

Case Study:
**Planning for
a Successful
Leadership
Transition**

Planning for a Successful Leadership Transition



In this unprecedented time of COVID-19, business owners are challenged with facing day-to-day survival while still thinking about preparing their companies for future viability and success. Never before has the need for preparation become so apparent. We can assume some future circumstances, like a retiring leader, while other things, like a pandemic, will throw us a curve ball. Making succession plans to find that next leader who is nimble and innovative to manage an unknown future is essential.

With over 10,000 baby boomers turning 65 every day, baby boomer business owners have been retiring in larger numbers over the past decade. As these owners consider who will take over their leadership role, three considerations influence their decision process:

1. Finding someone whose values are consistent with theirs, to keep their business on track
2. Finding someone with the competency to grow the business, or to sell it in the future for a higher value
3. Finding someone who will take care of the employees

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With the right expert guidance and a seamless process, businesses can plan for a successful leadership transition that provides clear answers to their considerations and peace of mind at a time of critical transition.

In this illustrative case study, you will learn how QTI used a holistic, thoughtful, and customized approach to identify a new successor for our client – allowing the business owners to retire after forty years.



Succession Planning means different things to different people. It can be as simple as naming an individual to take over or as complex as overhauling the structure of the organization to find and develop talent that aligns with long-term objectives.



Situation

The founders of a family-owned supply company were retiring after 40 years, with no succession plan in place. While their adult children served on the company's board, they had their own businesses to run which limited their day to day involvement in the company. Faced with their own deteriorating health as well as the company losing market share, the owners knew they needed to move fast.

They decided to hire a new CEO from outside the state to lead the business. However, they soon realized that this new leader was a poor culture fit. The CEO did not understand the Midwestern employee base and employee morale was declining – so, the difficult decision to let the CEO go was made. The owners recognized they had to pivot to undo much of what was done and focus on increasing profitability, increasing employee morale, and finding their successors, but lacked the strategy to do so.

Solution

The founders decided to look externally to get assistance in creating a leadership succession plan. To start, they invited The QTI Group to a board meeting to learn how partnering with an external firm can provide insight and strategy to successfully move their company forward. The QTI team shared their expertise and guidance on developing leadership succession plans that focus on the company's core values, strategies, and future priorities.

Step 1

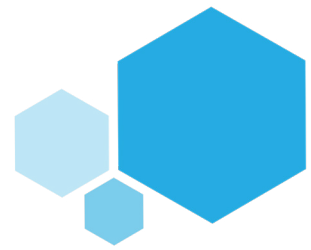
Review and Assess

To gain a strong understanding of the company's goals, culture, and vision for the future, QTI coordinated individual meetings with the owners, board members, management, and leadership teams. Following, QTI conducted a customized Employee Engagement Survey to gain a clear understanding of the issues in the business strategy and amongst the employees. This combination of both qualitative and quantitative information gathering provided a critical foundation for developing future priorities.

Step 2

Define Future Model, Skills and Competencies

After carefully and thoughtfully listening to the leaders of the supply company and analyzing the results of the employee engagement survey, QTI reported key findings to the board and the owners. Together they mapped the skills and competencies required in a successful future leader.



Step 3

Evaluate Internal Talent

To understand if there was internal talent that matched the skills and competencies outlined in their key findings, QTI assessed the leadership team using Hogan personality and business reasoning assessments coupled with one-on-one interviews. From those assessments, they determined that an outside search was needed to find the right next leader for this supply company.

Step 4

Conduct an Executive Search

QTI began an extensive search using its vast business network and proprietary tools to find a new CEO. With a deep understanding of the values of the business owners, the competencies required to stabilize and grow the business, and the culture fit that would allow the owners to sleep at night knowing their employees would be taken care of, QTI was able to quickly recruit, interview, and assess potential candidates for the role. After narrowing the pool of candidates, the QTI team presented four potential CEOs to the board and owners for consideration.

Outcome

A new leader was selected who was only tangentially familiar with their business sector; however, they were a strong learner and a critical thinker-- able to both tackle the problems of the day and to think ahead toward tomorrow. Further, they brought a wealth of knowledge and experience from other business sectors which could translate to innovative solutions in this environment. The incoming leader was armed with the full information from QTI's employee engagement survey, assessments, and conversations so they could hit the ground running and make immediate positive impact.

There is no one-size-fits-all strategy to finding a successor for a business. For some, the focus is on identification of high potential, high performing internal talent and creating an individual development plan to prepare talent for the next opportunity. For others that see a gap in their successor talent or would like to change strategic direction, conducting a search to attract the right external talent is the right focus. What's most important, however, is that you have a plan and strategy in place. By partnering with The QTI Group, you can carefully develop a plan that accurately identifies the organization, its unique challenges, and future direction, and determines the attributes and culture fit needed for the next leader of the organization. This lays the groundwork for a successful search process led by experienced executive search consultants who understand your business needs.

ABOUT THE QTI GROUP

The QTI Group, headquartered in Madison, WI, is a privately owned human resources (HR) organization providing staffing solutions, professional and executive recruiting, HR consulting, and HR partnership services to businesses and organizations. Our key services help businesses reach their full potential through people. The QTI Group has been an active member of the business community since 1957. With a rich history of growth, innovation, and community engagement, QTI has nine offices in Wisconsin. For more information about how The QTI Group can help you with your human resources needs, call **608.257.1057** or email qti@qtigroup.com.