

Engaged Leadership Team Effect on Ownership Transition Plan

Dwight Moldenhauer



Dwight
Moldenhauer
Inc.

Engaged leadership can have such a positive and powerful effect on an owner's succession and exit options. The concept of retirement is such an erroneous idea for the business owner who has a fully engaged team. If the leadership team is all working in their own wheelhouse, the owner can simply be the visionary or the director and reap the rewards of a lifetime of contribution.

Concurrent with the concept of enjoying the value of being in business well into our senior years, any successor owner will value a secure and motivated leadership team.

If the leadership team is all working in their own wheelhouse, the owner can simply be the visionary or the director and reap the rewards of a lifetime of contribution.

A self-motivated and career committed leadership team can create so much value both from an ongoing business ownership perspective as well as a transitional stand point.

While many approaches to the succession of ownership and leadership can be considered, the role that key employees play will become increasingly important.

Typically, when the topic of succession is discussed, the primary focus is on ownership succession. After all, there is almost an entire industry of advisors, coaches and schools focused on helping business owners successfully exit and transfer or sell their ownership interests.

While many approaches to the succession of ownership and leadership can be considered, the role that key employees play will become increasingly important.

In reality, a successful succession and transition of every leadership position in an organization is critical to the ongoing health of the organization. So many organizations will, at some point, create a benefit enrichment plan for the senior leadership team. While enhancing these benefits is likely necessary to help the employee achieve more realistic long-term retirement or income continuation levels, leadership benefits should not stop at the top level of senior management.

The next generation of leaders should be considered, acknowledged and incentivized to grow into a successor role. All too often, these, what we refer to as, *The Farm Team Players*, are not singled out for a career path to the next level until a transition of leadership is imminent and sometimes not even then.

Over the years we have seen client companies make gigantic steps forward when the next generation steps in. These

younger leaders bring their enthusiasm, skills with technology and social media and are motivated to make a difference in their roles in the organization, if and when they see a path towards growth and opportunities.

The next generation of leaders should be considered, acknowledged and incentivized to grow into a successor role.

While businesses are used to considering benefit strategies that include every employee within an organization, giving each employee an equal contribution. This process of creating long term compensation ignores the fact that a few employees are much more engaged and effective than the *rank and file* population as a whole.

Recognize that a thriving business increasingly will rely on an enthusiastic leadership team and the current leadership will eventually need to pass the baton on to their respective successors.

Acknowledge these *farm team players*. Enroll them in a Career Leadership Incentive Plan and let them grow into the role of bringing the company forward. They will likely appreciate the opportunity the additional value and protection for their families. The business has taken an important step to continue growing and adapting to continuously change the business landscape.

Dwight Moldenhauer, CLU[®], ChFC[®], is a chief strategist with Dwight Moldenhauer Inc., Buffalo, N.Y.



dwightmoldenhauer inc.
tailored executive benefit strategiessm

716-854-2616

600 Delaware Avenue, Buffalo, NY 14202

info@DwightMoldenhauer.com

DwightMoldenhauer.com