

## Transition Guide

### Guidance Document

The Transition Guide should be someone with personal and/or professional experience with family business succession, transition planning, and implementation processes. The Goering Center recommends that you apply the below criteria when selecting a Transition Guide. We recommend that you invite as many people as possible – family and non-family members that will participate in the succession and transition process (such as your other trusted advisors) – to interview the Transition Guide Candidates.

### JOB DESCRIPTION

- 1) Familiar with the concepts presented in the Next Generation Institute (NGI)<sup>®</sup>, which reflect established best practices in family business succession planning;
- 2) Provide objective leadership and feedback to all members of the succession team and family as appropriate;
- 3) Lead the process with a business-first mentality, while respecting the needs and wants of all interested parties in the process.

### QUALIFICATIONS

#### Family Business Experience:

- Has participated in a successful leadership and ownership transition within a family business, including persons undertaking the role(s) of CEO, owner, family member, key employee, member of an advisory board, trusted advisor.

#### OR

#### Professional/Practitioner Experience:

- Leading several family businesses through the transition process.
- Successful experience in conflict definition and resolution.
- Ability to assimilate differences in opinions, interests, and ideas into a cohesive concept that can be adopted by participating parties.

#### The Transition Guide should also possess the following skills and talents:

- The ability to understand differences in opinions, interests, and ideas, and to be able to communicate those differences to others in order to facilitate their understanding.
- The ability to manage tough and personal discussions throughout the transition process.
- Sensitivity to the differences in goals and aspirations of different generations.
- Sensitivity to the patterns of family communications and roles that develop within a family unit.
- Understanding of the needs and interests of the three systems: Business, Family, and Ownership.

### THE TRANSITION GUIDE TASKS:

- To support the business, the succession team, and the family throughout the succession process.
- To assist in formulating the succession plan.

- To identify the issues that might hinder the transition process.
- To present alternative solutions to family and business issues and conflicts.
- To identify the demands of the future environment on the business.
- To help define new roles for the G1 and family members.
- To determine if there is a need for additional human resources.
- To assist in reviewing and adopting a legal structure to accomplish the plan.
- To assist in reviewing and adopting a structure to minimize income, capital gain, and gift and estate taxes.
- To provide guidance on implementation of the plan.
- To monitor the transition process and make sure it is progressing.
- To anticipate side effects of the succession plan.

Different Interests/Goals to Define and Reconcile:

- G1's Personal and Financial Goals
- G1's Estate Planning Goals
- Family Needs and Interests
- Business Needs and Interests
- G2's Personal and Financial Goals
- Key Employees' Concerns
- Legal and Tax Issues
- Resolve Conflicts among the above
- Communicating and understanding the different goals and interests is key

Guidelines:

- Transition Guides shall only play the role of Transition Guide in this environment. Other professional assistance should be assigned to other professionals. For example, if they are not accountants or attorneys, they should not be relied upon for accounting or legal advice.
- Confidentiality is key.
- Transition Guides should respect family members' opinions, remain open-minded and be non-judgmental.
- They should conduct meetings in psychologically safe, secure and efficient environments.
- They should encourage families to not rush into decisions without measuring the consequences.