

What's Next?

The Critical First Hurdle to Clear in Effectuating a Transition or Exit

I am sure many of you are familiar with these lyrics from the iconic song “Landslide” written by Stevie Nicks and recorded by Fleetwood Mac.

*Well, I've been 'fraid of changin'
'Cause I've built my life around you
But time makes you bolder
Even children get older
And I'm gettin' older too*

Written in Aspen in 1973, Landslide is not a forlorn love song but a song about Nick’s future as a musician. Odd to be talking about getting older in her early 20s but she was contemplating a future without the business she had dedicated her life to. Sound familiar?

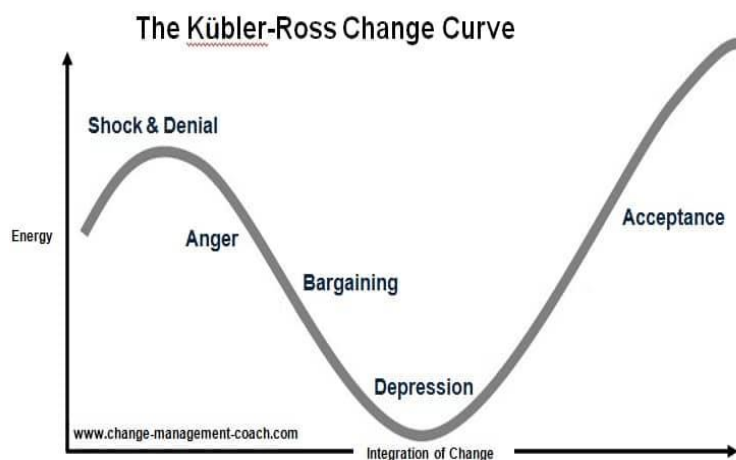
In the past week a couple of banker friends told me about Founder/Owners who recently walked away from closings after weeks of work. Another told friend related to me about a Founder/Owner who had sabotaged two CEOs hired to run his company yet he was unable to let go. Similarly I have been working with a company whose founder/owner has undermined the efforts of the CEO hired to replace him. Again, sounds familiar?

The lines *Well, I've been 'fraid of changin'*, *'Cause I've built my life around you* clearly articulates the psychodynamics at play in these situations. The Founder/Owners were unable to let go....let go of their old life because there was nothing clear to replace it... a life they had put into their business...an ending they were not ready for...a new identity yet to be found.

Getting to “What’s Next” is a process that is often overlooked in the course of an ownership transition or exit. Yes, estate planning may have been done, a financial strategy mapped out, but not necessarily what life will be like the “morning after”.

Many of you may be familiar with the work of Elizabeth Kubler-Ross and her classic study of the 5 stages one goes through to

overcome a loss. As can be seen from the illustration at the right, a difficult internal process must be followed in order to accept the “loss”. And of course there is much back peddling and



avoidance, one step forward two steps back, rather than complete the process and come to acceptance.

So when working with a business founder or owner who is considering a sale or other form of transition or one who is resisting such, consider the likely fact that they have yet to fully explore what life will be like on the other side of that change and reached true acceptance. I would suggest exploring the question “What’s Next?” with the founder or owner is a necessary first step in any discussions about transitions.

For further information or to discuss a client that is struggling with the above please do not hesitate to reach out to me.

John Weidner
Managing Partner
Cornell Global LLC
jweidner@cornellglobal.com
www.cornellglobal.com