

Succession Planning in the Face of Family Illness

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Succession Planning

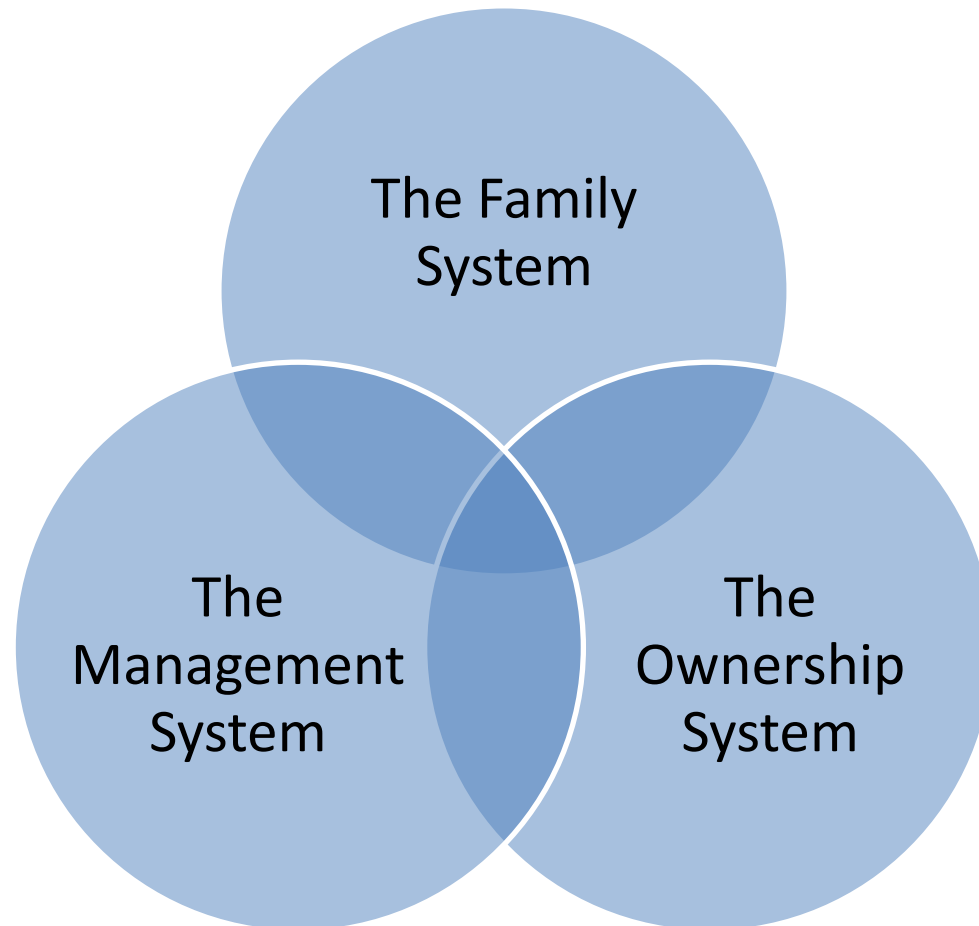
“The lack of succession planning has been identified as one of the most important reasons why many first-generation family firms do not survive their founders”.

“It is very unlikely that a first-generation family firm can mobilize itself for succession planning unless the founder is willing. In a very real sense, the founder retains his power to perpetuate or destroy his life creation right up to the very end”.

Ivan Lansberg

The Succession Conspiracy

The Environment



The Traditional View

What is likely to happen in the family?

What is likely to happen in the business? Is it going to be viable?

What would happen today if the founder died unexpectedly?

How would the outside world (for example, banks, critical suppliers, clients) react?

What would happen from the point of view of the ownership, management and the estate?

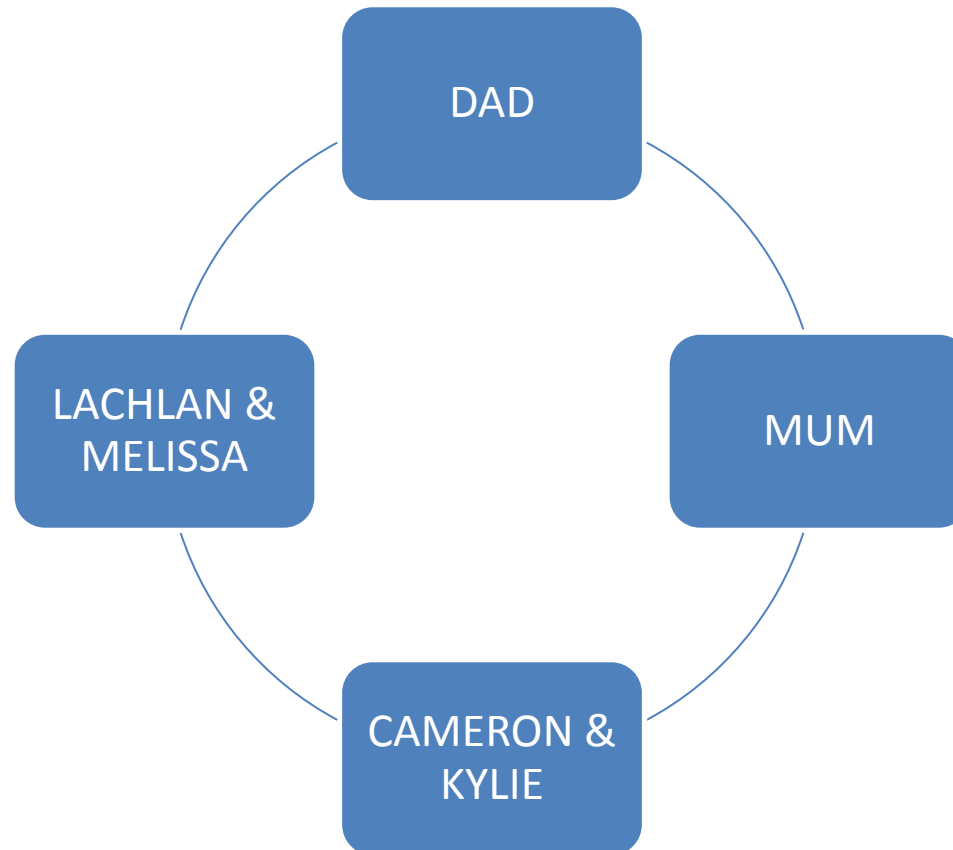
My father

Motor Neurone Disease

His story so far...

What next...?

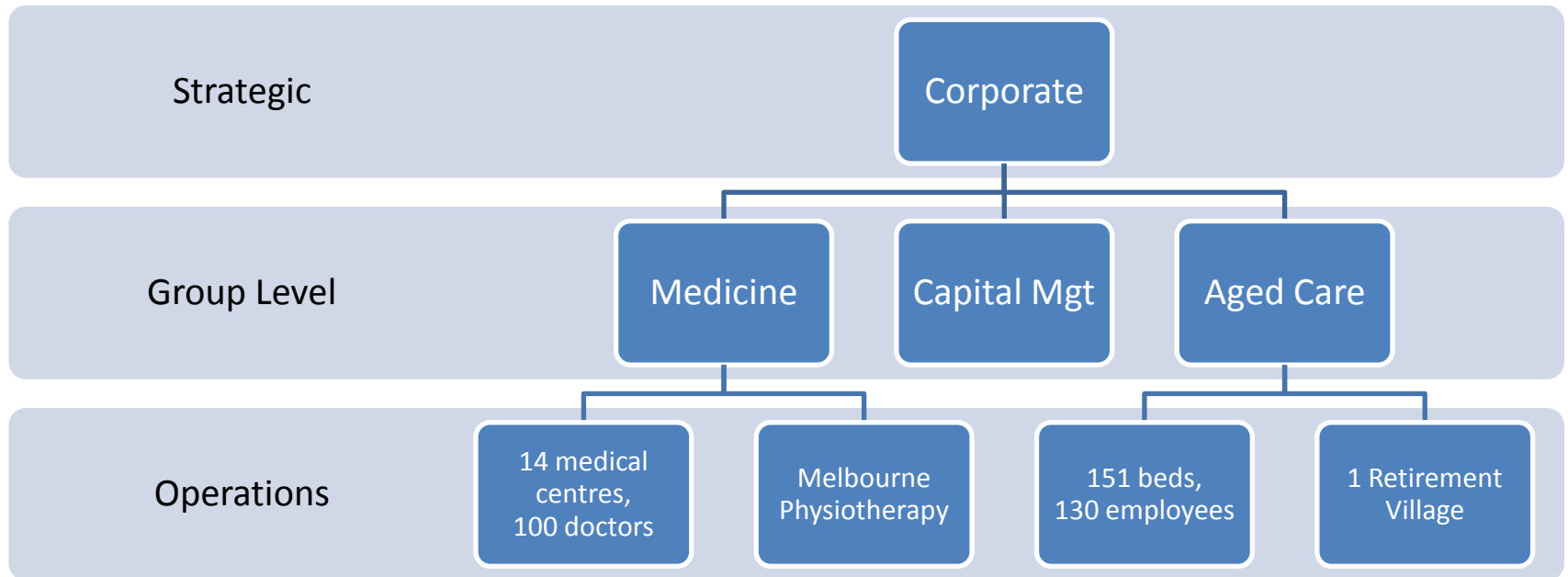
Family – who are the stakeholders



Academic View

- Formulate and share a viable vision for the future
- Select & train a successor (as well as a top mgt team)
- Design a process for transferring;
 - Power
 - Control
 - Authority
- Develop an estate plan
- Define what structures appropriate for managing change e.g. family council, management task force, board of directors
- Educate the family – rights & responsibilities

MACG – business units & history



2008 - present

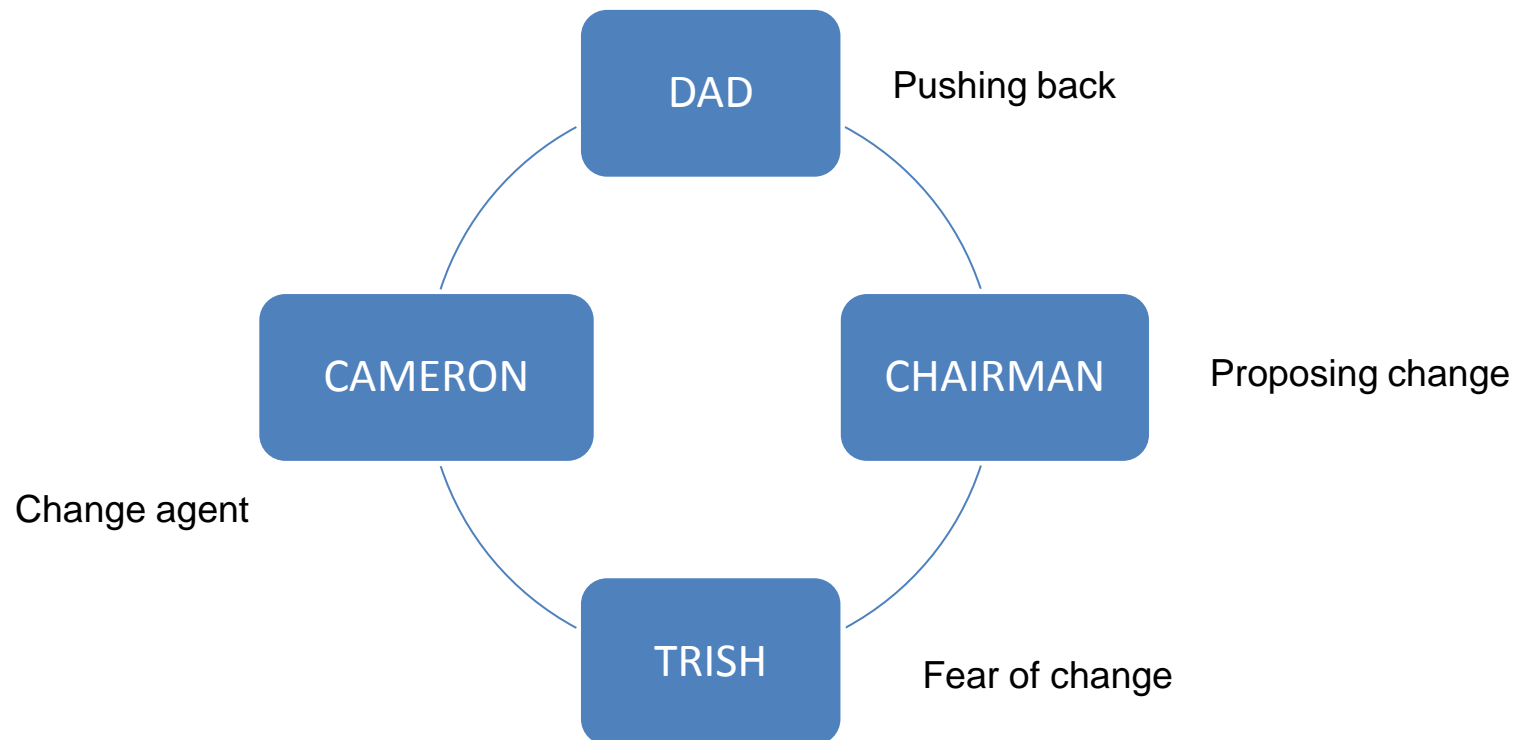
Key business milestones/events & initiatives

Achievements

Challenges

MACG - Current situation

stakeholder motivations and aspirations



The Future...

Our succession plan

The opportunities

The threats

Key lessons

Be honest...really honest!!!

- Elephant in the room which must not be ignored

Communication between stakeholders

- Don't make assumptions
- Uncover expectations and aspirations

Respect the founder

Planning & Next Gen Education

- core skills and family values

Key lessons

Support network

- i.e. FBA, Independent Chairperson, family friend you trust

Mitigate all risk

- i.e. seek experts in family business succession planning to audit what's in place & assist in guiding a plan

Use the time you still have with your parents well

Thank you