



Family Business Success: Planning for Retirement



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Succession planning gets a lot of attention in every organization, but it is particularly critical to a family business. If the family is going into the future as a family business, exceptional care should be taken to ensure the legacy of the family continues.

Of all the leadership roles in a family business, CEOs often have the hardest time with retirement. They may have been the founder of the business — the person whose initial idea brought the business to life — and have been consumed by the business in several ways:

- As the architects of the business strategy;
- The determining factor in which deals to take and which ones to reject; or
- The decision maker — financial and otherwise.

When a successor takes over, everything changes. It may be a difficult adjustment for the former executive to no longer be in the thick of every action, and little is written

about what an outgoing chief executive is to do with the rest of his/her life after a successor is put in place.

The transfer into retirement can also affect one's health. When someone suddenly stops a frantic work pace and moves to a life without deadlines, he or she is vulnerable to heart attacks or strokes. The first 18 months of retirement are particularly problematic, and it's important to determine a plan to get beyond this danger zone.

The following pages discuss the challenges and opportunities that an outgoing leader faces, and offer suggestions to make the transition easier.



Don't Leave Retirement to Chance

It's somewhat ironic that people who have spent their whole working career building and following schedules and meeting deadlines can't seem to "find time" to plan their life after work. Many greet retirement with the same enthusiasm they show for creating an estate plan or writing their will.

This is no surprise. It's hard for a lot of us to accept that life will go on without us at work. Baby Boomers in particular — those whose lives have been the celebration of power and success — find it difficult to pass the torch that John Kennedy put in their hands.

Just as one learns that transitioning succession of a family business takes a lot longer than it seems it should, planning for retirement also demands a commitment of time and energy.

It opens with a self-conversation on what really matters in your life:

- Who is the person you want to be in retirement?
- What do you feel passionate about?
- What values do you stand for?
- What brings you pleasure?
- What unfinished work do you still have left to do?
- Is there a philanthropy or cause in which you are particularly interested?
- Is there a nonprofit that could use your talent or expertise?

No matter how you do it, it's important to devote time to thinking about and planning the person you want to become when you leave the day-to-day grind of making your business a success. Success must be defined differently in retirement.

Having a plan can help you face your fears about retirement — a plan makes it possible to embrace retirement.

Plan for Activities that Keep you Healthy

One of the biggest challenges people face as they get older is that exercise — something they did with enthusiasm when they were younger — becomes a chore.

Over the years, there may have been a series of half-hearted attempts at an exercise regimen but work got busy and that was the end of it. There may even be some dumbbells somewhere in the garage collecting dust from a previous trip to Target or Dick's. That's why joining a

gym or health center can be a lifesaver. Spending the money on a gym membership may encourage you to get to the gym — you've already spent the money so you might as well use it!

Another great option is to find a personal trainer who will work with your goals and build a personalized program for you. Having a trainer who will hold you accountable and encourage you can help make it easier to get out of bed and exercise.



Begin Retirement Early and Gradually

A company in northeastern Ohio gradually processed their executives into retirement. They had their executives work four days a week for 18 months prior to their retirement date. At the 12-month mark, they moved the executives to a three-day work week. At six months prior to their retirement date, executives were given special assignments but were instructed to come in only two days a week.

By the end of 18 months, the executives were used to having time away from their jobs. Instead of going “cold

turkey” and leaving a busy career, these executives could gradually back away from their jobs and were forced to find other useful things to do with their time.

While this strategy might not be useful for you, taking more frequent trips during the period before your official retirement and making yourself less critical to the business can be a blessing. This can also serve as a valuable time to observe your successor in action.



Many active people find the idea of retirement terrifying. But by assessing your strengths and interests, outlining practical actions to remain as healthy as possible, and gradually decompressing from the job into new and different activities, you can achieve the journey from powerful executive to comfortable citizen.



About Conway Center for Family Business

The Conway Center for Family Business is a membership-driven, non-profit organization providing educational programs and resources to help central Ohio's family-owned businesses grow and transition to future generations.

Our Mission is:

- To help family businesses be profitable and successful;
- To assist family business owners with the transition of their business to the next generations;
- To celebrate the accomplishments of outstanding family businesses within our community; and
- To increase awareness of the positive impact family businesses have on the central Ohio economy.

Family businesses comprise 80 to 90 percent of all business enterprises in North America — and 62 percent of total U.S. employment — yet nearly half do not have succession plans. Family businesses face unique challenges and opportunities in today's economy and the Conway Center can help!

Members enjoy meeting other like-minded family business owners and employees at our educational programs, networking events, annual awards program, peer groups, and more.

Learn more at familybusinesscenter.com.



About the Author

Thaddeus J O'Brien, PhD has had a 30-year career as an organizational consultant. He is licensed as a psychologist in the State of Ohio and holds MA and PhD degrees from the University of Chicago. He is a member of the American Psychological Association, the Ohio Psychological Association, the National Association of Sports Psychologists and the American Society of Clinical Hypnosis.

He has served and continues to serve on several nonprofit boards in Central Ohio. He is a founding board member of the Conway Center for Family Business, a nonprofit group serving the needs of closely held and family businesses.





The Conway Center for Family Business provides educational programs and resources to support the growth and success of central Ohio family businesses.

Phone: (614) 253-4820

Email: info@familybusinesscenter.com

P.O. Box 361106

Columbus, OH 43236

www.familybusinesscenter.com