

Hello, this is Wayne Rivers at The Family Business Institute. Thanks for tuning in. Please give us the benefit of your thinking in the comment section below and click on our social media icons also. Thanks for doing that.

This week I want to talk about Queen Elizabeth. Who better to talk about the Royal Family than me right? Now, I want to talk about Queen Elizabeth's succession plan. In July of 2019, I saw this headline the other day, this royal expert, we don't have those here, but this royal expert observer predicts that in two years' time, Queen Elizabeth is going to set aside her crown and push most of the duties of the crown over to her son, Prince Charles. And so right away I thought, "Well Golly, how old is Queen Elizabeth?" Well, she became queen in 1953 at age 21. In two years' time, she'll be 95 years old. So why is this worth a blog? You know, why am I wasting your time with something that seems rather frivolous?

Well, what worked for the Queen of England is going to be a disaster for a family business leader if you hang on that long, and I'll talk more about that. So, she'll be 95 years old in 2021. Her successor, her son, her child, will be 72, and the oldest boy, William, the son of Charles and Diana ... you remember the baby pictures and all that when Charles and Diana were a young couple ... he'll be almost 40 years old in two years in 2021. So that timeline is a disaster for a family business leader.

Having said that, when is the right time? When should you get really serious about your two succession plans, your ownership succession plan, but more importantly, your management succession plan. When should your next gen, family or non-family, when should they really be stepping up and beginning to lead the family business? All right. Age 40 is your key. When your next gen leaders, your high potential people are reaching age 40, sons, daughters, non-family, it doesn't matter, that's when the succession plan needs to kick in.

Now, I'm not saying that the succession plan needs to trigger, that it needs to be completed when they're age 40. I mean it really needs to be in motion by the time they're 40. They need to see a pathway towards ownership and leadership by the time they're 40. That would put the senior leaders around 65 or 70. What's the right timeline? How long does it take to do a really super effective succession plan? And for us, 7 to 10 years. 7 to 10 years is the right time. So, if you're 65 maybe the plan begins at 65, culminates at 75. By then you're completely out of both ownership and leadership perhaps. But the timeline is around seven to 10 years.

What if you're already 70 and you don't have 10 years? Well by gosh start. Don't wait any more. Your next gen leaders are already 40, maybe even older than that. You're not doing them any favors. And in today's competitive world, you know, some of those people can go, they could leave you and go to the competition if they don't see a pathway towards more responsibility at the very least, and maybe even ownership at some point in the future.

One of our enlightened facilitators, Doug McCright, is working with a super enlightened client. They're pushing the ownership opportunities in their company down, not to the 40-year olds and the 50-year olds, they're pushing ownership opportunities down for super high potential 30-year olds and 35-year olds. That I think you'll see more of in the future as people want more and more a piece of the action, and that the ability to control the destiny of the company, not just, or at least have a word, have input into the destiny of the company, not just be workers who can get a 5% raise or a 2% raise or whatever it is every year.

What if you don't have any 40-year olds in your organization? Well by gosh, you better go out and get some, because the only way to create succession in a small business, a family business, a construction company, is they have people. Every

industry. I don't care if you're in the IT business. Every industry is still about people. We all have powerful computers and devices and maybe even artificial intelligence, but you still have to have people to make all that stuff work and to provide direction for the brain and the heart.

Age 95 might be perfect for the English Royal Family. That may be just what the doctor ordered. For you, for 99.9% of you waiting to do your succession planning, that law is going to be a disaster and maybe even a business killer.

This is Wayne Rivers at The Family Business Institute. I'd love to have your comments. Thank you.