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MANAGE YOUR BUSINESS

How to give your successor the tools to succeed

By **Beth Braverman** • Posted: 03/14/18

This is part of The Handover, an original Chase series that aims to help business owners think strategically about succession planning. It is presented by [Business Banking](#).

Nearly 30 years ago, when David Povlitz started



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pass the Florida commercial cleaning business to his children. Three years ago, Povlitz made that dream come true.

Now, Povlitz's son and daughter own and run the business. "I still come in every day, but I come in at my leisure, and work part-time," Povlitz says.

Not every business transfer goes so seamlessly. Whether you're considering selling your business, or just taking a step back to enjoy the hard-earned fruits of your labor, one of the first things you need to figure out is who will take over the leadership of your firm. When you've poured your heart into building a company, however, you can't hand the reins over to just anyone. Finding the right person and setting them up for success is key to the long-term growth of your company.

Here are four ways to get started.

1. Look within first

Ideally your successor will be a family member or long-time employee who already knows the ins and outs of the



unwilling or unable to take on the position. Speaking with family members now about whether or not they'd be a good fit for the top spot can help mitigate hurt feelings down the road.

If there aren't any suitable candidates within the company already, you may need to work with a recruiter to identify potential candidates. In addition to interviewing candidates yourself, have a few trusted employees meet them as well. After all, they know your company, and they're the ones who are going to have to ultimately work with your replacement.

2. Convey the plan internally

Once you've determined who's going to take over for you, let your employees know. Giving everyone time to get used to the idea will help make for a smoother transition once you've gone. Once Povlitz had determined his son would be the company's next president, he began sharing that plan with other employees.



the power dynamics, but you may also have to deal with hurt feelings from employees passed over for the spot. It's worth dealing with the temporary discomfort. The overlap in power will help the chosen successor settle more quickly into a role with larger responsibility. And hurt feelings or not, employees will ultimately appreciate the transparency. That, in turn, will help bolster engagement when you leave.

"To orderly transfer a business, there is a lot of detail involved. It could take six months to get the

3. Don't rush it
Choosing a new leader with plenty of time to spare means you'll have an opportunity to do some in-depth training on the company's systems and processes. "To orderly transfer a business, there is a lot of detail involved," says Ted Zoller, director of the Center for Entrepreneurial Studies at University of North Carolina's Kenan-Flagler



Ted Zoller

The ultimate goal, of course, is to set up the company so it can run effectively without you entirely. That means, your successor will need to access all your records, books, and bank accounts. Start slowly, giving your new manager time to absorb the data and ask any questions that might arise.

4. Make introductions

As the hand-off date approaches, you'll want to communicate the plan to outside stakeholders, such as vendors and clients, as well. Introduce your successor personally, when possible, and start copying her on communications, so that once you're gone clients don't feel like they're working with a stranger.

"I fully endorsed the buyer of my business to my clients," says Beth Gibney, who sold her prenatal yoga practice in Westchester, New York. "I endorsed her to my advertising contacts and my entire network. Because my network trusted me, they trusted my recommendation. That helped



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Beth Braverman is a Chase News contributor. She writes on personal finance and education topics, and her work has appeared on CNNMoney.com.