

# Successful Ownership Transition

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Wagner Consulting Group helps business leaders prepare for ownership succession,  
develop employee management skills,  
and solve strategic problems.

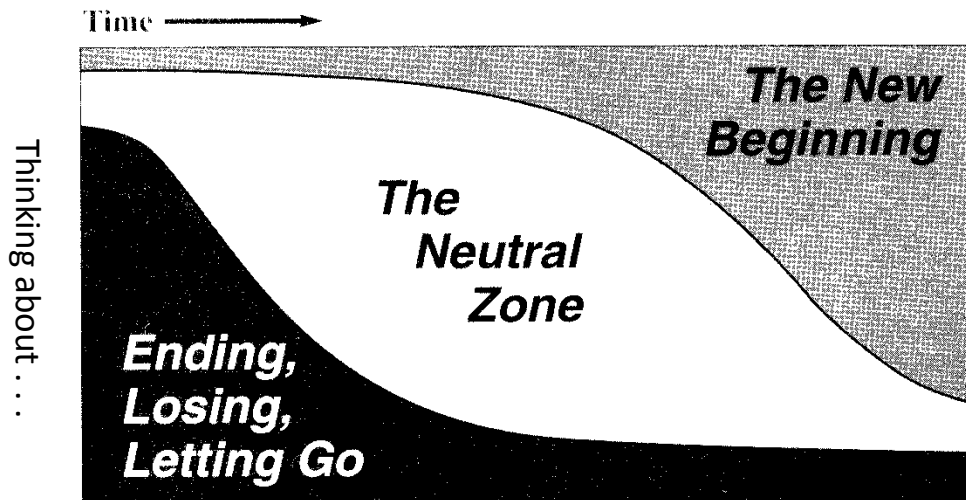
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“It isn’t the changes that do you in, it’s the transitions.” William Bridges

*Change* is situational. *Transition* is psychological.

Transition starts with an ending and finishes with a beginning. Until people have let go of their “old world” they cannot fully plug into a new world.



Understand, expect, and cope with the Neutral zone. Don’t exit it prematurely because this phase can be a creative time when new ideas arise. Behaviors are re-patterned.

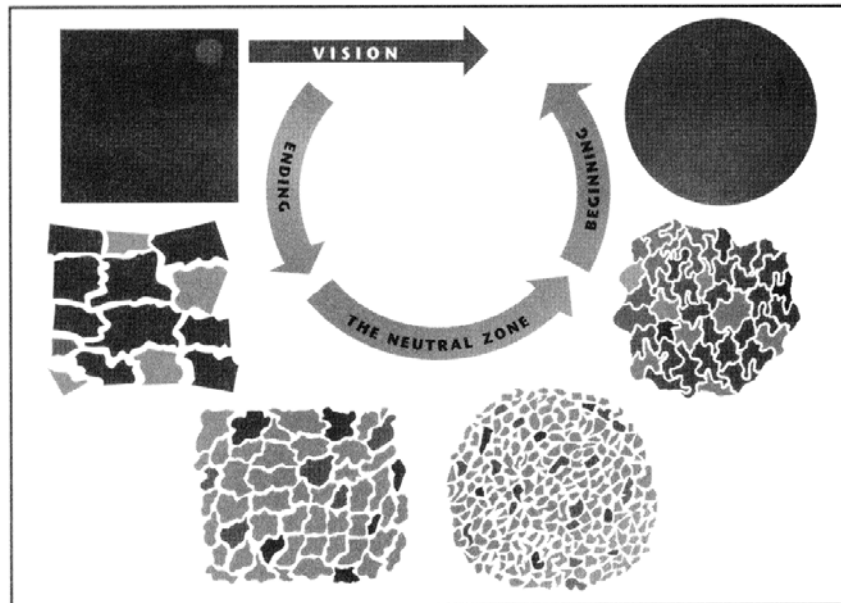
Change + human beings = Transition

## Deal directly with losses and endings.

1. Identify who's losing what
2. Define what's over and what isn't
3. Show how endings ensure the continuity of what really matters

## Lead people through the neutral zone

- Use the time creatively
- Strengthen communications



## New Beginnings

- New understandings, new values, new attitudes, and **new identities**
  - Beginnings cannot be scheduled; they follow the timing of the mind and heart
  - The most common reason new beginnings abort is that they are not preceded by well-managed endings and neutral zones
- ✓ Leaders must constantly explain, model behavior, and reward people



## Seven Steps to Successful Succession

### 1. Rank your important goals

- “I’d like more time to . . .”
- Legacy issues, responsibility to stakeholders, money & liquidity, etc.



### 2. Define your financial finish line (How much is enough?)

### 3. Establish a value for the company

- Four factors drive value
  - Revenue (more revenue yields larger EBITDA multiples)
  - Profit
  - Stability
  - Growth potential
- However you determine value, in the end it must “feel fair”



### 4. Set your transition time frame

- This will be several years, and the retiring owner’s role changes throughout
- Purchase payout period may be longer than the owner’s active involvement

### 5. Envision a desirable “Second Half” – what you will do after withdrawal

- Classic retirement
- A second career



### 6. Develop and document the plan

- Operating projections and purchase payment schedules
- Changes in the business entity, markets, services, etc.
- Evolving roles and responsibilities of key employees/leaders
- Organization charts, consistent with revenue, at key milestone dates

### 7. Execute!

- Sign the stock purchase agreement and related documents
- Begin leadership mentoring and management training for key employees
- Review progress at least annually and make changes as required

## How Wagner Consulting Group can help . . .



1. **Align the leader's time pie** to reflect a focus on the most important priorities  
(And realign as necessary over the transition period)
2. **Clarify and communicate strategic goals** throughout the organization
  - Ensure the *Most Important Thing* is clearly articulated, and
  - Relentlessly communicate Top goals
3. **Increase employee performance** with training, development, and coaching programs

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My Second Half  
Time Change!  
Focus  
Legacy define priorities:  
→ create a plan that works for you

Wagner Consulting Group develops employee management skills, solves strategic problems, and helps business leaders prepare their company and its future leaders for ownership succession.

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