

# Making family business succession into family business success

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*The influence of soft issue-focused external advice on the bottlenecks in family business successions*

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## **Abstract**

In the life cycle of a family enterprise, succession forms one of the most important episodes and is thus a hurdle that warrants research, as the majority of family businesses do not survive the first succession. To take this hurdle, traditionally self-minded family enterprises nowadays increasingly turn to advisors. Unique to family businesses are the so-called ‘soft issues’, regarding topics as emotional attachment to the firm and intrafamilial relations which might harm the succession process if not properly addressed. Traditional family business advisors, often accountants, focus on hard issues and do not possess the skillsets required to address the important soft issues. This research intends to clarify the influence of advisory focus on soft issues during family business leadership transitions. This is achieved by 11 in-depth qualitative interviews with soft issue-focused advisors, incumbents and successors. The results describe certain roles and practices that soft issue-focused advisors employ to overcome the identified soft issue related bottlenecks which hinder a successful succession process. It suggests that the involvement of a soft issue-focused advisor increases the chance of a successful succession process.

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## 1. Introduction

In today's fast-paced, 24-7 economy, the family business almost seems out of place, or even dated, given its traditional tendency to select management staff and directors (at least partially) based on kinship rather than pure meritocracy. The opposite, however, appears to be true: the family business is very much alive and actually makes up a significant portion of many countries' economies (Burns, 2014; Devins & Jones, 2016; Sawers & Whiting, 2010). In fact, the majority of independent companies, by number, not by size, consists of family businesses (Devins & Jones, 2016). This is not to say that the traditional setup of family businesses does not have any problems whatsoever with finding a place in the modern economy, on the contrary. Because of its close connection with family, one of the most important difficulties a family business has to face is the transfer of the company from one leader (incumbent) onto another (successor), referred to as a succession process (Cesaroni & Sentuti, 2017; Handler, 1994; Lansberg, 1988; Michel, 2016.). Adding on to this, the succession process is often considered to be one of the most important periods in the lifecycle of a FB and for a large part affects a business's longevity and shape (Handler, 1994; Michel, 2016.). Sadly, the first time this decisive moment presents itself in a family business's lifecycle often means the demise of said company, especially the small and medium sized ones (Cesaroni & Sentuti, 2017). 70% of family businesses do not survive (for long) after the first succession (Handler, 1992; Lansberg, 1988; Le Breton-Miller, Miller, & Steier, 2004). Half of the remaining 30% fails after the second leadership transfer (Burns, 2014; Daspit, Holt, Chrisman, & Long, 2016; Handler & Kram, 1988). Given the large amount of the economy family businesses represent, it becomes clear that the importance of family business successions must not be underestimated as a subject in the realm of business science or indeed the entire field of economics (Burns, 2014; Cesaroni & Sentuti, 2017; Kets de Vries, 1993).

The main points of importance within a process of succession, and thus possibly its problems, may be divided into two realms: so called 'soft issues' and 'hard issues'. Soft issues pertaining to the family and the business on topics such as emotions, family member relationships, feelings, communication, the motivation of the successor et cetera, whereas 'hard issues' encompass the more tangible subjects such as ownership and technical, legal, fiscal and financial aspects of a business (Hoover & Hoover, 1999; Malinen, 2004; Ramsden & Bennett, 2005; Sawers & Whiting, 2010). Although hard issues may not be simple and clear at all and pose a multitude of challenges for a family business to surmount, the soft issues require a very delicate, subtle and multidimensional approach and yet are equally

essential for a family business leadership transfer to succeed (Ramsden & Bennett, 2005; Sawers & Whiting, 2010). Because of this multidimensionality, a broad spectrum of expertise areas is necessary, often not present within a family business. For that reason, an external advisor can play an important role in a family business succession process (Morris, Williams, Allen, & Avila, 1997; Reay, Pearson, & Gibb Dyer, 2013; Salvato & Corbetta, 2013; Strike, 2013). An external advisor is by definition not a part of the family business, but can consist of a person or group of people who is or are hired by the family business to support it in tackling a multitude of issues of which succession is one. Thus, external advisors can be accountants, lawyers or other legal experts, brokers and fiscal advisors, which care for the aforementioned hard issues, but also psychologists, family therapists, counsellors, mediators, and coaches who help the family business in dealing with soft issues.

Although, as mentioned, family firms and their succession processes pose multidimensional sets of issues to be tackled, family business owners still mostly seek the services of traditional, hard issue-related advisors such as lawyers and accountants to support the succession process (Bruce & Picard, 2006; Sawers & Whiting, 2010). Remarkably, family business owners tend to miss attention to soft issues in these advisors and regularly complain about their advisors not being able to tend to their needs when it comes to the softer side of a succession process (Cesaroni & Sentuti, 2017; Sawers & Whiting, 2010).

This paradox suggests that family firms will have an increased chance of a successful succession when their advisors focus more on dealing with soft issues, as dealing with soft issues is essential to survive the rocky and perilous road of a family business succession process. Although the subject of the role soft issues and external advisors play in family business successions has seen an emergence of new research in roughly the past decade (Reay et al., 2013; Salvato & Corbetta, 2013; Strike, 2013; Strike, Michel, & Kammerlander, 2018), research into the crossroads between these subjects has been more scarce (Lansberg & Gersick, 2015; Reay et al., 2013). Even more, “from a research perspective it is not clear what family firm advisors really do and how they bring value to the firm” (Reay et al., (2013) p.1) and only a few available family business studies have examined the processes of how advisors support the family business during their succession processes (Strike, 2018). Therefore, more research is necessary to gain a more complete understanding of the advisors’ roles and practices that help to deal with the soft issues in family business successions (Cesaroni & Sentuti, 2017). This leads to the main question this research intends to answer: **how do the**

roles and practices of soft issue-focused external advisors contribute to a successful family business succession?

To achieve this, multiple case studies have been analysed in which all three of the key players in a family business succession; the incumbent, the successor and the advisor, have been interviewed. The soft issue related elements, which hinder a family business succession process to become successful, have been identified and listed as so-called 'bottlenecks'. Based on these bottlenecks, various roles the advisors have to be able to fulfil and practices they need to employ in order to successfully cover the area of soft issues and thus realise a fertile succession have been identified and described. Two sub-questions therefore are, firstly: what are the bottlenecks which hinder a successful family business succession? The second sub-question would then be: what roles and practices do soft issue-focused external advisors employ to overcome these bottlenecks? This way, the research aims to clarify how the services of external advisors contribute to a successful family business succession and help base their actions on academic research and the gathered existing literature, as well as hopefully provide a possible vantage point for future research into this upcoming, important field.

The research will be structured as follows: a theoretical framework will identify the key definitions as derived from literature and establish theoretical bricks which form the foundations of this research, followed by a chapter that will describe the employed methodological approach. Thereafter, the results of the qualitative interviews will be described. This leads to a chapter where the main conclusions of this research will be drawn. Finally, the results will be discussed alongside the limitations of this research and some suggestions for further research.

## 2. Theoretical framework

### 2.1. Advising family businesses

To perform research on the topic of family business advising, it is essential to keep a clear vision as to what exactly a family business is in order to understand the implications for family business advisors. The family business (in short: FB) has been defined as “a business governed and/ or managed with the intention to shape and/or pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families” (Chua, Chrisman, & Sharma, 1999, p. 24). FBs differ greatly from non-family businesses, which can be logically defined as all other companies, that is, companies which are not owned in any significant way by people who are related to each other (Strike, 2013). These differences largely consist of the personal intertwinement of business and family ties within FBs. This leads to some serious implications for the practices of advisors who wish to council FBs. However, until the late 90s, advisors did not differentiate between FBs and other businesses (Goodman, 1998). The multidimensionality of FBs means that traditional advising models are not sufficient to adequately address the complex FB needs, resulting in unsatisfactory outcomes (Mitchell, Morse, & Sharma, 2003; Cesaroni & Sentuti, 2017). Non-FBs often have difficulty balancing the interests of two parties: the business and its owners (often stakeholders). FBs add another party into this equation: the family itself. The resulting field of tension has been mapped out in the so-called “three circle model” (Tagiuri & Davis, 1996):

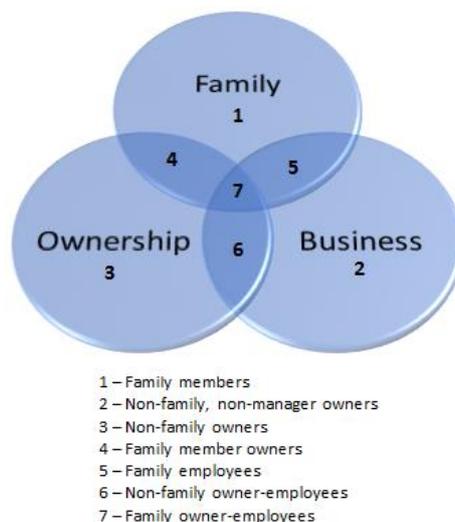


Figure 1. The three circle model (Tagiuri & Davis, 1996)

As can be seen, the three parties, family, business and ownership, can have various overlaps. One can, for instance, be a family member without owning part of the firm, or be an owner who is not part of the family. Or a family member who owns part of the business, yet does not fulfil an active role in said business. Only at one point do all three circles overlap, representing a family member who is an owner and partakes in running the business. Typically, the incumbent resides at this focal point of the three circle model and has to move towards being (at most) a family member and owner if the succession is to be completed. The three circle model clearly shows that even though a family member may have nothing to do with running (or even partly owning) the company, he or she can still have an influence on it (Tagiuri & Davis, 1996). These family relationships are, multidimensional, complex and tend to affect one another, as the boundary between family and business in a FB can be vague or even non-existent (Cesaroni & Sentuti, 2017; Davis & Harveston, 2001).

In fact, the very psychology of a FB is different compared to that of a non-family business and FB owners know that: “family businesses are not corporations” (Sawers & Whiting, 2010). Because FB owners owe their position to the family they are born in, personal relationships form the basis of their membership of the organisation. The nature of a FB is thus more emotional compared to the more rational nature of a non-family firm (Reay et al., 2013). Also, FB owners can’t just ‘quit’, they often feel a personal responsibility towards the family and thus the company which heavily depends on them. A result of this is that loyalty is a prized value in the world of FBs and this exists on a basis of reciprocity and personal relations. Although such values may as well be held high in a non-family business, this type of businesses is more inclined to view the positive contributions of a person towards the firm as a key property of an employee or leader (Strike et al., 2018). FB advisors thus need to be aware of both processes and manage both the practical short-term needs of the firm and the complex long-term emotional needs of the family. The differences between FBs and non-family businesses which result in the various implications for FB advisors have been summarized in Strike (2013) as can be seen in the following table:

	Family firm	Nonfamily firm	Implications for family firm advisors
Nature	Emotional	Rational	Need to be concerned with and manage emotions of family members
Membership	Involuntary	Voluntary	Need to balance family dynamics and conflicts as members cannot simply walk away
Assessment	Based on norms of loyalty and reciprocity	Based on contribution to the firm	Need to approach issues in a nonjudgmental manner and recognize different means of assessment
Orientation	Inwardly oriented to protect, nurture, and develop members	Profit oriented	Advising context is more personal and is not simply about firm effectiveness and efficiency
Penchant to change	Views change as a threat to safety and security for family	Views change as an opportunity for growth and advancement	Need to balance immediate change needs of firm and long-term emotional needs of family

Table 1. Differences in Family and Nonfamily Firms. (Strike, 2013)

In many cases, FBs already have advisors in varying shapes and forms, for instance; accountants, business associates, close friends and other people who may advise the business owner in a formal or informal manner (Morris et al., 1997). Especially accountants are mentioned in literature as being frequently selected by the business owner as a business advisor, mostly because of their knowledge of the company and relationship with the family (Ramsden & Bennett, 2005). However, the nature of an accountant's work makes them more focused on the 'hard' issues side of running a business and they usually lack formal training or experience with complex and emotional 'soft' issues (Ramsden & Bennett, 2005). The latter describes a broad range of issues regarding interpersonal relationships, emotions, feelings and other social matters as opposed to "hard issues", which pertain to the more technical, legal, financial and business-scientific side of business economics and entrepreneurship (Ramsden & Bennett, 2005; Sawers & Whiting, 2010). These soft issues form at least a small part in every line of business where one has to work together with other people. However, since in FBs interpersonal social relationships form the very nature of the business setup, these soft issues take on a much greater role and are therefore at least as important to the firm as the more hard issues (Ramsden & Bennett, 2005; Sawers & Whiting, 2010).

Since this research aims to understand what roles and practices advisors fulfil to deal with the soft issues during a FB succession process, this research will focus on externally hired soft issue-focused FB advisors because they are expected to provide FBs with specialized benefits due to their expert knowledge and their external and independent perspective towards the firm and the family (Lane et al., 2006).

## 2.2. The family business succession process

The process of succession is an important element in this research. By ‘family business succession’, “the actions and events that lead to the transition of leadership from one family member to another in family firms” are meant. This seems obvious, yet literature suggests that there are multiple views on this issue, as some researchers implicitly see the succession process as a series of stand-alone events which ultimately lead to the transition of leadership (Daspit et al., 2016). According to Daspit et al. (2016), it is important to see the succession process as exactly that: a process, albeit made up of various actions, events and decision moments, such as the decision to start the succession process in the first place, the intended roles of the successor and incumbent and their gradual evolution, the order in which responsibilities are transferred etcetera. As said, there is a great deal of personal involvement when it comes to FB ownership, which is characterised by often long tenures of a single business owner, which makes it all the more important and difficult to effectively prepare and train a successor (De Massis et al., 2008).

### 2.2.1. Phases and soft issues in a family business succession

Literature divides the FB succession process into phases, such as the trigger phase, the preparation phase, the selection phase and the training phase, or the ‘first steps’ phase, the successor development phase and the ‘handoff’ phase (Brockhaus, 2004). As this research focuses on FBs where the decision to start the succession process has already been made, the trigger phase is not taken into account here and therefore a tailored phasing system has been applied, based on the work of Brockhaus (2004). The following paragraphs will describe these phases: the initial advisory phase, succession preparation phase and the handoff phase. Each phase has its own issues to deal with. Since this research focuses on how external advisors deal with the soft side of a FB succession process, the hard issues are omitted.

The *initial advisory phase*, as the first phase within the scope of this research, is characterised by the exploratory role of the incumbent, the successor and the advisor. The incumbent, the successor or both have at some point in time suggested to get involved with an external advisor and have subsequently agreed to start this phase of the transition process. In this phase, the three parties explore the wishes, demands, prospects and expectations of both the incumbent and the successor, with the advisor playing a mediating and explorative role (Reay et al., 2013). During this phase, the relationship between the incumbent and successor is tense, since there is no satisfying way to handle the interaction (Fattoum & Fayolle, 2009).

In the *succession preparation phase*, the successor will have to be trained to fill the role that the incumbent has played until now. This is perhaps the most intense phase of the succession, because there are no set rules and no set guidebook which can be followed until success is achieved (Handler, 1992). FBs are often created by self-made men, not rarely also self-taught and without much formal business training (Strike, 2013). It can therefore be the case that the company is run in a very specific and unorthodox way, with the incumbent, often the founder or the founder's son, playing a plethora of actual roles which would in a non-family business be filled by distinct functions delineated as per modern standard business ways. For instance, the incumbent may fill the role of business director, sales manager, HR manager and maybe even more, especially in smaller companies (Davis & Harveston, 2001). During this phase, difficulties to separate family and business issues, successors inadequate training and inefficient transfer of knowledge and skills between the incumbent and the successor are important soft issues to be dealt with (Michel, 2016).

Finally, after the succession preparation phase is completed to an adequate degree, the last phase begins; the *handoff phase* (Brockhaus, 2004). In this phase, the successor will actually replace the incumbent as leader of the company. This phase may be harshly delineated or be very gradual, or anything in between. In any case, an essential element of this phase is the guard actually changing. In an all too gradual approach, the risk exists that true succession never takes place. That is, the incumbent steps down in name only and remains fulfilling a lot of functions in the company just like he always did. This can stem from various factors, such as emotional attachment to the company and reluctance to let go, to a lack of faith in the ability of the successor (Handler & Kram, 1988; Michel, 2016; Morgan & Gomez-Mejia, 2014). This emotional attachment is often the result of a lifetime of effort. Many small business owners see their enterprise as their 'life's work' and thus are very keen on looking after its continued existence (Bruce & Picard, 2006; Morgan & Gomez-Mejia, 2014). This is very understandable, but it also has a strong downside which can actually achieve the opposite of what is intended. This phase often consists of a tense atmosphere and conflicts and rivalries between family members are expected (Fattoum & Fayolle, 2009).

In these three phases, it is visible that soft issues are of importance here. The most important soft issues during a FB succession process have been summarized, and linked to the three phases in the following table:

<b>Initial advisory phase</b>	<b>Succession preparation phase</b>	<b>Handoff phase</b>
- Difficult relationship between incumbent and successor (Fox et al., 1996; Davis & Harveston, 1998; De Massis et al., 2008; Daspit et al., 2016)	- Difficulty to separate family and business issues (Davis & Harveston, 2001; Handler & Kram, 1988; Kets de Vries, 1993)	- Conflicts and rivalries between family members (Ward, 1987; Morris et al., 1997; De Massis et al., 2008)
	- Successors' inadequate training (Murray, 2013; Cesaroni & Sentuti, 2017; De Massis et al., 2008)	- The incumbent's reluctance to retire (Kets de Vries, 1993; De Massis et al., 2008; Sharma et al., 2001, 2003)
	- Inefficient transfer of knowledge and skills between the incumbent and successor (Cesaroni & Sentuti, 2017; De Massis et al., 2008; Kets de Vries, 1993)	- Lack of trust in the successor by family and/or non-family members (De Massis et al., 2008; Sharma et al., 2003)

Table 2. Phases of a FB succession process and their relation to soft issues

Although these soft issues give a good picture of what obstacles need to be dealt with, a list of soft issues can never be exhaustive, exactly because of their 'soft' nature. Soft issues are the antecedents of overarching 'bottlenecks' which have to be overcome for a successful FB succession process. These bottlenecks are listed in the following chapter.

### 2.3. Bottlenecks of a successful succession process

In order for a FB leadership transition to succeed, certain soft issue related elements need to be fulfilled or else a successful leadership transition will be very difficult if not impossible. These elements form the bottlenecks of a successful FB succession process, which are; i) unhealthy family relations, ii) unwillingness of the incumbent to step aside, iii) aptitude and

unwillingness of the successor, iv) succession planning, v) mutual role adjustment and vi) lack of open and honest communication. These bottlenecks have been derived from literature, especially from Sharma et al.'s. (2001) and Le Breton-Miller et al. (2004) literature reviews about FB successions. These bottlenecks are closely linked to each other, yet they all need to be individually present for a successful FB succession. They are listed in this chapter and explicated according to literature.

#### 2.4.1 Unhealthy family relations

For FBs, it is of the utmost importance to maintain good relations between the various family members, whether they are active in the company directly or more indirectly (Astrachan, 2010; Morris et al., 1997). Literature indicates that old grudges and malfunctioning family relations make it very difficult if not impossible to realise a successful leadership transition (Le Breton-Miller et al., 2004). Mutual respect and understanding are therefore important factors in realising a successful FB leadership transition (Handler, 1990). In fact, Handler proposes that: “the more a next-generation family member achieves mutual respect and understanding with the predecessor in the succession, the more likely it is that the individual will have a positive succession experience”. This underlines the importance of healthy family relations and it is said that strong and solid family ties form an indispensable factor for the success of a leadership transfer in FBs (Le Breton-Miller et al., 2004; Filser et al., 2013).

#### 2.4.2 Unwillingness of the incumbent to step down

One of the primary dangers during FB successions is that of a reluctant incumbent to step down (Bruce & Picard, 2006; (Kets de Vries, 1993). This bottleneck is linked to others, as the unwillingness of the incumbent to step down is heavily dependent on the aptitude of the successor, but is also naturally influenced by the quality of family relations (De Massis et al., 2008). The importance of this factor is obvious; when the incumbent refuses to step down, a succession is by definition impossible. That said, when the incumbent proves to be proactively willing to transfer leadership onto his successor, this greatly improves the chances of realising a succession which leads to the increased survivability of the FB (Dyck, Mauws, Starke, & Mischke, 2002; Le Breton-Miller et al., 2004). Reluctance of the incumbent to step down can lead to a lack of self-confidence of the successor (who will at someday have to actually succeed the aging incumbent) and hinder his education and growth as he is continually overshadowed by the incumbent. Employees will potentially see the incumbent as the ‘actual’ leader of the company, as he has always been and therefore respect the decisions of the successor to a lesser degree (Laakkonen & Kansikas, 2011; Sawers & Whiting, 2010).

An incumbent who keeps 'hanging around' for too long after the transition could hinder the succession process by creating irritation, strife and managerial paralysis resulting from confusion about who is the actual leader (Astrachan, 2010; Davis & Harveston, 1999; Morris et al., 1997). According to Davis & Harveston (1999), conflict will be higher in the presence of the founder's generational shadow than in its absence. The incumbent should know when he should take the final step back and how to deal with the reluctance to let go of his life's work and trust in the capabilities of his successor, if he wants the firm to succeed in the long run (Handler & Kram, 1988; Michel, 2016). If the incumbent is willing to step down is heavily influenced by the level of trust the incumbent has in the successor (Sharma, Chrisman, & Chua, 2001). Trust, in this sense, can be explained in two ways: whether or not the incumbent finds the prospective successor trustworthy as a person, and whether or not the incumbent finds the successor sufficiently capable of bearing the responsibilities of leading the company and maintaining the firm the incumbent has put so much work in (Handler & Kram, 1988).

#### 2.4.3 Aptitude and unwillingness of the successor

For successors, the relevant bottleneck has an extra element; he needs to be not only willing but also capable of succeeding his predecessor (Bizri, 2016). If the successor is capable enough to succeed the incumbent is not guaranteed, because often times the successor is not selected based on his capabilities, but merely because he is the incumbents offspring (Miller, & Steier, 2004). The successors aptitude is based on his business skills, his managerial qualities, his knowledge of the daily operations of the business and his attitudinal predispositions towards running the business (Filser, Kraus, & Märk, 2013). Again, this is interconnected with other bottlenecks, as a proven inability of the successor to fruitfully fulfil his prospective role as company leader will inevitably lead to a lowered trust in him by the incumbent and thus to added reluctance of the incumbent to step down, as he might fear the successor would not be able to attain the high standards he has set for his life's work (De Massis et al., 2008). Therefore, a lack of professional competence in successors is one of the main threats to a FB succession process (Chung & Yuen, 2003).

#### 2.4.4 Succession planning

Literature heavily suggests that succession planning is an important success factor in FB successions (Sharma et al., 2003). This is barely surprising, since careful planning is a success factor in many fields of business. Yet, this does not mean that the succession process is always planned as carefully as one might expect. Often, the decision to initiate succession is

pushed forward and left vague, because business owners either find themselves too busy to deal with it or dislike thinking about letting go of their company (Dyck et al., 2002). This is a problem, since the lack of succession planning is cited as one of the main reasons why FB successions fail (Burns, 2014; Lansberg & Astrachan, 1994; Le Breton-Miller et al., 2004). Therefore, initiating and starting a succession plan is an important bottleneck for many FB succession processes. Careful business succession planning increases the probability of a successful transition, enhances the transfer of valuable business knowledge and helps minimise the chances of future financial instability of the firm (Sawers & Whiting, 2010). Business planning consists of softer psychological and personal issues like family relationships and harder business issues such as business objectives and legal, fiscal and financial concerns (Ip & Jacobs, 2006). Because of the FB owner's inability to develop business succession planning, the complexity of the process and the expected positive outcomes, it is suggested that FB owners may need (professional) advice to engage in business succession planning (Dyck et al., 2002; Scholes, Mustafa, & Chen, 2007).

#### 2.4.5 Mutual role adjustment

As mentioned before, a FB succession cannot possibly succeed if the incumbent plainly refuses to step down. According to Handler (1994), both the incumbent and the successor need to adjust their roles during the succession process to successfully overcome the friction between the two parties. This requires the incumbent to willingly adjust to his new role as 'ex-leader' and act accordingly. This has to work both ways, as the successor needs to adjust to his new role as leader of the firm and has to shake loose from his old role as the inferior of the incumbent. Without such role adjustment, a possible mistrust of the incumbent in the successor can arise. Not only can mistrust result in an unwillingness of the incumbent to step down, it can also hamper the development of the successor, in two ways: the successor might be held at distance from taking over real responsibilities and which will inevitably stunt growth, but he can also become disillusioned and lose faith in his own capacities as a (future) leader and thus lose motivation to succeed the incumbent (Lansberg & Astrachan, 1994; Le Breton-Miller et al., 2004). In order to achieve a fluent transition, a relationship of trust and respect needs to exist, which supports and promotes company succession (Morris et al., 1997). Trust and harmony significantly affect the level of satisfaction during the succession process and should therefore be promoted and supported by all relevant parties in the succession process (Venter, Boshoff, & Maas, 2003). Thus, for the successor to be capable of successfully take over the firm, there has to be a form of mutual role adjustment where the

incumbent adjusts to his new coaching role and the successor adjusts to his new role as sole leader of the firm (Handler, 1994).

#### 2.4.6 Lack of open and honest communication

Following on the previous bottleneck, a mutual role adjustment will not be able without proper communication. This is especially important since the role adjustment frequently leads to conflict because the incumbent and the successor have different perceptions about the desired versus the actual role of the other party (Sharma et al., 2003). A lack of communication and understanding of the other party is a big source of frustration. Frustration arises when proper notions about the future of the company are not communicated, or when the successor does not receive sufficient feedback from the incumbent (Filser et al., 2013). It is therefore that communication is particularly important during a FB succession process. However, mere communication is not sufficient. The communication has to be open, which means every feeling, thought and issue has to be free to be talked and discussed about, or else it might fester and cause larger troubles later on (Sharma et al., 2003). The communication also needs to be honest, or else mutual trust will suffer and mistrust can arise between various parties, with potentially very negative outcomes (Lansberg & Astrachan, 1994; Venter et al., 2003). Open and honest communication is mentioned as an indicator of a high-quality incumbent-successor relationship, amongst trust, mutual support and the willingness of each party to acknowledge each other's achievements (Lansberg & Astrachan, 1994). A successful succession process can thus only be established and maintained when communications are open and the various family members can be honest and frank towards each other (Venter et al., 2003). This can be difficult, as there is often a clear hierarchical difference between family members, especially between the incumbent and the successors, the key persons in a succession process. Furthermore, incumbents often have difficulties with communication. Since a succession process is an emotional and difficult topic that requires open and honest communication about feelings and opinions (Venter et al., 2003), FBs often need a moderating party to help improve the communication between the incumbent and the successor (Strike, 2012).

In conclusion, for a FB succession process to become a success, the aforementioned bottlenecks (unhealthy family relations, unwillingness of the incumbent to step aside, aptitude and unwillingness of the successor, succession planning, mutual role adjustment and a lack of open and honest communication) need to be overcome. Overcoming these bottlenecks is for a large part dependent on the ability of the advisor to discern, identify and communicate the soft

issues within a FB which together form the overarching bottlenecks. Although Filser et al., (2013) found in their research that FBs tend to prefer dealing with soft issues themselves, multiple authors found that external advisors can positively influence the soft issues that arise within FBs (Cesaroni & Sentuti, 2017; Michel & Kammerlander, 2015; Reay et al., 2013).

## 2.5. Roles of the advisor

The important role advisors play in family business successions has only been studied in roughly the past decade (Reay et al., 2013; Salvato & Corbetta, 2013; Strike, 2013; Strike et al., 2018; Michel, 2016). Firstly, there is a distinction between ‘most trusted advisors’ (MTAs), and (normal) external advisors. MTAs can be defined as the external source members of FBs rely most upon for business advice (Michel & Kammerlander, 2016). They are external advisors who are already connected with the family for long durations of time, mostly accountants, lawyers and consultants (Strike, 2013). External advisors often serve on a more short-term basis (e.g. only during a succession process) (Reay et al., 2013).

In their literature review of family business advising, Reay et al. (2013) underline the importance of family issues, although they do not use the term ‘soft issues’ which are otherwise recurrent in relevant literature. This is discussed in four themes Reay et al. have stipulated as being recurrent in literature about external FB advice, being, firstly, *the relationship between family firm advisors and the client*. Advisors need to gain trust of the family to be able to provide both strategic and family advice (Reay et al., 2013), and this trust in the advisor is essential in order to positively influence healthy family relationships (Le Breton-Miller et al., 2004; Sharma et al., 2003).

Secondly, the authors indicate that it is of the utmost importance that the FB advisor is *finely tuned towards the family* in question and its specific needs. The advisor might not know the family as long as a typical MTA, yet still has to have a deep inside knowledge of the internal machinations of the family, lingering emotional issues and unique requirements of the family company (Michel & Kammerlander, 2015). To achieve this, the advisor needs to have at least some working knowledge on psychology, although this doesn’t imply that the advisor needs to be a psychologist, as much of this insight may be gained from experience and people skills, as well as some formal education (Lansberg & Astrachan, 1994; Strike et al., 2018).

The third theme in literature on external FB advise includes the attention to the different roles the advisor has to fulfil. A well versed FB advisor needs to be able to cope with both social relations and strategic business decisions simultaneously (Barbera & Hasso, 2013). Again, the

advisor needs to have a deep understanding of the family dynamics and be adaptive to unique problems which may arise (Reay et al., 2013).

Finally, adding to the previous theme of fulfilling different roles, a recurring theme the authors have discerned is that external advisors can have a positive influence on the sales and performance of a company by ameliorating the relationships in an entrepreneurial family. The research suggests that advisors which possess a toolset of FB-related skills and relational skills can certainly have a positive influence on both financial and familial aspects of a FB. The authors connect this to the ability of these advisors to make FB owners see that some more traditional ways of business management may be improved upon by adopting a more modern management doctrine, something that would otherwise not often occur to more tradition-minded FB owners (Reay et al., 2013).

A FB external advisor thus has to face a plethora of challenges which accompany a FB succession process. An important aspect of FB advisors is their usefulness in transferring knowledge into practice (Reay et al., 2013). Salvato & Corbetta (2013) suggest that a key role of a FB advisor lies in mentoring both the incumbent and the successor. The research suggests that the FB advisor's strength lies in facilitating a team effort, as opposed to the service of an independent professional, which is considered inferior in this context. Therefore, the advisor also has to gradually withdraw as a mentor to allow successors and incumbents to fully ascent to their new roles. This enables the incumbent and successor to work closely together, which increases the chance of a successful succession process. (Salvato & Corbetta, 2013).

However, even when the incumbent and successor are working closely together, it is almost inevitable that some struggle will arise because of the great emotional investment an entrepreneurial family tends to have in their business. In this situation, the advisors' outside perspective enables him to act unemotionally and quickly anticipate potential conflicts and mediate between the family members (Lane et al., 2006). For instance, when it becomes obvious that the incumbent has doubts as to how well the successor will perform, the advisor can steer this into outspoken communications to make clear for all involved parties what the problem is and how it could be solved (Bizri, 2016; Reay et al., 2013). Furthermore, advisors can have a positive influence on the succession process by mediating in the sense-making processes of the FB members. By deliberately slowing down the decision making processes, FB members are forced think twice about their decisions, which enables them to consider new perspectives (Strike & Rerup, 2016).

In conclusion, an external advisor who helps the family dealing with the soft issues of a FB succession process, needs to become a trusted advisor who is finely tuned towards the family and the firm. Furthermore, the advisor needs to realise the importance of soft issues, have a clear understanding of the implications of soft issues and knows various ways of approaching them. To be able to identify soft issues in a FB, a well-versed advisor needs to own a sufficiently large toolkit of either people skills and business skills. Furthermore, experience is needed in applying these skills to employ practices specifically aimed at the identified issues in order to solve them and thus decrease the chance of a succession process failing because of unresolved soft issues (Cesaroni & Sentuti, 2017).

## 2.6. Practices of the advisor

To successfully advise a FB, advisors need to be able to employ certain practices, which together constitute a solid and directed collection of advice measures (Cesaroni & Sentuti, 2017). However, literature regarding the actual practices of advisors during FB succession processes are quite rare, as apparently, the research field has only recently been discovered as an important field of academic research (Strike et al., 2018). It is possible, though, to discern certain advisor practices from the research which is available, more specifically Reay, Pearson, & Gibb Dyer (2013) and Strike (2013), which focuses on the overall role advisors play when advising FBs. According to Strike (2013) the backbone of FB succession advice is made up by the advisor influencing the flow of information between family members, which is achieved by both highlighting important issues and steering the family's attention clear from less important issues. This has been categorised by Strike (2013) into three ways of managing attention during the succession process advising: capturing attention, influencing attention and facilitating collective action.

### 2.6.1 Capturing attention

The first category, capturing attention, has been described as getting all the relevant people within the family involved and convincing them to pay attention to the succession process. It is important to emphasise that not only the incumbent's and the successor's attention is required, but also that of the rest of the family members, be they actively involved in the firm or not, but also regardless of their age differences, divergent and maybe even conflicting (emotional) interests and goals. In order to achieve this, the advisor has to gain the right to be heard, that is, shaping himself in a certain way which gives him voice and weight in the organisation so that the correct people listen to what the advisor has to say; a situation which

can only exist if the family trusts the advisor. The advisor can reach this position by developing a deep understanding by being meaningfully engaged through showing a personal interest in the family, truly desiring to help and sharing experience, values and caring for the family and its firm (Strike, 2013). It should be noted that Strike (2013) mentions MTAs, which are advisors who have been involved with a FB long before the succession process was initiated, whereas advisors specifically hired to guide a FB succession are not. The theory of Strike (2013) applies to both kinds of advisors, as mentioned before, they both need to win the trust of the family in order to capture attention and become a listened-to voice within the firm. In a way, the FB succession advisor needs to become an MTA in order to truly advise in a FB (Strike et al., 2018)

### 2.6.2 Influencing attention

After the advisor has succeeded in capturing the attention of the family, he or she needs to be able to influence it, or it will not be possible to redirect and prioritise it away from the insignificant and towards the important. To achieve this, it is necessary for the advisor to understand the underlying issues and interpersonal dynamics within the family, as well as being ‘meaningfully engaged’ in the company, which is to say, the advisor truly has the best interests of the company at heart and is personally set on seeing it succeed (Lansberg & Gersick, 2015; Strike, 2013). For this, the advisor needs to provide truly unbiased advice and thus needs to have an apparently (but not really) paradoxical distance to the family, because the advice must not just follow the family’s own opinions (as they would not have needed an advisor to tell them what they already think) (Reay et al., 2013). Only in this way it is possible to give truly objective advice. This correlates with something called ‘suspicious trust’: the family needs to be able to trust the advisor to be ‘suspicious’ and give criticism where it is due. Although some may not like such a message in the first place, but they will eventually respect the advisor for also saying what they would rather not hear. Reversely, the advisor also needs to know when his advice falls short and additional expertise is needed. Many advisors fail to do this, as they (sometimes unconsciously) want to keep the advice monopoly for a certain family (Strike, 2013). Successful advisors have to be able to defer to other advisors with more expertise and knowledge on a certain topic, when the need arises (Salvato & Corbetta, 2013). All in all, the advisor can, however, not do more than to advise. Decision-making power remains – and has to remain – with the family. After that, an advisor needs to adapt his advice to said decision, even if he may have advised otherwise in the past (Strike, 2013).

### 2.6.3 Facilitating collective attention

In order to steer the attention of the family members in the right direction, it is necessary for the advisor to get the family and its company to move as one unit. Of course, differing opinions are allowed, but in order to be effective, the actions of the company need to be supported by all, even if some may have had other ideas about it. To do this, the advisor must go slow, take the time to think things through with the family and help family members to understand their role in the group. Having a family member not understand their role can have very negative consequences; so it is important for the advisor to thoroughly orchestrate this and explain to family members, both in a group and face-to-face, what said person needs to do and understand about being part of the collective family effort that is running a FB (Cesaroni & Sentuti, 2017; Reay et al., 2013; Strike, 2013).

### 2.7. Conceptual model

After shedding light on the different roles advisors play during FB successions and describing how external advisors subtly guide the family by capturing and influencing their attention to relevant issues after which they facilitate collective family action (Strike, 2013), it remains unclear what actual roles and practices contribute to a successful FB succession. The central idea of this thesis is that there are six bottlenecks which hinder a successful FB succession process. Overcoming these bottlenecks is dependent on the attention given to certain soft issues, which are of great importance during said leadership transition. However, most FBs are not equipped to deal with these soft issues by themselves and as such need the help of an external advisor. This advisor subsequently needs to fulfil important roles and employ certain practices in order to successfully address these soft issues to overcome the bottlenecks. This relationship can be illustrated by the following conceptual model:



Figure 2. Mediating relationship between bottlenecks, a successful succession and advisors roles practices

As the diagram shows, it is assumed that overcoming the bottlenecks is not possible without mediation. Although this might not be completely accurate, this research intends to shed light

on the advisors roles and practices that lead to a successful FB succession. Moreover, as stated in this chapter, it is rare for FBs to achieve a lasting successful leadership transition without any external help. Via certain roles practices of external advisors the chances of success increase. This leads to the following propositions:

*Proposition 1: to overcome the bottlenecks which prevent a successful FB succession process, certain roles and practices of external advisors are needed.*

*Proposition 2: when these roles and practices of external advisors are employed correctly, the bottlenecks will be overcome and the FB succession process will succeed.*

### 3. Methodology

In this chapter, the methods employed in this research will be explained. The main goal of this research is to describe how the roles and practices of soft issue-focused external advisors contribute to a successful FB succession process. To do so, the research must therefore find out which roles and practices are employed by these advisors and what kind of influence they have or intend to have on a FB succession.

#### 3.1. Methodological approach

The most common approaches in empirical research are quantitative and qualitative research. During qualitative research, the researcher tries to get an as good as possible picture of the experiences of the respondents (Vennix, 2011). For this research, a qualitative approach has been used because of the personal aspect of FBs and the advice they seek, which would be hard to fathom when using a more number-based, quantitative approach (Yin, 1994). This personal side is excellently visible when looking at the bottlenecks mentioned in the previous chapter, as they are the product of the so-called ‘soft issues’, which are personal and emotional by their very nature. To be able to study complex social processes and meanings over an extended period of time (e.g. during a FB succession process), a case study approach is suitable (Yin, 1994). “*The case study method “explores a real-life, contemporary bounded system (a case) or multiple bounded systems (cases) over time, through detailed, in-depth data collection involving multiple sources of information... and reports a case description and case themes”* (Creswell, 2013, p. 97). Since FB succession processes vary greatly, it seems that a more qualitative multiple case study approach suits this research best to get collect the data of multiple succession processes, even more so because it provides the ability to understand the similarities and differences between various cases (Baxter & Jack, 2008).

The research also has the form of an explorative research, as literature specific to this research topic is rather scarce at the moment of writing (Strike et al., 2018). The research thus intends to provide an entry point for possible further research and to sketch rough lines on this topic which may later be coloured in with more detail, as the scope of this research is still quite broad. Especially when looking at the sheer size of the parts of many economies which are made up of FBs.

#### 3.2. Sample selection

This research involved five FBs which have gone through a succession process in the past decade, and four external advisors (both individuals and bureaus). In this research, the studied

FBs differ in size; generation in control; succession completed or in progress; successful or unsuccessful succession; type of external advisor (Table 3). More information about the case companies can be found in appendix A. All researched businesses are SMEs. This scope has been selected, given that FBs are for a large part SMEs (Devins & Jones, 2016; Sawers & Whiting, 2010). This scope also fits best with our research question since the influence of advisors is possibly most noticeable in SMEs (Michel, 2016). Care was taken to not only select businesses which had gone through succession processes with positive outcomes, but also one company which succession process failed. Also, both incumbents and successors were interviewed. Four of the five case companies used the services of a soft issue-focused external advisor. As a reference point, one case company without external advisor's services has been selected.

As for the advisors, the sample selection process started with an initial open conversation with an FB advisory bureau. This meeting led to general knowledge about FB advising and types of advisors. This served as a vantage point to selecting advisors who presented themselves as being specialised in advising FBs, paying special attention to soft issues and which already had provided advice during multiple FB successions. Care was taken to select both advisors working for professional and larger firms, as well as one-person advice companies, in order to achieve a more complete research scope. The advisors which have been interviewed are listed as follows:

- **Advisor firm A:** Founded in 2005, this consultancy firm is specialised in various aspects of FB advice and also aims to function as a knowledge and expertise centre for entrepreneurial families. This firm also cooperates with various academic research and educational institutions for FBs. The firm consists of five experts on FB consultancy, of which Advisor A was interviewed.
- **Advisor firm B:** A one-woman advisory bureau which specialises in coaching and training family companies. The person interviewed, Advisor B, founder and director of the company, focuses on the crossroad between family dynamics, leadership and company ('the three circle' model). She guides change processes in FBs before, during and after succession. Advisor B is less involved in the technical and financial details of the succession process, but instead focuses on the soft issues which accompany succession in a FB.
- **Advisor firm C:** A one-woman bureau in which Advisor C, the founder and director of the company works as a business coach specialised in FB succession for SMEs with

a staff of 2 to 40 people. She focuses on the emotional, soft issue side of the succession process.

- **Advisor firm D:** A cooperation of senior professionals in the field of FB advice. The advisors aim specifically at guiding and advising generational FBs and make use of various areas of expertise of the advisors to facilitate many different situations concerning FB succession process. The person interviewed is Advisor D, co-founder of the cooperation. She specifically focuses on the soft issue side of the succession process and also works as a guest lecturer on succession, governance and FB advice at various universities.

The companies which have been interviewed are the following:

	Employees	Founding year	Generation in control	Beginning of succession	Actual succession	External advisor	Interviewee (Senior/Junior)	Age interviewees
<b>FB A</b>	28	1988	2 <sup>nd</sup>	2012	2018	Register accountant & business coach	J	33 years old
<b>FB B</b>	25	1998	2 <sup>nd</sup> and 3 <sup>rd</sup>	2014	In progress	FB consultancy firm	S + J	61 & 36 years old
<b>FB C</b>	20	1979	2 <sup>nd</sup>	2004	2009 unsuccessful	FB advisor	J	36 years old
<b>FB D</b>	40	1966	2 <sup>nd</sup> and 3 <sup>rd</sup>	2018	In progress	Advisor	S+ J	67 & 36 years old
<b>FB E</b>	49	1991	2 <sup>nd</sup>	2012	2016	FB consultancy firm	S	64 years old

Table 3. Information case companies.

### 3.3. Data collection

The main body of data consists of four qualitative interviews with advice companies of varying size, as well as seven qualitative interviews with incumbents and successors of five FBs. Care has been taken to select both (former) incumbents, successors and advisors, as to give a multi-dimensional approach. The interviews were structured based on suggestions by relevant literature. In qualitative research, semi-structured interview setup is mentioned as being the most useful for exploring the perceptions of the interviewees (Vennix, 2011). The interview questions have been set up according to theories gained from especially Sharma et al. (2003a), Sawers & Whiting (2010) and Strike (2013) and were tailored to incumbents,

successors and advisors. To complement this, questions more specified in soft issues were also asked, based on the work of Cesaroni & Sentuti (2017). After the interviews, all interviewees were asked to fill in a short questionnaire consisting of ten questions. These questions serve as a supporting element and verification of the interview data. The semi-structured interview questions and the supporting questionnaire can be found in the appendix. Consistency in the results was achieved by the use of a single interviewer and a set array of semi-structured interview questions utilised for all interviewees.

The data collection process started with gathering general information about the case companies and the advisory bureaus. This was helpful to make the process of interviewing more efficient by providing some background context before the interviews started. The respondents have been interviewed in semi-structured conversations, ranging in duration from half an hour to a full hour. The semi-structured approach was chosen as a compromise between a more formal interview with a chronological set of questions which the interviewee has to answer, which might not suit the informal, emotional nature of soft issues and their implications, and a wholly non-structured conversation, which may yield scientifically less useful results (Vennix, 2011).

### 3.4. Data analysis

The language in which the interviews were conducted is Dutch, since this is the first language of the respondents. This ensured that language was no obstacle during the interviews to avoid invalid answers. The interviews have been recorded and transcribed verbatim in Dutch. Thereafter, the analysis of the data was carried out in English. Every translation was double checked to avoid meanings going lost in translation and, where needed, quotes have been provided with an explanation between parentheses to safeguard both clear communication and scientific accuracy. This was carefully done to increase the reliability of this research.

From there on, the gathered data was analysed in an inductive way. During this approach, various concepts and themes are derived from the raw data and are grouped together into more abstract units of information through the interpretations made by the researcher (Creswell, 2013), without the restraints of more structured methods. This approach aims to identify patterns and relationships to build theory, which is relevant for this research since there is no set theory about advisor involvement during FB succession process. The transcripts of the interviews have been printed and the important matters have been coded by hand. Irrelevant paragraphs and sentences have been crossed out to keep a clear vision on the

important matters. The approach of the data analysis can be divided into two steps, being: 1) within-case analysis and 2) cross-case analysis, which focused on similarities and differences between the cases (Eisenhardt & Graebner, 2007). The first step consisted of the open coding of important matters related to the research question. The second step consisted of comparing the findings between the cases to find overlapping or contradicting results. During the cross-case analysis, similarities between the advisors roles and practices became apparent. This resulted in four different roles advisors fulfil when advising FB succession processes. The various practices advisors employ to deal with the soft issue related bottlenecks of FB succession processes have been categorized into eight overarching themes. A representation of these themes can be found in appendix C. The analysis of the interviews was conducted the same way for each interview. This was carefully done to increase the internal validity of the research. The data has then been further processed into the research results, yet the source material has been provided in the appendix.

### 3.5. Research ethics

An important part of performing research, especially when other people are involved, is a keen understanding of the ethical questions involved. As this research involves rather personal interviews with people who have been asked to be quite frank in speaking about their respective families, it was decided to anonymise the results. Furthermore, the interviewees have been informed about what kind of information would appear in the research and in which form, as well as about the degree of publicity this research has. Also, the limits of this confidentiality were discussed. All of the interviewees gave their consent after discussing said topics, making it possible to see their agreeing as informed consent.

### 3.6. Reliability and validity

Special care was taken to ensure the reliability and validity of the analysis. For this research, the environment where the interviews have been conducted and the researcher himself are factors which could negatively influence the reliability of the results (Baarda & De Goede, 1995). It should be noted that qualitative research is interpretative, thus it is unavoidable that the researcher views the responses through his own personal lens (Vennix, 2011). To avoid negative influences of the interview environment, the interviews have been conducted at the respondents homes or at their workplace in a private office. This ensured that the respondents could talk freely about their experiences. To avoid that my own interpretation and colored view would negatively affect the results, the interviews have been recorded, transcribed

verbatim and repeatedly listened to when analyzing the data to increase the reliability of the results (Vennix, 2011). To increase the validity of this research, triangulation of data sources have been used. The collected data from websites and the received additional business documentation was used to support the data from the interviews with all three key players in a FB succession process; successors, incumbents and advisors.

## 4. Results

The main part of the data presentation of this research has been structured according to the six identified bottlenecks of a FB succession process. However, before an external advisor is able to deal with the soft issues of a FB succession process, he needs to become a trusted advisor who is finely tuned towards the family and the firm (Reay et al., 2013). The practices advisors employ to make sure that they are trusted by the family members and to obtain a good insight of the family and the firm are presented. Thereafter, certain practices advisers employ to overcome the six bottlenecks are presented and these practices will be categorized according to the various roles advisors have to fulfill during FB succession processes. Finally, the findings from the data derived from the interviews with experienced advisors and the studied cases are synthesized and a model about the order of importance of the six bottlenecks of a FB succession process is presented in chapter 4.5.

### 4.1. Requirements advisor

Apart from the advisors practices that directly help to overcome the mentioned bottlenecks of a succession process, the data derived from the interviews indicates that there are some requirements advisers need to comply with before they are in the right position to be able to help the FBs realise a successful succession. These requirements are: i) gaining the trust of the family, ii) obtaining a good insight into the family and the firm.

#### 4.1.1 Gaining trust of the family

In order to properly delve into soft issues which may have been buried deep and have been playing for years in a family and its business, all advisors mention that it is essential for them to gain the trust of the family, otherwise the family members may not fully confide in the advisor and he or she cannot make accurate assessments of various underlying issues. This is corroborated by multiple interviewees from the case companies who mention that trust in the advisor is necessary and a delicate issue. Advisors also mention that a full commitment from all family members is necessary. Without everyone's commitment, it is said to be very hard if not impossible to guide the family into the needed direction. Commitment of the family members however, is only possible when they trust their advisor. The negative consequences of a lack of commitment becomes clear in the unsuccessful succession process of company C. The advisor was rejected after two years of working with the family. Initially the advisor attempted to facilitate conversations about family issues, but he was largely ignored.

Successor C: *“He attempted [to start conversation], but he wasn’t listened to, so eventually such an advisor doesn’t really add any value anymore.”*

In all other cases, the commitment of the family members was ensured and several practices advisors employ to gain the trust of the family have been mentioned during the interviews. Firstly, advisors have to maintain an objective, unbiased image towards all of the family members, or else some might think of the advisor of being on a particular person’s side, often the incumbent’s, since he or she mostly hires the advisor in the first place. The lurking danger of this is that it can result in a lowered trust in the quality of advice by the succeeding generation. By standing up for the children and contradicting the boss when necessary, advisors show to the whole family that they are acting from an independent position in the best interest of the business. By being a good conversational and sparring partner for the incumbent, on all issues of the succession process, not merely the children, advisors feel free to contradict the boss when necessary. The importance of this is explained by the following quote:

Advisor A: *“First and foremost, you have to take care to take on an independent position, so that you can also contradict the big boss. This makes that others can truly believe you’re not father’s henchman.”* (...) *“When you are seen as a part of one particular side, you are by definition not the advisor of the whole succession process. You are part of one of the parties.”*

Secondly, the advisors need to get into the position that their advice is taken seriously. Not just mere acting on the wishes of the family, but a sparring partner in the succession process with their own input. According to the advisors, this part is tricky, since they often deal with very intuitive entrepreneurs. *“They do not want large plans and powerpoints.”* On the one hand, business owners often see value in their advice, but on the other hand, they are very reluctant to commit to it. Therefore, advisors take sufficient time to gain their right position into the process. To achieve this, advisors both have individual contact and group conversations. Initially, advisors engage in private conversations with the family members to bond with them. This is illustrated by the following quote:

Successor D: *“I did not know him [advisor] at all. My father did. So together we had an two hour walk to get to know each other better.”*

This way, all key persons are able to articulate freely how they feel about the succession process and what their expectations and concerns are. Thereafter, advisors organise group

conversations to bring all stories together. Another mentioned reason to organise group conversations is to warn the family for the difficulties that unavoidably will occur during the succession process. Most advisors mention that it is not uncommon, even expected that the family at some point will be angry with them. As advisor C mentions:

*“I will tell them in advance, ‘I am going to work with you for a year. This is what is going to happen. At some point, you will get angry with me. At another point, you will have difficulties with seeing your own true self. Then this, than that.’”*

By warning the family in advance about the difficulties of the succession process, and by accepting that the family members will undoubtedly be angry with them at some point, the advisor shows that he or she is determined to make the succession process a success.

In conclusion, to be able to successfully work with the family, advisors first need to gain their trust. They use individual conversations with all family members to get a connection with them. Advisors need to make sure that they are not be seen as the incumbents henchman. And lastly, at the start of the advising process they warn the family for the hardships to come, to prevent that their negative emotions will get the better of them and as a result lose their trust in the advisor during the process.

#### 4.1.2 Obtain good insight of the firm

The second requirement for succession advisors is obtaining a good insight into the family and the firm, since all FBs are unique due to the different individuals who play a role in it. Because of their uniqueness, both advisors and business owners believe that before any tailored advice can be given, the advisor has to know the business inside out. This includes understanding the different backgrounds of the family members and to understand under what conditions the business started. This is an essential element, since it determines how the family handles issues. This affects how the advisor has to communicate and deal with the family. All family members have their own beliefs, which differ greatly between parents and children for instance. Thus the advisor tries to understand how the family views the world.

Advisor A: *“In the beginning, it is hard to understand the history [of the FB]. (...) You try to understand how the family views the world.”*

Unique to the advisors is that they have to see the entire picture from a helicopter view and get to know the family in which people have known each other throughout their entire lives. They have to assess the situation in a relatively short time span and have to accurately map out

relations between family members. According to the advisors, this is often more an intuitive process than exact science and herein lies the risk for the advisor, as intuitions might not always be right. They also have to check the information they are getting from the various family members. It happens that they get manipulated or that they do not get told everything, therefore, advisors constantly have to check whether the information they are getting by means of individual conversations is correct. They mention that the easiest way of ensuring this, is to ask questions about whether their perspective is right. As the following quote illustrates:

Advisor D: *“You never know what is true and what people are actually thinking. You have to go by sense.”* (...) *“You can confirm your intuition by simply asking.”*

Furthermore, all advisors mention that they initially utilise one-on-one conversations with both incumbents and successors, as to gain an insight into how they personally feel about the various aspects of the succession process. Following these conversations, more talks are held, this time with the whole family brought together. This aids people in clearly forming their own opinions, facilitated by the advisor, after which they can more solidly communicate their feelings and thought to others. This is purposefully done, because if the plenary conversations would be held first, the recessive party would be influenced too much by the dominant party, often the incumbent. Thus, private conversations with the family members are held, followed by group conversations where all different perspectives and ideas are discussed. This process is described in the following quote of successor B:

*“The advisor speaks with everyone individually, to assess how each person is feeling [about the succession process]. [it is important that] the advisor has no emotional connection with the family members. Then he brings everyone to the table with the information [he gathered] [...] Because when you are sitting at the table all together, people don't speak about certain things. Certain topics are avoided. Thus, it is crucial that the advisor first [individually] assesses what everyone's perspective is.”*

In conclusion, advisors need to be able to get a clear picture of both the firm and the family members before they can make a positive impact towards the succession process. This is initially done by having one-on-one conversations with the family members. This is followed by conversations with the whole family involved to bring all individual perspectives and stories together. During this process, it is important that the advisor is constantly checking

their own assumptions, their beliefs, and what they get told by the individual family members. This is simply done by asking questions.

## 4.2. Bottlenecks

The following part of this chapter is based on the practices advisors employ to overcome the six bottlenecks which hinder a successful FB succession process, being i) unhealthy family relations, ii) unwillingness of the incumbent to step down, iii) aptitude and unwillingness of the incumbent, iv) succession planning, v) mutual role adjustment and vi) lack of open and honest communication.

### 4.3.1 Unhealthy family relations

The importance of strong and solid family ties cannot be underestimated and it forms an indispensable factor for the success of a leadership transfer in FBs according to the interviewees. Advisors mention that it is important to involve all family members who are directly or indirectly concerned with the succession process. This is validated by all successors and incumbents who indicate that family issues are in no way limited to the family members directly engaged in the succession process, but also include various other parts of the family, such as siblings or sisters-in-law who tend to influence their husbands at home, resulting in swaying of opinions at work. A lack of agreement of indirect family members was one of the reasons why the succession process of company C failed. One recurring practice found in three of the five case companies (A, B, and E) is that the advisor facilitated at least one meeting for the whole family to inform everyone about the process, to answer questions and give everyone the chance to speak their mind. This is illustrated by the following quotes:

Successor B: *Despite having a good relationship with my brother and sister, [the succession] can cause friction. I find it important that they know that I did not get the company as a gift. He [advisor] suggested an family meeting.*” Incumbent E: *“I think, one of the success factors of this process is that [the advisor] involved my whole family. That is very important. Now there is no one who has any remorse.”*

Furthermore, family members tend to have difficulties with differentiating between their professional relationship and familial relationship which often leads to conflict about responsibilities. Advisor C tackles this issue by describing new roles for each family member. *“I really try to teach them to communicate as entrepreneurs instead of family members. (...) By describing clear roles for each individual. To ensure that they do not get in each other’s way and to make it very clear what the responsibilities are of each individual.”*

This practice was helpful for the succession process of company E, where three successors took over the company of the incumbent. By means of role plays, the advisor was able to see the qualities of each successor and appointed them to different roles.

Advisor B uses a more reflective approach: *“It is my task, because they find it very difficult themselves, to consciously differentiate between it [professional relationship and familial relationship]. I will ask them: “Do you say this as his father or as the company leader to your son?” So at crucial moments I will help them with this distinction.”*

In line with this is the often present family hierarchy that needs to be broken before family members are able to professionally work together. For instance, brothers and sisters working together in a FB often still see each other the same way as they used to when they grew up together as kids. According to the interviewees, older brothers often feel a hierarchical superiority over their younger brothers, which prevents an effective collaboration. To break through the family hierarchy, advisors put effort in facilitating that the family gets to know each other in a different perspective. All advisors mention the importance of doing things together. Therefore, advisors mention that they put high emphasis on facilitating team effort. By means of teambuilding activities, organizing training days for the whole family or role plays, the family members get to know each other from a different perspective, other than being brothers and sisters. This is illustrated by the following quote:

Advisor A: *“Of course, there are techniques such as individual coaching of family members, but sometimes you have to organize a training for the whole generation, or a training day. Either way, you have to do things together, to see each other in a different perspective. (...) This facilitates that they get to know each other differently than being mere siblings.”*

Furthermore, by means of private conversations with family members, advisors stimulate conversations about family relations to assess whether there are problems that need to be solved. This was also mentioned by case companies A,B and D.

Successor A: *“When he [the advisor] was here, we sat together and he asked me; ‘how are you? How is your father? How are things going between the two of you? That kind of stuff.’”*

Lastly, the most important factor which determines if family relations are healthy is the communication between the family members. A lack of open and honest communication is another bottleneck which will be further discussed in chapter 4.3.6.

### 4.3.2 Unwillingness of the incumbent to step down

According to the advisors experiences, the unwillingness of the incumbent to step down is the number one reason why so many FBs struggle with their succession process. Advisors fulfill an important coaching role by helping incumbents with this emotional process. By being a good conversational partner and taking things slowly, they try to convince incumbents that they have to let go for the succession to be a success. Advisor B gives an example of an incumbent who was still acting as the company leader after the succession process.

*“He told me: ‘but they [employees] keep asking for my help’. Then I will tell the incumbent: ‘stop with that, you are really in his [successors] way.’”*

Sometimes such conversations do not suffice. According to the advisors, many incumbents come up with excuses about why they should postpone the actual process of stepping down. In such situations, advisors turn to the successors, telling them that they have to claim their new position as the company leader.

Advisor B: *“When they really don’t want [to let go of their company], then I will tell the successor: ‘now you have to put them on the spot: it is either you or me to leave the company’.”*

Interestingly, in 3 of the 5 case companies (A,B,E), the unwillingness of the incumbent to step down was no bottleneck for the succession process. Their willingness to let go was attributed to the proven aptitude of their successors, who thereby earned their trust. The incumbent of company D mentioned that he purposefully asked his advisor to correct him if he would have troubles with letting go, although their succession process is still in progress and had just started. During the failed succession process of company C, the incumbent had trouble with letting go because he was still financially involved in the company.

Successor C: *“My brothers wanted to force their own vision and follow their own path, but he [incumbent] did not agree with that. He told them: ‘but I am still financially involved and I want to handle things properly before you are going to buy things and invest.’”*

This notion was confirmed by advisors who often see incumbents struggle to let go of their company when they are still financially attached to it. This is illustrated by the following quote of the incumbent of case company E:

*“The advisor told me: ‘the effects of incumbents who transfer their company to their successor need to be secured and taken out of the risk area. Because the incumbent never has the opportunity to repair the damage, if it goes wrong.’”*

#### 4.3.3 Aptitude and unwillingness of the successor

The aptitude and willingness of the successor to take over and lead the company is another essential element during a succession process. If he or she cannot do it, it will not happen. Interviewees have found various ways to ensure this, which have in common that it was the advisor who initiates this process. In all successful cases (A,B,D,E), the advisor suggested to undergo a psychological and capability assessment, as to rule out any doubt. Multiple advisors mention the fact that parents often have a colored picture about their children, therefore they are not able to critically assess them. Even though most advisors could confidently assess whether a successor is capable enough for the leadership position, external assessments prevents disputes between the advisor and the incumbent about the capabilities of the successor. Therefore, assessments are outsourced to external specialists. This is explained in the following quote:

*Advisor B: “Sometimes they [successors] miss the self-insight or the intelligence. This is a sensitive subject to mention to both generations. Therefore I insist on taking an external assessment, because with that, you objectify.”*

The interviewed successors (A,B and D) who did take an initial assessment invariably mention that those assessments where in retrospect a crucial point for them to gain the needed trust in themselves to take over the company. For successors B and D it also became clear what their weak spots are, and what capabilities they needed to develop. The only exception was found in the case of company C, in this case the three successors did not take an initial assessment to test their capabilities.

Another way advisors test whether the successor is capable enough to become the new leader of the company is through role plays. Actors are involved to simulate real life management issues. As incumbent E mentions:

*“He [one of the successors] had to defend himself [during a roleplay] and there was someone who had some sort of annoying task. It was about testing how assertive he was. (...) The advisor intensively tested them. In the end, we followed up on his advice to give them different positions in the company.”*

Furthermore, advisors fulfill an important role by educating the successor on both relational aspects and business aspects. Successor A and B both mention that they learned to develop lacking financial skills from their advisor. Furthermore, advisors have to teach successors about the differences between leadership and ownership. This is illustrated by the following quote:

Advisor A: *“The next generation need to learn a couple of things, about what the difference is between a company leader and a company owner. It is the tasks of the advisor to make this distinction very clear, otherwise they will think: ‘it is our company, thus I can do what I want. Or I can do nothing, because they feel the company ownership was given to them [by the incumbent]. Both are incorrect.”*

Most interviewed advisors (A,B and D) facilitate educational training courses for successors. Among the case companies, successor A and B both followed an educational course at the beginning of their succession process to help them prepare for the difficult task of taking over their fathers company. These courses serve as a kick-start to ensure their aptitude and to gain the trust of the incumbent and trust in themselves. Successor A mentions that it helped him to create his own identity instead of being a copy of his father. This is an crucial part during the successors development.

Successor A: *“At a 6 month training course, I was able to somehow part with my father (...) it is your example, who you look up to. But it is very important that I can be myself and run the company my way.”*

#### 4.3.4 Succession planning

Careful succession planning can make the difference between a smooth and a difficult succession process. According to literature, succession planning is guided by distinct phases in a business succession process (Daspit et al., 2016). Although all interviewees agree that there are certainly phases in a succession process, most argue that these phases are not clearly delineated and not purposefully marked off by the advisor to plan for the succession process. The only case in which clear phases were visible, was the case of company D, who generously supplied the original quotation of their external advisor, which clearly discerned a preparatory, a guidance and a post-succession soundboard phase. This phasing only partially matches the phasing system of this research.

To get be able to develop a succession plan, all advisors use some sort of a succession scan at the beginning of the advising process. Advisor B uses a succession scan that consists of a questionnaire based on scientific research about why FB successions fail, serving as a starting point to determine what pitfalls to avoid for the specific company. Other advisors base their planning on the information they gathered during the individual and group conversations they held with the family members. An important part during succession planning is the consideration of all scenarios that could have a big impact on the process, whether it is likely to occur or not. It is here that the advisor fulfills an important role by making these scenarios a talking point, because entrepreneurs often find it difficult to plan for these bad scenarios. By explaining that something bad could happen to the family or the firm and that not everything will go according to plan, advisors contribute to a complete succession planning. This is illustrated by the following quote:

Advisor A: *“I will always ask them, look, what is something bad happens with you? Or to your wife? (...) You have to consider that, because sometimes a decision seems very logical, but that is only true in a perfect scenario.”*

The planning a succession process does not limit itself to soft issues. All advisors mention that they have to take some legal and fiscal aspects of the succession process into account as well. Regarding these harder aspects, the advisors limit themselves to an advising role. They follow a checklist to make sure that every aspect of the process is taken care of. These checklists consists of issues about incumbents dependence on their pension with respect to the transfer price, or potential other income sources such as monthly rent from the company property.

Advisor C: *“I will not do that myself [dealing with hard issues]. But I do have a checklist that I will follow. (...) I do not calculate the numbers myself, but I make sure it gets done.”*

According to the interviewees, these issues are equally important during a succession process, because when they do not get properly managed, it results in a lot of conflict between incumbent and successor generations. Advisors fulfill another important role by helping the family to plan for the future structure of the company. Company B devised a plan in collaboration with their advisor.

Successor B: *“There was a part of advice pertaining to the structure of the company, what structure the company would have after the succession, what the divisions would be.”*

The positive influence of advisors' business expertise regarding the restructuring of the company was also mentioned by company E.

#### 4.3.5 Mutual role adjustment

During a FB succession process, there has to be a form of mutual role adjustment between the incumbent and the successor, where the incumbent adjusts to his new coaching role and the successor adjusts to his new role as sole leader of the firm. Perhaps surprisingly, this was no bottleneck during the successful succession processes of the case companies (A,B,D,E).

However, advisors do often experience that this mutual role adjustment needs their support. This consists of putting things in perspective, to change the mind set of incumbents.

Advisor D: *“You must not have conversations about ‘letting go’, but about ‘holding on to it differently’.”*

To prevent that the incumbent keeps ruling and the successor does not get a fair chance to grow into the position of being the new company leader, advisors mention that they often describe clear tasks in agreement with the incumbent. This serves as a supporting system to hold the incumbent accountable to the agreements. This is illustrated by the following quote:

Advisor D: *“Often it is a matter of describing clear tasks. I will ask them: ‘what would you like to keep doing? And what can you do? This way we agree on tasks, and two weeks later I can ask him: how did it go?’”*

A mutual role adjustment is necessary for transferring incumbents' knowledge onto the successor. Advisors mention various practices to stimulate this knowledge transfer.

Advisor C: *“one thing is to let them tell something about what fascinates them most about their profession”. (...) Or I will ask them: what do you want to teach your children?”*

The other part of the mutual role adjustment is the role acceptance of the successor, who is often the son or daughter of the incumbent and therefore has sat lower on the hierarchy than the incumbent for his or her entire life. Interviewees mention that this is a large transition to make, as the incumbent not only has a parental superiority over the successor, but also a business-hierarchical one. To make the transition a success, it is necessary to realign the power structures in the FB, which involves the son or daughter standing up to his or her father or mother and stating what they want and how they want it.

Advisor B: *“They [successors] really need to stand up for themselves. That is the difficulty with successions. On the one hand, incumbents still want to be the boss, so they keep dominating. The child keeps following. Actually, they simultaneously want and do not want this relationship to change.”* She mentions acting as a coach to help the successor to come to strength. *“...provided that by means of coaching they have gotten strong enough to actually dare [stand up for themselves]. Often times, they do not dare it for a long time.”*

To stimulate a mutual role adjustment, advisors put effort in showing the different capacities of both generations. The generational gap and the difference in education often results in a tense relationship between the successor and the incumbent. Often, incumbents who founded the company are entrepreneurs who are decisive and work based on intuition. This could annoy successors who first want to formulate a plan and structure. By giving certain responsible tasks to the new generation, both incumbents and successors learn to appreciate each other capabilities.

Advisor B: *“The new generation can learn to just doing things. If it goes wrong, so be it. That’s a lesson. That way, I try to show them how they can reinforce each other instead of thinking: ‘I don’t add anything’, feeling annoyed and letting escalate things. In a normal company that is of importance, but here the family ties also play a large role.”*

Furthermore, how well incumbents and successors are able to adjust to their new roles, is for a large part dependent on how well both parties are able to communicate their trust, grudges, worries, expectations etcetera. Facilitating such conversations is perhaps the most important task of advisors during a FB succession process.

#### 4.3.6 Lack of open and honest communication

The previous bottlenecks show the necessity of proper communication between family members of a FB. Indeed, all interviewees agree that proper communication is the most important factor during a succession process. Advisors mention that very frequently, entrepreneurs have a tendency to only communicate about their work, without having real conversations about their emotions, expectations and future plans for the company. To avoid friction and to stimulate collaboration between family members, it is essential that the internal communication is stimulated early on in the succession process. Advisors therefore facilitate conversations with the family members and encourage them to truly speak their minds. As the following quote illustrates:

Advisor B: *“I help to facilitate that they speak their minds about what bothers them.” (...)* *“So that they do not suppress their feelings and speculate about each other’s feelings. They are all entrepreneurs, so they automatically focus on their work. They feel they are too busy to talk about emotions.”* She corroborates on this by mentioning that listening to each other is equally important. *“To understand each other’s vision, listening to each other’s feelings, that is an art. It is really important and often times they need some support with that.”*

During the succession processes of company A and D, the advisor indeed brought the incumbent and successor together and stimulated that they would talk about their frustrations and old grudges towards each other. Successor A mentioned that without such conversations, the succession process would definitely turn out very differently.

During these family conversations, advisors teach the family how to communicate and how to listen to each other. Advisor D mentions that she sometimes makes agreements with the family. For instance, she tell them that they cannot go home when they still have conflicts. This forces the family members to constructively communicate and listen to each other, even when they do not feel like it. Another approach to stimulate the internal communication is mentioned by Advisor C. She uses provocative coaching to let the family stop being trapped in their negativity. This is illustrated in the following quote:

*Advisor C: “By provoking him. Then [when he is angry] I will ask: ‘how rationally are you able to think right now? Can you? Is this the kind of leadership you aspire? Do you want to be a coach who explains things by anger?’*

Besides facilitating conversations about emotions and teaching the family how to communicate and listen to each other, advisors stimulate successors to follow a training course as a means to prepare the successor for the complex and emotional process of a succession. Both of the successful successors (A and B) went to an educational course where they learned to truly speak open and honest about their feelings. These courses were either initiated (successor A) and facilitated (successor B) by their advisors. They mention that the communication course provided them with a lot of clarity about the subject of communication.

Successor B: *“I think the successor training course gave me a lot of clarity about how to communicate, and how not to communicate.”(...)* *“It is important that issues do not get bigger and bigger. Talk about it with each other.”*

### 4.3 Advisor roles during a FB succession process

The data shows that not only incumbents and successors need to adjust their role during a succession process (Handler, 1994), but also advisors need to be able to fulfil different roles in order to employ the various practices to overcome all of the six bottlenecks. Both the case companies and the advisors invariably mention different roles of the advisor during the succession process. Although they use different terminology to describe the roles of the advisor, four recurrent roles can be identified: i) process planner ii) relation coach iii) business coach and iv) facilitator.

#### 4.3.1 Process planner

At the beginning of a succession process, advisors fulfil the roll of a *process planner* who needs to gain the trust of the family and has to obtain a good insight into the family members and the firm. The process planner brings the different perspectives and wishes of the family members together to formulate a succession plan. As the external advisor is not a part of the company or the family, he or she can only sketch the framework of what needs to be done and provide guidance to what the tasks are which the family has to fulfil, what the future structure of the company will be and determining important milestones of the process. How detailed this planning is required to be varies between companies, as it is not always the best course of action to minutely map out a succession process, because that would make the planning very vulnerable to changing circumstances. During the entire duration of the succession process, the process planner keeps pace of the process by holding the family members accountable to the agreed tasks and milestones. This is especially important since incumbents tend to postpone decisions, as is illustrated in the following quote:

*Advisor A: "So you have to keep the pace of the process, because incumbents tend to postpone things. They don't make decisions. That is one of the important roles of an advisor... keeping pace of the process."*

Another important task of the process planner is to make sure that the formulated succession plan is matched and in agreement with the accountant of the FB in question. Dealing with accountants is not always an easy task, since accountants have their own ideas about the succession process. To deal in the best interest of the family, the advisors mention that they engage in open conversations with the family accountants. This is illustrated in the following quote:

Advisor D: *When I notice that accountants give advice based on their own views instead of interests of the family, then I will try to steer them to the interests. That way we can jointly talk about interests of the family instead of [accountants] points of view. With the latter, you will not get there.*”

Thus, the process planner obtains a good insight onto the needs of the family and the firm to help the family with formulating a succession plan. During the entire duration of the succession process, the role of a process planner is to keep pace of the process and to streamline the succession plan in accordance with other advisors, such as accountants.

#### 4.3.2 Relation coach

Another important role advisors fulfil during a FB succession process, is the role of a *relation coach*. The relation coach helps the family members to deal with all psychological and relational aspects of a succession process. This includes working with the family members on an individual basis to solve disputes between the family members. This is illustrated in the following quote:

Advisor D: *“Then I started working with only the children. That went very well, because they could bond together since the parents were not there. They started talking about their parents, something they had never done before.” (...)* *“I am very much a psychologist in a way, but I just let people talk to each other and apply certain principles.”*

Furthermore, the relation coach helps individuals to deal with psychological difficulties of the succession process. A large part of this consists of helping the incumbent and the successor to mutually accept their new roles and growing into them. This role is twofold; the incumbent has to be coached to gradually accept his role as ex-leader of the company, as well as coaching the successor to grow in his role as new leader and replacing his predecessor. In this sense, the psychology of a succession process becomes obvious, as it is not just an educational issue, but very much a mind-set issue as well. By individually coaching the incumbent to let go of his company and individually coaching the successor to come to strength and take over the leadership role, the relation coach mentally prepares both parties for the succession process. This includes teaching both parties to properly communicate and listen to each other. By bringing the family together, the relation coach stimulates the successor and incumbent to talk with each other about issues they are reluctant to talk about, especially emotions and possible old grudges. This is illustrated by the following quote:

Successor A: *“The advisor brought us [successor and incumbent] together once every three months. He stimulated that we spoke about everything we disliked about the process and about each other.”*

To be able to fulfil the role of a relation coach, advisors needs to understand all key persons views and personal issues in order to mediate between relational issues and to deal directly with most soft issues which are present. This involves the need for at least a working insight into psychology and the workings of people’s thoughts and opinion-forming processes.

#### 4.3.3 Business coach

During a succession process, the role of the advisor cannot be limited to dealing with relational and emotional issues. To successfully guide the family through the succession process, the advisors have to fulfil the role of an ‘*business coach*’ who has sufficient knowledge about business aspects.

Advisor A: *“..You have to be the one who combines the people and psychological aspects with the business aspects. Because with succession processes, you of course have to handle the business aspects as well. You cannot view them as entirely separate paths.”*

The business coach prepares the family members for the tasks the process planner has defined during the succession planning. This includes determining what qualities are necessary for the next phase of the company and helping to determine what roles the different family members are best suited to. This is illustrated by the following quote:

Advisor B: *“I look at it with a business-minded view. Does he understand the business side?” (...)* Together with the incumbent and successor I will look for the needed competences for the future of the company.”

The business coach teaches the successor what he needs to know about the business and being the new company leader. Furthermore, the business coach fulfills an important role in the shape and form of the actual education of the successor by being able to discuss business related topics. This includes stimulating the incumbent to transfer knowledge towards to successor and showing the capacities of both generations to facilitate a team approach. To be able to assign incumbents to certain tasks, the advisor needs to have sufficient business knowledge and expertise.

#### 4.3.4 Facilitator

Finally, advisors have to fulfill the role of a *'facilitator'*, who facilitates activities, training courses and meetings outside of the company. The facilitator also includes experts and specialists into the process when needed. For instance, Advisor D mentions a case where her expertise in individual coaching or mediating was not sufficient for the psychological problems of one of the successors. Therefore, she sent him to a psychotherapist to work his problems out. This is illustrated in the following quote:

*“So I sat at the table with one of the children and said to him: ‘This is what we are going to do. You are having such a hard time, you need another mentor. An individual mentor and you have to work out your issue.’”*

It is important that advisors act in the best interest of the FB and include external experts and specialists to the process when their expertise is not sufficient for certain aspects. During the interviews, facilitating external assessments to assess the competences of the successor, facilitating (successor) training courses, organizing family meetings including the indirect family, and adding specialists to the process such as family therapists or psychotherapists were frequently mentioned.

#### 4.4 Schematic oversight advisor roles and practices

To bundle the bottlenecks and the way advisors influence them, a table has been devised which is based on the bottlenecks derived from literature and on the roles and practices derived from the results. Table 4 illustrates how the roles and practices of an external advisor can mitigate or overcome the bottlenecks which hinder a successful succession process.

<b>Roles advisor</b>	<u><i>Process planner</i></u>	<u><i>Relation coach</i></u>	<u><i>Business coach</i></u>	<u><i>Facilitator</i></u>
<b>Practices advisor</b>	Gain trust of the family & obtain good insight into the firm	Individual coaching of incumbent & successor about relational and psychological aspects	Individual coaching of incumbent & successor about business aspects	Organizing family meeting with whole family (include indirect family)
	Individual & group conversations with family members	Stimulate internal communication by teaching of	Division of clear roles and tasks (e.g.	Organize teambuilding days

		communication styles & listening	by means of roleplays)	
	Checklist with important aspects of succession process	Stimulate emotional conversations between family members	Testing capabilities of successor	Facilitate external assessment successor
	Keep pace of the process	Break through family hierarchy	Educating successor	Add specialists to the process
	Streamline succession plan with accountant	Show capacities of both generations	Stimulate knowledge transfer from incumbent onto successor	Facilitate successor training course
	Succession scan			
	Formulate succession plan (defining tasks, milestones and future structure of the company)			
<b>Most relevant for bottlenecks*</b>	4	1,2,3,5,6	2,3,5	1,3,6

Table 4. Roles and practices advisors

\*Bottlenecks: 1: Unhealthy family relations 2: Unwillingness of the incumbent to step aside 3: Aptitude and unwillingness of the successor 4: Succession planning 5: Mutual role adjustment 6: Lack of open and honest communication

Interviewees of the successful succession processes (case companies A, B and E) rated their degree of satisfaction with the succession process as ‘great to perfect’. This shows that these companies were able to overcome the six bottlenecks which prevent a FB succession process from becoming a success. A table representing the practices advisors used during the succession processes of the case companies can be found in appendix B. These findings indicate that the formulated propositions at the end of chapter 2.7 are validated.

#### 4.5 Order in bottlenecks

Although this research proposes that all six bottlenecks need to be overcome to realize a successful FB succession process, an order of importance between the bottlenecks was found during the process of data analyzation. First, the most important bottleneck that needs to be overcome is a lack of open and honest communication. Without open and honest communication, it is hard if not impossible to realize healthy family relations. Healthy family relations cannot exist when the family does not communicate, more so; when a family does not communicate, it is very likely that the family relations are not healthy at all (Cesaroni & Sentuti, 2017). The importance of open and honest communication and its impact on family relations is illustrated in the following quote of successor A:

*“Absolutely, the succession process would have been very different without it [conversations about soft issues], then we [incumbent and successor] would have been stuck with unresolved issues.”*

In fact, every bottleneck has one thing in common: they are the product of open and honest communication between the relevant parties. An incumbent will not be willing to step down if he doesn't trust his successor or is not convinced of his capabilities to do so; trust and conviction which cannot exist without proper communication between the two parties (Handler, 1990)(Handler, 1990). The same goes for gauging the aptitude and willingness of the successor. A lack of open and honest communication not only hinders the planning of a succession process, but it can also exacerbate existing grudges and prevent the growth of a successor towards his role as prospective leader (De Massis et al., 2008). And how could the incumbent and the successor mutually adjust their roles if they did not communicate their thoughts and feelings? Therefore, the most important bottleneck that needs to be overcome for a succession process to become a success, is a lack of open and honest communication.

This leads to the second most important bottleneck that needs to be overcome; unhealthy family relations. Although advisors do not solve the bottlenecks in a distinct order necessarily, they all agree that family members first need to be able to cooperate together before they even start to tackle business related aspects. This is illustrated by the following quote of advisor C:

*“That is something I mention very clearly. For me, it is family and individuals first, then the firm. They need to be able to get along, before we even start tackling business aspects.”*

Furthermore, if family issues are not properly resolved, successors can never truly come to strength. This inhibits successors' development, a mutual role adjustment, and the willingness of incumbents to step down. Therefore, overcoming unhealthy family relations is a requirement for solving the other bottlenecks.

Another important observation is that incumbents are only willing to let go of their company if they have gained enough trust in the successor. Apart from successor C, all interviewed successors had outside work experience before they entered the FB. Then they started at the bottom of the company ladder to learn every side of the business. They mention that this helped the incumbent to gain trust in the successor, leading to him being more willing to let go.

Successor A: *"He immediately told me that I did a better job than he did. He noticed that, and he directly let go. It gave him much more ease."*

Trust in successors, however, only establishes when successors prove that they are capable enough of taking over the leadership of the firm and when they prove their willingness and aptitude. This is only possible when successors receive enough space to fulfill responsible tasks, for which a mutual role adjustment is necessary.

Advisor C: *"Real trust in the successor only develops when they [incumbents] see that their children are doing a good job, according to their own ideas [of the incumbent]. That is why it is so important to show them that the successor must have their own ideas. It is not just copy paste."*

Thus, overcoming the bottlenecks 'mutual role adjustment'; 'willingness of the incumbent to step aside' and 'aptitude and unwillingness of the successor' are dependent on each other. If one of these three bottlenecks is not properly solved, the other two bottlenecks will most likely form an obstacle as well. Therefore, these bottlenecks are equally important during a FB succession process and their dependency on each other must be taken into account by advisors.

Lastly, succession planning can be seen as a more stand-alone bottleneck which is less interrelated with the other bottlenecks. Although it is no prerequisite in overcoming the other bottlenecks, succession planning can serve as an important factor. For instance, it serves as a point on the horizon to aim at, it helps family members to communicate about the future of the company and to understand the big picture of the succession process and the necessity for

a team effort. Furthermore, it is useful in keeping pace of the succession process by showing what the next steps are and when it is time for the incumbent to adjust his role or to actually step down as the company leader. The order of importance concerning the six bottlenecks during a FB succession process are illustrated in figure 3.

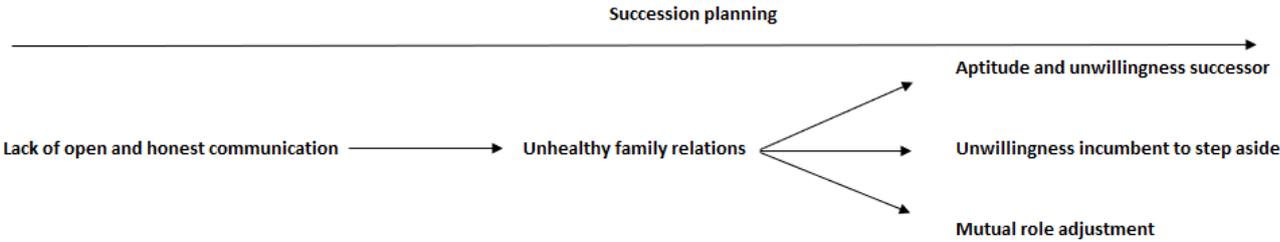


Figure 3. Order of the six bottlenecks of a succession process.

In conclusion, during a FB succession process, advisors should prioritize overcoming the bottlenecks ‘lack of open and honest communication’, followed by ‘unhealthy family relations’. When these bottlenecks form no issue anymore during the process, the bottlenecks ‘aptitude and unwillingness of the successor’, ‘unwillingness of the incumbent to step aside’ and ‘mutual role adjustment’ can be taken to task. Overcoming the bottleneck ‘succession planning’ is not necessary for overcoming the other five bottlenecks, but it does serve as an important supporting system if done correctly. Therefore, and most obvious, overcoming the bottleneck ‘succession planning’ reaps the most benefits if done in the early stages of a FB succession process.

## 5. Conclusion

In the life cycle of a FB, succession forms one of the most important and difficult episodes, as the majority of family businesses do not survive the first succession. To take this hurdle, traditionally self-minded family enterprises nowadays increasingly turn to advisors. However, traditional family business advisors often solely focus on hard issues and do not possess the skillsets required to address the important soft issues regarding topics as emotional attachment to the firm and interfamilial relations which harm the succession process if not properly addressed. Therefore, this research emphasized the importance of the various roles and practices of soft issue-focused external advisors during a FB succession process. To understand how the practices and roles of these advisors contribute to a successful FB succession process, this research identified the soft issue related bottlenecks that need to be overcome for a successful FB succession process according to literature. Thereafter, the practices and roles advisors fulfill to overcome these bottlenecks have been identified by conducting four in-depth qualitative interviews with soft issue-focused external advisors and seven interviews with both incumbents and successors of five case companies which have recently underwent a succession process guided by soft issue-focused external advisors.

The six bottlenecks which hinder a successful FB succession process are; i) unhealthy family relations; ii) unwillingness of the incumbent to step down; iii) aptitude and unwillingness of the successor; iv) succession planning; v) mutual role adjustment and vi) lack of open and honest communication. This research revealed that without overcoming these bottlenecks, a successful leadership transition is very unlikely. Concrete solutions for overcoming the six bottlenecks lie in the various roles advisors fulfil during a FB succession process, which are the roles of a i) process planner, ii) relation coach, iii) business coach and a iv) facilitator.

The *process planner* fulfils an essential part in overcoming the bottleneck ‘succession planning’, by gathering the needed information from the family members to formulate a succession plan. The process planner keeps pace of the process and makes sure that every relevant aspect of the succession process will be taken care of. The *relation coach* is needed to overcome all bottlenecks apart from succession planning by helping family members to deal with the psychological and relational aspects of a succession process. The relation coach puts heavy emphasis on communication between family members. By getting the family to sit at a table, speak their minds and identify either potential or current family issues honestly and openly, such psychological and relational issues can be effectively targeted and resolved. The *business coach* is needed to overcome the bottlenecks ‘unwillingness of the incumbent to step

aside', 'aptitude and unwillingness of the successor', and 'mutual role adjustment'. By helping the family members dealing with all business related aspects of a succession process, the business coach forms an essential part. This includes dividing clear roles and tasks between family members, testing and educating the needed capabilities of successors, and stimulating knowledge transfer from incumbents onto successors. Lastly, the role of a *facilitator* is needed to overcome the bottlenecks 'unhealthy family relations', 'aptitude and unwillingness of the successor' and a 'lack of open and honest communication'. This role consists of facilitating activities, training courses and meetings outside of the company, such as organizing a family meeting with the whole family (indirect family included), organizing teambuilding days, facilitating external assessments for successors, facilitating successor training courses and adding specialists to the process.

By fulfilling these roles and practices, advisors are able to gain the trust of family members; obtain a good insight into families and the firms; break through family hierarchies; test and develop the needed capabilities of successors; stimulate the internal communication between family members; formulate and follow a succession plan and to include a whole family into the process, including in-laws. By this, advisors help FBs to overcome the six soft issue related bottlenecks and therefore contribute to a successful succession process.

The finding that the six soft issue related bottlenecks prevent a FB succession process to become a success, naturally leads to supporting the theory that an advisor with ample attention to the softer, emotional side of a succession process contributes to the chances of a successful FB succession process. More so, this conclusion is supported by the fact that, as became clear in the introduction, the majority of FB successions lead to failure, yet almost all successions guided by the interviewed advisors have led to success.

## 6. Discussion

In this chapter, the theoretical and practical implications of the results will be discussed.

Thereafter, the limitations of this research will be mentioned and research suggestions will be given.

### 6.1 Theoretical implications

This thesis was conducted to understand how the roles and practices of external advisors, who help to deal with the soft issues of FB succession processes, contribute to a successful FB succession. This goal was inspired by Cesaroni & Sentuti (2017), who shed light on the importance of soft issues during FB succession processes and found that FBs often complain about their advisors' (often accountants) poor attention to soft issues. Furthermore, they found that several FBs are willing to involve 'unconventional' advisors, such as psychologists, coaches, mentors and facilitators to support them with dealing with soft issues regarding to communication and relational aspects between the family members. Surprisingly, the role soft issue-focused advisors fulfil during FB succession processes is understudied and from a research perspective it is not clear what FB advisors really do and how they bring value to the firm (Reay et al., 2013).

To that end, this thesis contributes to the limited literature about soft issues and external advisor involvement during FB succession processes and fills this research gap by shedding light on how the roles and practices of external advisors contribute to a successful FB succession process. By alternating between the roles of a *process planner*, *relation coach*, *business coach* and a *facilitator*, advisors fulfil various practices that help FBs with overcoming the six soft issue related bottlenecks i) unhealthy family relations; ii) unwillingness of the incumbent to step aside iii) aptitude and unwillingness of the successor iv) succession planning; v) mutual role adjustment; and vi) lack of open and honest communication, which form an obstacle to the success of FB succession processes.

Furthermore, this research is an extension to literature about the general knowledge of roles and practices of FB advisors in various ways. First, the results of this research are in line with the four themes Reay et al., (2013) have stipulated as being recurrent in literature about external FB advise. These themes; i) gaining trust of the family, ii) be finely tuned towards the family, iii) fulfill different roles and iv) having a positive influence on familial aspects of a FB, also apply to external advise during FB succession processes, as found in the results of

this study. Furthermore, this study extends the aforementioned literature by showing exactly *how* external advisors meet these themes during FB succession processes.

Second, the findings of this thesis are a corroboration to Strike's (2013) work about how MTAs, who professionally work with the FB for a long duration of time, capture and influence family members' attention and facilitate collective action. This thesis shows that this theory is also applicable for external advisors who are hired for a short period of time (e.g. during a succession process). More concretely, the results of this thesis show how external advisors can gain the trust of the family members in order to capture attention and become a listened-to voice within the firm, by showing that they can contradict the boss. This allows advisors to operate from an independent position where they are able to influence the attention of family members and facilitate collective action. This is done by means of various practices, such as formulating a succession plan and facilitating teambuilding days.

Lastly, one remarkable finding is that a large part of relevant literature about FB succession processes refers to a distinct phasing in the family business succession process (Brockhaus, 2004; Le Breton-Miller et al., 2004; Michel, 2016). This phasing is not clearly experienced by business owners and is not very prevalent in the experiences of advisors. This could be explained by the difference between the perspective of people 'on the ground' and that of business scientists which may be able to see the process from a higher helicopter view. In other words, the phases may be there, but may not be clearly visible to the people actually going through these phases.

## 6.2 Practical implications

The aforementioned implications are also important for practice. First, the results of this thesis suggest that indeed the services of an advisor with a keen eye for soft issues could be a key element in securing a successful FB succession process and could therefore be strongly recommended to a FB on the verge of initiating such a succession process. For the same reason are these notions relevant for external FB advisors as well. Traditional FB advisors (often accountants and lawyers who serve the FB for a long duration of time) could add a lot of value to their services if they learn how they can help FBs dealing with soft issues. Furthermore, the results are relevant for soft issue focused-advisors as well. For one, by linking theory to practice and giving voice to their important role during FB succession processes. Second, by showing an order of importance between the various bottlenecks which suggests that they should probably prioritize dealing with communicational issues followed

by relational issues, before they intend to deal with the business related aspects of a FB succession process.

### 6.3 Limitations and research suggestions

This thesis has several limitations. First of all, the results of this study are for the most part descriptive and limited to the experiences and perceptions of the interviewed advisors, successors and incumbents. Since some arguments are based on a single quote, the findings can only serve as ‘first insights’ into the contribution of advisors roles and practices on the success of FB successions. What is more, the interview questions were based on a very broad perspective of FB advisory influence. After the data collection process, the scope of this research was narrowed to the roles and employed practices of advisors. Thus, in retrospect, the interview questions should have been more pointed towards the actual practices advisors employed to contribute to a successful succession. Furthermore, the six identified bottlenecks derived from literature are validated by the interviewed advisors, incumbents and successors, but they might not be comprehensive enough for all FB succession processes. Therefore, more research is needed to test whether the identified roles and practices of advisors suffice for overcoming the six bottlenecks during other FB succession processes and to test whether these six bottlenecks are indeed the most important factors in preventing FB succession success.

Another important notion is that case company C knew a failed succession process while using the services of an accountant. Although this case served as a reference point to the cases who used the services of soft issue-focused advisors, the failure of this succession process might have biased my perspective towards the necessity of soft issue-focused external advise for FBs. In line with this, the case companies advised by soft issue-focused external advisors only represent successful transitions, proven by the fact they are still in existence. Further research is therefore recommended and it could add a valuable extra dimension by interviewing and incorporating incumbents and successors involved in failed succession attempts while using the services of a soft issue focused-advisors. Furthermore, the advisors interviewed in this research inevitably have experienced failed successions during their careers or at the very least heard of them from within their field of work. However, there may be some reluctance to speak about failure, as successful transitions represent their livelihood and, on top of that, some advisors have admitted that they are reluctant to take on cases they deem to have little chance of success. Thus, it is important to take into account the possible bias of the data.

Lastly, the FBs and advisors which form the base of this research are all located in the Netherlands and therefore the research scope is limited to Dutch FBs and advisors. For this reason, it could be interesting to research different countries and take into account cultural differences and differences in economic situations, as well as other factors which may vary between countries. All in all, Dutch FB successors who will be selected based on kinship rather than pure meritocracy will foresee a more fruitful future compared to their companions who did not have the opportunity to involve external soft issue-focused expertise into their succession process.

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## Appendix

### A. Case company information

- **Company A:** This company specialises in physical visual media such as illuminated billboards, printed banners and wall advertising, as well as car lettering neon letters. The company has high-profile customers like government agencies and larger companies and provides customised solutions. During their succession process they were advised by a register accountant with a keen eye on soft issues and an business coach.
  - Interviewed: Successor A
  - Age: 33
  - Generation: 2<sup>nd</sup>
  - Founding year: 1988
  - Beginning of transition: 2012
  - Actual succession: 2018 (successful)
  - Employees: 28
  
- **Company B:** This company is specialised in industrial automation of cranes, bridges and sluices, both installation and maintenance. The company also installs ship electronics for all types of ships and provides infrastructural solutions such as waterway signals, railway switch heating and infrastructural maintenance. From this company, both the incumbent and the successor have been interviewed, giving valuable insight in both perspectives. The company has also hired a coach to aid in the succession process. Although the transition process planning has been finished, the succession as a whole is still underway, with the successor gradually taking over the roles of his father, who as of now remains the director of this company.
  - Interviewed: Incumbent B, Successor B
  - Age: 61 and 36
  - Generation: 1<sup>st</sup> and 2<sup>nd</sup>
  - Founding year: 1998
  - Beginning of transition: 2014-2015
  - Actual succession: 2017 (although not fully completed)

- Employees: 25
- **Company C:** A family-owned installation company. It provides a broad array of installation services, such as electricity, roofing, sustainability solutions, security and maintenance. This company is one of the cases in which the transition did not result in a smooth succession, which provides a valuable counterbalance to the success stories of some other companies. Although initially, an advisor was hired, his services were rejected after two years and the business accountant became the advisor. In the end, family issues and divergent motives proved insurmountable. The company still exists, but one of the intended successors and the incumbent left the company, which is now run by the successor's brothers. This succession process is considered unsuccessful.
- Interviewed: Successor C (intended successor)
  - Age: 36
  - Generation: 2<sup>nd</sup>
  - Founding year: 1979
  - Beginning of transition: 2004
  - Actual succession: 2009 (although the interviewee and his father left the company due to issues)
  - Employees: 20 (at the time of succession, now 12)
- **Company D:** A family-owned vacation and recreation park located in the central Netherlands, which focuses on holiday-goers who like to recreate in nature, go on bicycle rides and partake in sports and game activities, as well as family vacations with smaller children. Over the past decades, the park has expanded and became a locally well-known venue. The company existed before the 1<sup>st</sup> generation acquired it, and the company is as of now in the middle of a succession process to transfer leadership onto the 3<sup>rd</sup> generation. The first transition, which took place in 1980, has been successful, so the company already belongs to a minority in the world of multi-generational FBs.
- Interviewed: Incumbent D, Successor D
  - Age: 67 and 36
  - Generation: 2<sup>nd</sup> and 3<sup>rd</sup>

- Founding year: 1965/66 (date of acquisition by the grandfather, the company already existed)
  - Beginning of transition: 2018
  - Actual succession: 2020 (planned)
  - Employees: circa 20 regular employees and circa 20 seasonal workers
- **Company E:** This company is specialised in the development of palletizing machines. As an exception on all other cases, this company has three successors. Two of which are sons of the incumbent, fulfilling management roles. The third person, the current CEO of the company, is not related to the incumbent. All three successors and the incumbent each currently own 25% of the company shares. For their succession process, this company used the services of the same advisory bureau as company B.
- Interviewed: Incumbent E
  - Age: 64
  - Generation: 1<sup>st</sup>
  - Founding year: 1991
  - Beginning of transition: 2012
  - Actual succession: 1-10-2016
  - Employees: 49

## B. Case companies, bottlenecks, advisor practices

A table with a presentation of the bottlenecks which were no issue for the case companies, and what practices of the advisor led to the realization of the other bottlenecks:

	Bottlenecks that formed no issue	Practices advisor	Bottlenecks overcome after intervention with advisor
Case A – successful succession	2, 5	External assessment Training course successor One-on-one conversations & group conversations Involve indirect family Coaching of successor Organizing teambuilding days	1, 3, 4, 6
Case B – succession in progress	1,2,5	External assessments Successor training course Involve indirect family Individual coaching successor Individual training successor [business aspects] Expertise with restructuring company during succession planning	3,4,6
Case C* – failed succession	-	-	-

Case D** – succession in progress	-	External assessment  One-on-one conversations and group conversations	1, 3
Case E*** – successful succession	2, 5	External assessment Role plays Division of clear roles and tasks Involve indirect family Attending shareholder meetings Expertise with restructuring company during succession planning	1, 3, 4

Bottlenecks:

- 1: Unhealthy family relations
- 2: Unwillingness of the incumbent to step aside
- 3: Aptitude and unwillingness of the successor
- 4: Succession planning
- 5: Mutual role adjustment
- 6: Lack of open and honest communication

\*Case C: All bottlenecks formed an obstacle for the succession process. These bottlenecks have not been overcome. Hence the failed succession process.

\*\*Case D: The succession process had just started (1 month), therefore, information about bottlenecks 2,4,5,6 was not found.

\*\*\*Case E: Information about bottleneck 6 was not found during the data analysis.

### C. Overarching themes practices

Gaining trust of the family → i) one-on-one conversations with family members followed by group conversations

ii) show that they can contradict the boss

iii) Secure commitment and warn about the hardships to come

Obtaining good insight into the firm → i) one-on-one conversations followed by group conversations

ii) constantly checking own assumptions by asking questions

Break through family hierarchy → i) organizing teambuilding days

ii) individual coaching (stand up for the successor)

iii) division of clear roles and tasks

Testing capabilities of successor → i) assessments

ii) roleplays

iii) one-on-one conversations

Educating successor → i) facilitate successor training courses

ii) stimulate incumbent to transfer knowledge onto successor

iii) mentoring successor

Stimulate internal communication → i) facilitate conversations about emotions

ii) facilitate training courses

iii) teaching of communication styles (+listening)

Planning horizon → i) orientational succession scan

iii) checklist with hard issues

iv) open conversations with accountant

Including indirect family into the process → i) organizing family meetings with whole family (in-law family included)

ii) one-on-one interviews with indirect family members

## D. Interview guide advisors

### Fasen

- Kunt u merken dat er verschillende fasen zijn in het opvolgingsproces binnen een familiebedrijf, of brengt u deze misschien bewust aan?
- Zo ja, welke fasen kunt u hierin onderscheiden?
- Verschilt volgens u de fasering tussen verschillende bedrijven?
- Wat zijn volgens u kenmerken van deze verschillende fasen? Is er een duidelijke afbakening tussen de fasen of gaat het om een in elkaar overvloeiend proces?
- Wat zijn volgens u per fase de belangrijkste uitdagingen?

### Rollen

- In welk type van adviserende diensten specialiseert u zich? Meer traditioneel bedrijfsadvies of diensten die op de soft issues zijn gericht?
- Hoe zou u de rol van adviseur in een opvolgingsproces binnen een familiebedrijf zelf kort omschrijven?
- Kunt u enkele concrete zaken opnoemen die u als specialist op het gebied van opvolging in familiebedrijven onderscheiden van meer reguliere adviseurs?
- Verschilt uw rol per bedrijf en per fase in het opvolgingsproces? Waarvan is dit veelal afhankelijk?
- Is uw adviserende rol doorgaans meer formeel of meer informeel beschreven? Hoe ziet een typische verwachting van een bedrijf dat u adviseert er ongeveer uit?

### Soft issues

- Kent u bedrijven die u adviseert meestal al langer, wordt u veelal specifiek ingeschakeld voor het opvolgingsproces, of verschilt dit sterk?
- Wordt het adviesproces vaak gestart op basis van een specifiek probleem of doel, of is er vaak sprake van een meer algemene wens tot transitie?
- Hoe gaat u concreet om met familie zaken en hoe benadert u de emotionele kant van het familiebedrijf?
- Hoe gaat u om met de overlap tussen familie en zaken, zoals die zich veel voordoet bij familiebedrijven?
- Komt het veel voor dat een incumbent helemaal niet bereidwillig is om op te stappen? Kunt u hier voorbeelden van geven? Hoe beïnvloedt dit de slagingskans van een opvolging?
- Komt het veel voor dat een successor helemaal niet geïnteresseerd is om zijn om op te volgen? Kunt u hier voorbeelden van geven? Hoe beïnvloedt dit de slagingskans van een opvolging?
- Kunt u een situatie beschrijven waarin soft issues en familie zaken een bijzonder grote rol hebben gespeeld en hoe ging u hiermee om?

- Heeft u naar eigen inzicht wel eens inschattingfouten gemaakt in de omgang met soft issues? Kunt u daarvan een voorbeeld geven? Hoe heeft dit het opvolgingsproces toen beïnvloed?
- Zijn er terugkerende thema's, of 'soorten' van relaties tussen incumbent en successor? Zo ja, kunt u enkele van die 'soorten' kort omschrijven en eventueel aangeven welke invloed dit heeft op de manier waarop u advies geeft en op de slagingskans van een opvolging?

### **Factoren**

- Als u een typisch geval van een succesvolle opvolging vergelijkt met een typisch geval van een mislukte, wat valt dan het meeste op? Zijn er bepaalde factoren aan te merken die een opvolging 'maken of breken'?
- Welke elementen moeten hoe dan ook aanwezig zijn voor een succesvolle opvolging? Welke elementen garanderen vrijwel dat een opvolging niet goed gaat?
- Wat vindt u zelf belangrijk om te benadrukken wanneer u een opvolgingsproces begeleidt? Is er een gouden tip die u meegeeft aan een familiebedrijf dat u inschakelt? Zijn er zaken waardoor u van begin af aan al weet of iets kans van slagen heeft of juist niet?

## E. Interview guide incumbents & successors

### Introductie

- Naam:
- Leeftijd:
- Hoeveelste generatie:
- Bedrijfsnaam:
- Aantal werknemers:
- Jaar van oprichting bedrijf:
- Start overnameproces (jaar):
- Daadwerkelijke overname (jaar):

### Fasen

- Kunt u merken dat er verschillende fasen waren in het opvolgingsproces binnen uw familiebedrijf?
- Zo ja, welke fasen kunt u hierin onderscheiden?
- Vond u deze fasering logisch en was u het hiermee eens? Werden deze fasen van tevoren door de adviseur gecommuniceerd of heeft u ze meer zelf ontwaard?
- Wat waren volgens u kenmerken van deze verschillende fasen? Was er een duidelijke afbakening tussen de fasen of gaat het om een in elkaar overvloeiend proces?
- Wat waren volgens u per fase de belangrijkste uitdagingen?

### Rollen

- Hoe zou u de rol van de adviseur in uw opvolgingsproces zelf kort omschrijven?
- Kunt u enkele concrete zaken opnoemen waarin de adviseur zijn of haar specialisatie in opvolgingsprocessen binnen familiebedrijven heeft getoond?
- Wie heeft er het sterkst de wens geuit voor het inschakelen van een adviseur? Was u dit, uw opvolger of is de beslissing door beiden in gelijke mate gemaakt?
- Hoe verhiel volgens u de rol die de adviseur naar u toe vervulde ten opzichte van de rol die deze naar uw opvolger vervulde. Was het verschil hiertussen groot?
- Is er duidelijke scheiding aangebracht tussen advies naar u toe, naar uw opvolger of naar beiden tegelijk, of zijn alle 'sessies' gedrieën gehouden?
- Was de rol van de adviseur meer formeel of meer informeel beschreven? Heeft u hierover duidelijke afspraken gemaakt of niet zo zeer?

### Soft issues

- Kende u de adviseur al langer, of is deze specifiek ingeschakeld voor het opvolgingsproces?
- Werd het adviesproces gestart op basis van een specifiek probleem of doel, of was er sprake van een meer algemene wens tot opvolging?

- Hoe ging de adviseur volgens u concreet om met familiezaken en hoe benaderde deze de emotionele, menselijke kant van het familiebedrijf?
- Hoe ging de adviseur om met de overlap tussen familie en zaken, zoals die zich veel voordoet bij familiebedrijven? Heeft dit volgens u invloed gehad op het slagen van de opvolging?
- Was u bereid om op te stappen? Zo nee, hoe heeft u hier een ontwikkeling in doorgemaakt en kunt u deze kort beschrijven? Hoe heeft dit volgens u bijgedragen aan slaging?
- Was uw opvolger bereid om u op te volgen? Zo nee, hoe heeft hij hier een ontwikkeling in doorgemaakt en kunt u deze kort beschrijven? Hoe heeft dit volgens u bijgedragen aan slaging?
- Kunt u een situatie beschrijven waarin soft issues en familiezaken een grote rol hebben gespeeld in het opvolgingsproces en hoe gingen u, uw opvolger en uw adviseur hiermee om?
- Zijn er naar uw inzicht kleine of grote inschattingfouten gemaakt in de omgang met soft issues? Kunt u daarvan een voorbeeld geven? Hoe heeft dit het opvolgingsproces toen beïnvloed?
- Hoe denkt u dat de aandacht voor deze soft issues de slagingskansen van de opvolging heeft beïnvloed?

### **Factoren**

- Welke factoren hebben volgens u gezorgd voor een geslaagde opvolging?
- Wat is er gebeurd en gedaan, dat volgens u absoluut onmisbaar is geweest voor het slagen?
- Welke mogelijke valkuilen die mislukking zouden kunnen veroorzaken zijn bewust vermeden?
- Wat heeft de adviseur sterk benadrukt als belangrijke zaken voor een geslaagde opvolging? Is er een gouden tip die is meegegeven aan u en uw opvolger?

F. Questionnaire as an add-on to the qualitative interviews with advisors, incumbents and successors

Vraag	Antwoord
Hoe schat u de invloed van soft issues op de slagingskans van een opvolgingsproces in?	<input type="radio"/> Van geen enkel belang <input type="radio"/> Vrijwel onbelangrijk <input type="radio"/> Niet erg belangrijk <input type="radio"/> Enigszins belangrijk <input type="radio"/> Belangrijk <input type="radio"/> Essentieel
In hoeverre was de opgevolgde bereid om een stap opzij te doen en de opvolger volledig het bedrijf over te laten nemen?	<input type="radio"/> Zeer slecht <input type="radio"/> Slecht <input type="radio"/> Matig <input type="radio"/> Voldoende <input type="radio"/> Goed <input type="radio"/> Uitstekend
In hoeverre was de opvolger bereid om het bedrijf over te nemen?	<input type="radio"/> Zeer slecht <input type="radio"/> Slecht <input type="radio"/> Matig <input type="radio"/> Voldoende <input type="radio"/> Goed <input type="radio"/> Uitstekend
In welke mate was er overeenstemming binnen de familie over de betrokkenheid van de familie binnen het bedrijf na de opvolging?	<input type="radio"/> Geheel geen <input type="radio"/> Erg weinig <input type="radio"/> Onvoldoende <input type="radio"/> Voldoende <input type="radio"/> Veel <input type="radio"/> Unaniem
In hoeverre accepteerde de opgevolgde zijn of haar verandering in rol (van directeur naar ex-directeur) tijdens het opvolgingsproces?	<input type="radio"/> Zeer slecht <input type="radio"/> Slecht <input type="radio"/> Matig <input type="radio"/> Voldoende <input type="radio"/> Goed <input type="radio"/> Uitstekend
In hoeverre accepteerde de opvolger zijn of haar verandering in rol (van ondergeschikte naar directeur) tijdens het opvolgingsproces?	<input type="radio"/> Zeer slecht <input type="radio"/> Slecht <input type="radio"/> Matig <input type="radio"/> Voldoende <input type="radio"/> Goed <input type="radio"/> Uitstekend
In hoeverre accepteerde de adviseur zijn of haar rol (bijvoorbeeld zuiver adviserend, meer intensief coachend en trainend of volledig leidend) zoals werd verlangd door de opdrachtgevers?	<input type="radio"/> Zeer slecht <input type="radio"/> Slecht <input type="radio"/> Matig <input type="radio"/> Voldoende <input type="radio"/> Goed <input type="radio"/> Uitstekend
In welke mate werd de opvolging van tevoren gepland?	<input type="radio"/> Geen enkele planning <input type="radio"/> Erg vaag <input type="radio"/> Enkele hoofdlijnen <input type="radio"/> Hoofdlijnen en enkele concrete zaken <input type="radio"/> Zeer concreet <input type="radio"/> Minutieus
Hoe tevreden was u over de opvolging?	<input type="radio"/> De opvolging is geheel mislukt <input type="radio"/> Zeer ontevreden <input type="radio"/> Enigszins ontevreden <input type="radio"/> Enigszins tevreden <input type="radio"/> Zeer tevreden <input type="radio"/> De opvolging had niet beter gekund