

Burt, the CFO of an \$8 million regional engineering firm was waking up in the night with worry.

He knew the firm's commercial bank was serious when they informed him that they would pull the firm's line of credit when Burt retired. Their bankers knew the firm's Partners and didn't believe there was enough glue to hold their 80-person firm together without Burt's day-to-day, hands on leadership.

Burt was not just the CFO. He served as the Strategic Thinking Partner to many key leaders within the firm. Plus, Burt also was the facilitator for the Senior Partners when they came together to discuss financials, business development, marketing and staffing which was infrequent.

The other worry Burt had during the middle of the night was the growth of the firm. The founder, Edward, was still bringing in 80% of the revenue for his 25-year old firm. Edward had not prepared for his own retirement which was mandatory in 15-years at age 75. The reality was that Edward was in denial about his current role and almost delusional about any future transitions that would need to occur in ownership, leadership, and management.

Burt knew he had to do something but what? He knew and trusted an Advisor to Businesses in Transition who had offered a discounted needs assessment so he reached out. Working in close partnership with this Advisor for the next two years, the firm's founder, Edward was able to move into much more inclusive and collaborative roles with the other 3 Partners as well as their 22 Junior Partners who were leading the engineering teams and client projects.

Here are the 3 things Edward, Burt and their team did with the Advisor's help:

1. Focus on the Big Picture

- What was the Edward's vision for the future of his firm?
- How would he be able to let go of what felt like his oldest child?
- What were his financial and professional objectives?
- What kind of legacy did he want to leave?
- Who were the potential buyers?
- What were the Buyer's objectives?
- What do they envision from this transaction?
- How could they all find the time to invest in building connections with each other and ask questions to gain a full understanding?

The Advisor helped them see when you focus on the big picture, by gaining an understanding of others' motivations and goals; you have a much greater likelihood of success. It's only when we are unaware of what others want that opportunities are lost. If we know what motivates others, we can easily drive a successful transaction that grows shareholder value.

It is not rocket science. Obstacles will occur. Challenges will emerge, often daily. If you have a strong personal connection with all the players and an understanding of the big picture for each of them, it's not difficult to find common ground and focus on the common good.

2. Assess the Current and Proposed Leadership Team

So many leaders, especially in our world today, have emerged as leaders who do not have the personal nor professional maturity to lead organizations during periods of intense change.

Edward was not demonstrating that he had the capacity to lead through this transition. However, with help from the Advisor, he stepped up and surprised everyone.

Edward then invested in his 22 Junior Partners. He took personal responsibility for their lack of success in business development and project management. He engaged them more consistently. He asked questions and connected with them in more meaningful ways.

As a result, 6 Junior Partners self-selected off the team within the first 90-days. They did not like the accountability that Edward casually built into his regular chats with them.

Two other Junior Partners selected, over the next year, either a step sideways into a senior technical role or a step backwards into a Project Manager role. Edward and Burt supported each fully when they came to this realization that they were better suited for different roles.

Edward and Burt learned to invest the time and find the tools to assess each key player.

- Are they good communicators?
- Do they take the time to clarify their expectations and objectives so others can easily understand?
- Do they create an environment where others feel safe to share their slightest concerns?
- Do they tend to bring out the best in others?

If you see any indicator that the proposed leadership team lacks the ability to drive the transaction, integration and the needed post-transaction results, the time to ask questions and assess those leaders is sooner rather than later. Problems do not resolve themselves with age; they only get worse.

3. Use a Strategic Approach

When we are busy with back-to-back meetings and travel, we are at risk for reacting

to others and their agenda. If we want to drive successful transactions, we must invest in strategic think time regularly. When a deal is going to go south, there are red flags and key indicators appearing early and often. Think of a small burning ember. Wouldn't you want to extinguish that ember instead of waiting for a forest fire? Investing time to reflect on the other parties' comments, your own colleagues concerns and your intuition can provide a landmine of insights and opportunities for clarification.

By taking a proactive approach, you can eliminate surprises and disappointments down the road.

You will also be able to have more options in dealing with challenges in advance, when they are only a small burning ember, which is easy to extinguish. It can be costly and burdensome to deal with an explosion and sometimes a deal cannot be reconstructed, no matter how much effort you invest.

Burt, Edward and their Advisor dissected every single challenge with every project and client and leader. They quickly identified the top 14 key players to lead the firm into the future. Once an environment was created, these guys grew the firm by 3x.

Burt and Edward, as Partners were thrilled with the value when they each got ready to sell their interest and retire.

About Katharine Halpin

Katharine Halpin has been facilitating C-level transitions and corporate transactions since 1995 when she left her CPA career to fill a void she had seen everyday. With a narrow focus on legal and financial aspects only, organizations need leaders who can provide both strategic leadership and strategic management. Katharine founded The Halpin Companies to help fill this void and close, the Growth Gaps™, those things that stand in the way of accelerated corporate growth.

At The Halpin Companies, we've proven that transitions don't have to be painful. Companies that use our methods don't just survive – they thrive. In fact, many of our clients experience 2x-3x growth rates because they've applied our one-of-a-kind methodology. Katharine can be reached at 602-266-1961 or K.Halpin@HalpinCompany.com