank you?)

From my perspective and based on HR data that I collected from the firm, I knew that the new CEO would not be successful, and it would be through no fault of his own. The company simply wasn’t structured or staffed correctly to be successful when the original owners/founders left.

It made me wonder – how often is this the case with companies?

The Risks of Unintentional Succession

Business owners, particularly founders who have poured their hearts and souls into building their companies, often avoid confronting the heavy lift of their departure. It feels easier to hand the reins to the most loyal employee rather than undertake the rigorous process of finding the best possible leader for the future.

But convenience can be costly. When transitions are made without thoughtful planning, companies can face severe consequences, including:

- » **Decreased Morale and Productivity:** When an unprepared leader is put in charge, the workforce can feel uncertain about the company's future. Morale suffers, productivity dips, and valuable employees may seek opportunities elsewhere. (And during the time that I was working with the company in the story above, they did lose a key, 20+ year employee, to a competitor.)
- » **Inconsistent Leadership Styles:** If the new leader's approach differs significantly from the previous one, employees may struggle to adapt. Mismatched expectations can create friction and confusion.
- » **Lost Revenue and Opportunity:** If the new leader lacks the necessary skills to drive the company forward, revenue generation and growth can stagnate. Worse, they may unknowingly make decisions that harm the company's future potential. (I saw this coming down the pike, for the company in the story.)
- » **Leadership Burnout:** The individual thrust into a role they aren't prepared for can become overwhelmed, leading to frustration, burnout, and eventually resignation or termination. I'm sure you've witnessed more than once, just in your own community or industry.


Intentional Succession Planning: What Needs to Change

To avoid these pitfalls, companies must take a more intentional, structured approach to leadership transitions. Here are a few steps to consider:

1. **Define the Role Clearly:** Develop a thorough job description outlining the skills, responsibilities, and competencies needed to succeed in the role. This shouldn't be a vague set

of qualities but a concrete, actionable description of what the job entails and what success looks like.

2. **Develop Internal Talent:** While promoting from within can be beneficial, it is not a reward! It is paramount to ensure candidates are prepared. Invest in preparing up-and-coming successors so they will have the chance to excel.
3. **Consider External Candidates:** Loyalty is admirable, but it shouldn't be the primary qualification. Hiring a recruiter or conducting a formal interview process can help identify the most suitable person, whether they are inside or outside the organization.
4. **Create a Transition Plan:** Transitions take time. Developing a roadmap that outlines mentorship, gradual transfer of responsibilities, and clear expectations can help ensure a smooth process. Expect an 18-month to three-year timeframe.
5. **Allow for open and honest communication:** Let the new leader know it is OK to ask questions and ask for help as they are learning the ropes.

Leadership transitions shouldn't be rushed or haphazard. With intentionality and planning, companies can avoid costly mistakes and set the stage for a prosperous future. The story I shared is probably not unique, but it most definitely should not be the norm! 



About the Author

Dr. Nanette Miner is an expert in building ready and capable leadership teams for succession and exit.

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