

Taking Care of Business

By Mary Luttrell



Successful Succession

One hallmark of a good leader is to think about the things that most people avoid thinking about – the big picture, the long-term, the ramifications of decisions, the greater good, the need for change, and the ever shifting environment and context of their work.

Another example - and the topic of this column - is the need to consider what happens after you leave, as well as how and when you leave. The press of daily demands often pushes aside time for the research and reflection required for a successful departure. Yet, succession planning is one of the most important things leaders can do for their organizations. (This is based on the assumption that the leader is a positive contributor and an integral part of the organization's success.) In situations where leaders neglect the responsibility for succession planning, organizations can lose their focus, direction, effectiveness, and even their ability to survive. A far better scenario happens when leaders provide for their organization's future by developing a succession plan.

Different ownership structures and types of organizations have different needs regarding the issues of succession. Entrepreneurs and business owners must ask the question of whether and how they want their business to continue. There are three basic choices: sell, close, or merge. Closing the business may be the right (or only) choice in some circumstances. However, if owners want their business to continue beyond their personal involvement, then planning needs to begin years in advance.

A business needs to be readied for acquisition/merger just as a home is readied to be put on the market. It often involves moving up on the priority list those projects that have perhaps been neglected – improving internal systems and procedures, streamlining operations, dealing with unresolved legal or personnel issues, and improving or consolidating the financial performance of the company. All of these internal improvements allow the company to achieve a strong negotiating position. The time it takes to work through these issues, not to mention the owner's attendant emotional processes, takes years, demanding a long lead-time.

In a partnership, the best time to consider the exit strategy is when the initial partnership is formed. Time and again, the good feelings and casual agreements of a new partnership are insufficient for the emotional stress and financial complications of ending the partnership. Wise are the partners who plan ahead.

For leaders in large companies, public agencies, and non-profits, the challenge is most likely to be in the arena of how to leave behind a strong organizational culture. How can you strengthen the organization so that it has a solid foundation for the future, beyond your personal tenure? Hopefully, the organization will continue to serve an important function in the marketplace and/or the community, so how can it be prepared to weather a transition at the top? What can you do now as a leader that will set the stage for your successor? Prepare the way so that your successor can build on your work and take it to the next level. Make plans to pass on your knowledge. Make the effort to transfer relationships. Document critical systems and procedures.

Although all of these suggestions are focused on the issue of planning for a succession, these same questions and activities are appropriate at any time and beneficial in any situation. Why not improve internal operations, deal with unresolved issues, improve performance, and strengthen the organizational culture before you leave? Then you can enjoy the improved functioning of your organization while you are still a part of it. You don't have to wait until you are planning to leave. In fact, if you make the effort and commit the resources to proactively improving your organization's performance now, all sorts of positive opportunities and options may present themselves.

For all leaders, the fundamental question is: What is the legacy you want to leave? Beyond your personality, how do you want to be remembered? What contribution can you make that strengthens the organization for the long term? Take advantage of the wisdom, knowledge, and resources you have developed and create a bold vision for your legacy. This is not about your ego, but about advancing your organization's vision and mission in the world. Fortunately, as most people age and mature, their need for recognition diminishes, while at the same time their desire to make a meaningful contribution increases.

Planning ahead is always a good idea in business and management activities. For successful business/organizational succession, planning ahead is essential.

Mary Luttrell works with businesses and organizations to help them simplify complexity, increasing satisfaction, profitability, and sustainability. She can be contacted at thecoach@sonic.net.

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FACTA for Employers

By Daryl E. Davis

Have you heard about FACTA?? Employers are starting to hear that they need to do something about FACTA, but what should they do??

What FACTA means is that if you loose profile information on anyone you have ever hired, and if the data was lost due to not destroying the information properly, then two things can happen.

(1) There are federal fines up to \$2,500, and state fines of up to \$1,000 per employee, per incident .

(2)the business is liable for any damages the individual suffers as a result of a breach of information.

According to John Gardner, Attorney and author, "the damages can be devastating to any business."

There are many problems related to people's identities that don't deal with credit issues. Only 26% of identity theft issues relate to credit issues. The other 74% relate mostly to the following:

1. Someone steals your Medical Information Bureau Record. Example: an Identity Thief wants to have an aids test done in your employee's name rather than theirs.
2. Some thief steals your character identity to commit a crime in your name.
3. Someone steals your DMV records.
4. Your employment records. Example: an Identity Thief wants to earn income using your employee's social security number, but let your employee pay taxes on the money they earn.

As a result of this, Gardner says that "Businesses need to offer 24 hours per day, 7 day per week access to

attorneys....."I think that the danger is so large to any business, that they may want to (pay for) some of the cost, to get the employees to get the benefit.....if the business does not understand that they need the help, they are living in a dream world."

Employers should offer some kind of identity theft protection for their employees. This can be offered as a voluntary employee benefit which has no real cost to the employer, as a fringe benefit paid by the employer, or can be a combination of both.

Even if your employees don't elect to have the benefits of legal services and identity theft protection, having a mandatory meeting where they hear that you have made this coverage available to them will provide an affirmative defense, should an employee ever accuse you, as the employer, of ever having lost their personal information.

Under FACTA access to an attorney and credit restoration, are the benefits that employers need to offer. Having these feature benefits, will greatly reduce the time the employee spends away from work dealing with the issues surrounding identity theft and other personal problems.

Failure on the part of an employer to offer this benefit leaves a company exposed to thousands of dollars in potential damages.

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"In the modern world of business, it is useless to be a creative original thinker unless you can also sell what you create. Management cannot be expected to recognize a good idea unless it is presented to them by a good salesman."

David M. Ogilvy