

# **Transition and Change**

a natural part of each of our lives.

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Whether the change involves selling a business, retiring, changing jobs, marriage, death or divorce, there are certain common elements which must be addressed to assure as successful an experience as possible.

For example, each of the areas above shares the following similarities:

## **1. The Need for a “No Decision” Zone.**

Oftentimes we observe that people are rushed through this process when time is actually required to make the best possible decisions during times of transition.

Here are some possibilities of what can be done during this designated time:

- Time to talk and process the change - especially if it came about suddenly;
- Time to grieve;
- Time to let go;
- Time to adjust;
- Time to visualize and create a new future;
- Time to gain knowledge required to move forward.

## **2. The Need to Assess:**

For those life changes that can be planned - such as retiring or selling a business, there are actually specific areas which need to be considered to assure successful outcomes.

There are very effective assessments which identify the key areas to address, provide feedback from all appropriate parties and create a plan to action to move forward in an orderly fashion.

For example, here are the twelve key areas to consider in the event of selling a business to a family member compared to selling to a non-related business partner:

Selling Business to a Family Member	Selling Business to a Non-Related Business Partner
Business Structure	Business Strategy
Non-Family Management	Non-Partner Management
Business Strategy	Business Structure
Management Succession	Compensation standards
Financial Planning	Partner Competency
Tax Planning	Partner Development
Family Culture	Partner Relationships
Career Satisfaction	Career Satisfaction
Family Relationships	Corporate Culture
Successor Development	Tax Planning
Successor Competency	Financial Planning
Compensation Standards	Management Succession

Now notice how the essential areas change again when planning to pass on family wealth – which may also be a part of the business succession strategies:

Family Advisors or Family Office Structure  
 Wealth Management  
 Wealth Strategy  
 Leadership Succession  
 Philanthropy  
 Tax Planning  
 Family Culture  
 Career Satisfaction  
 Family Relationships  
 Maturity  
 Competency  
 Distributions

*Credit: Dean Fowler, Dean Fowler Associates, Inc., Assessment Tools*

Our experience is that people often enter into these times of transition without the knowledge of the essential areas to address...where to begin. Sadly, their outcomes often filled with argument rather than agreement, with jealousy and discontent rather than harmony and cooperation and with fractured families and failed businesses rather than families that last and business that continue to thrive and prosper.

The key to success in any type of transition planning is to know the areas which need to be addressed and to have capable, experienced leadership in facilitating a process which integrates the quantitative and qualitative dimensions of the process.