



Top 8 Reasons Why Founders *Don't* Prepare for the Generational Handoff

Jon Goldman

Brand Launcher
The Growth Engine

It's not so easy to move onto a new phase when you've spent your life's focus on building the business. Gordon Wusyk, in "Drift, Drown or Decide" lays out some psychological reasons why the next gen transition can be so hard.

Do any of these scenarios sound familiar?

Reason #1

Some Founders **don't want to hand off their "baby"** to the next generation whom he fears is not ready to receive it. The Founder birthed and nurtured this baby. It kept him up at night and he reveled in its every achievement. How could anyone else take such good care of it?

Reason #2

Some Founders **may not want to put a succession plan in place because it will shine a light onto the business practices that have gone on so far.** A succession plan will force the Founder to be accountable. And an independent Founder is very often not subject to review. He may have to start explaining and justifying his decisions to family, or to an outside transition team which is neither intimidated by him nor beholden to him.

Reason #3

Some Founders put off dealing with succession because it may reveal (or they think it may) that **when all is said and done, they never created anything significant.**

Reason #4

Some Founders **want to believe that "only I can run it."** Perhaps the founder even secretly wishes that the company *will* crash and burn without him.

Reason #5

Or Founders can have a **fear that they will be upstaged by next generation.** "Maybe she or he will run it better than I did."

Reason #6

The Founder's spouse (most often called Mom) **may not want Dad to step back and relinquish the perks that come with chieftainship** - social status, social events, winter conferences in tropical destinations, etc.

Reason #7

The Founder may **want a place to go everyday where he's held in high esteem** and everybody knows his name. [The flip side is rough to say, but maybe Mom doesn't want Dad around for lunch everyday either.]

Reason #8

The Founder may **have a cadre of "good old boys" who've been around since the early days who don't want the younger generation to take over.** They've been with the Founder for 20 or 30 years. Perhaps they're worried they'll be fired due to their inefficiency, but they want to stick around to beef up their retirement funds.

Perhaps it's time to realize that in some cases, the Founder doesn't have an entrepreneurial business anymore, he has a profitable hobby.

If someone is truly an entrepreneur, she or he must think of constant growth, new products, new markets, new technology, etc. But the Founder may think, "This company is ticking along quite well and I'm getting a nice check each month. I'm not going to take the risk of expanding because I might screw up the nest egg."

This company needs professionalism and revitalization. And it's time to get new blood moving through the business' veins. You can keep your hobby, and your income, but let others take over the reins.

Do any of these resonate? We've been there and we can help.

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