

# The Prince Charles syndrome

As I sat with my friend, I realized that the frustration was becoming overwhelming.

"I really feel stuck," he said, balling up his napkin and tossing it on the table. "When I came to work for my father and mother, I assumed that someday I'd take over the business."



By Neil R.G. Young

"But when Dad died, the stock went to Mom. So here I am, 56 years old, doing all the work while Mom draws a salary for doing nothing! Whenever I try to broach the subject with her, she gets upset. My sisters are

calling me selfish.

"I've had it!"

My friend is not alone. Far too many business owners refuse to face the fact that someday they will have to turn over the reins of ownership. After all, they reason, this was the business they built.

This leaves a lot of sons and daughters frustrated and angry that they haven't been given their fair shot at taking over the family business. After all, they have plans and ideas, too, and there are things they would like to accomplish for the business themselves.

But like the aging Crown Prince, they find themselves shunted into secondary roles and kept out of the major management decisions. Sadly, many of them, like my friend, give up and start their own business, leaving the parents with no exit strategy at all.

Why do so many business owners continue to hang on to control when they have sons and daughters or key employees who are willing to take over? Let's examine some of the issues.

First is the fear of losing control. For a lot of business owners, the family business is

their livelihood and for more than a few, the reason for getting up in the morning. They come to believe that only they can make the key decisions.

A second reason is they don't trust their kids to run their business as well as they do. After all, it's taken them years to learn all the ins and outs of how to run the business. What if my son takes over and screws up? Where does that leave me? Where does it leave my employees? What's going to happen to the business?

Finally, there is the fear of their own mortality.

## Control

Let's talk about the fear of losing control. The first thing you need to do is figure out why this bothers you so much. Many entrepreneurs hate to lose control because they have failed to learn to delegate.

Dan Sullivan of *The Strategic Coach* has this to say about delegating: "We all know how to delegate; the problem is most of us delegate in the wrong direction!"

This is probably why so many business owners can't take a vacation, and when they do, they're nervously looking at their pagers or are off in the corner having a heated conversation on their cell phone.

Sullivan points out that many business owners can't stay away from their businesses and eventually start making reactive instead of creative decisions, eventually killing the business.

If you learn to delegate and train people to take over operations you will begin to learn that you have a productive business that won't go down the tubes the moment your back is turned. Once you've realized this you'll be less afraid of losing control and more amenable to the thought of grooming your successor because you will come to trust that person.

## Trust

A lack of trust is a key reason why so many business owners are afraid to turn the business over to their kids.

After all, you changed their diapers and maybe gave them a whack or two and mediated disputes about whose leg moved over to whose side of the back seat.

So why should you trust them to run the business? The answer is you can, if you groom them to take over.

Edward L. Snyder, CPA, managing partner of Snyder, Cohn, Collyer, Hamilton & Associates in Bethesda, has had a lot of experience in the area of family succession, having taken over his 76 year-old practice from his father.

"Treat family management as management, not as family," he advises his clients. "If you want your child to succeed you, don't neglect giving experience in every operational phase of the business."

"You may even have to give them a chance to do things their way and even to make a few mistakes along the way."

"Successful entrepreneurs with successful succession strategies evaluate children in the business the same as any other employees — based on competence; then they place them in positions of growing degrees of responsibility."

Every business has its own culture, and there's one thing you can be sure of: when new managers take over, the culture will change. People may even get upset and leave.

This is a bad thing only if you've failed to instill in them your core values. If you've taught them properly, those will always remain, even though they may extend "casual Fridays" to the rest of the week.

## Mortality

As far as our mortality is concerned, there's nothing we can do about it, so wouldn't it be better to plan to leave a legacy instead of a mess?

The sooner you start to plan for succession, the better your chances will be that the succession will be a smooth one.

Michael Haines, director of the Neo-Tech Incubator in Columbia tells every fledgling entrepreneur to start thinking about

how they're going to eventually get out of the business.

Vince Zirpoli, president of Mega Marketing and management mentor to many famous Baltimore entrepreneurs feels that a good succession strategy is vital to the survival

of the business.

"It has been my experience that entrepreneurs who do not plan for succession or develop their replacements are thinking tactically instead of strategically," he says.

"If they broadened their focus to answer the questions raised by focusing on strategic [long term] goals and objectives, they could not help but recognize the necessity for succession planning and the development of long term leadership."

If you're lucky, there's a crown prince or princess waiting in the wings of your business. They've been watching you and have great ideas. Listen to them and don't wait until your crown gets too tight.

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