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## Succession and Exit Strategies: When to Bring in an Interim Executive

Hiring an interim leader can help your family business bridge the gap between generations, tackle significant changes in your operations, help prepare the business for sale, or simply give you time to conduct a proper executive search for your successor. While interim leaders are a valuable tool, you need to make sure that the role and goals are clearly defined and that expectations are understood by everyone up front.



In a fast-moving world full of mergers, acquisitions, left-turns, and unknowns, leadership stability is critical to survival and long-term success. Yet, it is difficult to predict. Whether planning for the future or facing urgent unexpected circumstances, the advice we give our clients is consistent: focusing on the “exit” at the detriment of the “strategy” is often the road to failure. Interim executives are an excellent option in many “exit” scenarios, allowing companies to take a breath and develop a strategy for the future without sacrificing day-to-day leadership of the business.

### ***If 2020 has taught us anything, it's how to deal with change.***

Businesses and leaders across geographies and industries have been forced to face change head-on, adapting to keep businesses afloat, employees, safe, and to mitigate disruption across the board.

COVID-19 has also impacted exit strategies and executive turn over in private enterprises large and small:

- There is a sea-change within executive circles with current leaders leaving their roles and leaving behind gaps in corporate succession.
- Companies are looking to seize on the changes in market, and require creative and flexible executives to meet new challenges.
- Many companies are preparing for sale, or other significant changes in ownership, that require careful leadership and follow through.

Over the past year and half, we have been helping companies who are looking at how to divest, reinvest or adapt to ride the post-COVID wave into calmer waters, and a major part that work has been creating talent solutions that help our family business clients form a bridge that connects one generation of leadership to the next.

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If you are a business owner or leader, it is important to set up continuity options on how to move yourself and your company forward in your absence. When thrown a curveball, an Interim CXO can be the perfect solution to carry your business from “A to B”. S/he will provide crucial structure at the executive level, be accountable for results, and give your employees an anchor for the future.

*We've found our family-run clients are looking at exit strategies as a part of their succession and leadership continuity plans to guide through generational change and prepare for the future.*

## **The Value of an Interim Executive in a Family Business**

Hiring an interim leader has been an oft-quoted stop-gap for management teams who need a placeholder in a crisis. When used correctly, we've found when interim recruitment is a natural part of change management, and when the right person is found to take on this unique role, they become an integral part of redefining company goals, re-establishing purpose in a new generation, and providing timely and essential feedback on company processes and professionalism. All of which, of course, are vital in understanding company health and moving your family business forward.

### **Who are interim leaders?**

Interim leaders are a unique subcategory of executive level leaders, typically former consultants or C-suite level professionals, business owners and corporate leaders who work across a portfolio of short-term, interim placements.

They are incredibly experienced, fastidious and diligent managers and natural leaders. They also all, crucially, understand their value and their place within the ecosystem of CXOs: they are not permanent, so their focus and attention is on execution, continuity, and meeting the needs of your exit strategy. Their value is inherently tied to their lack of permanence, and many senior executives love the unique challenges offered by interim positions.

They are driven, personable, adaptable and generally have the boundless perspective of multi-market experiences. They are journeymen of the highest regard and can provide a wide array of context-rich advice for the company that engages them.



**There are two key points in defining your exit strategy: Expectations and Goals.**

### **Examine Your Expectations. And those of Your Interim Leader**

No matter the state of your company, when change is afoot, leadership has to steady the boat, and you need to set the right expectations for your interim leader and your company. Exit strategies are also times of intense emotional involvement at senior and board levels while your company continues to operate at full bore.

At family run firms, often where the leadership team consists of an eponymous founder, and siblings or children of, exit strategies are disconcerting, and factoring in a third-party leader can be challenging. But the beauty of interim leadership is in the flexibility and accessibility of hire and setting expectations - interim leaders work from the inside-out, and are by nature transformational. They can bridge the gap between family and non-family executives, and

prepare the ground for the next generation to take a leadership role. They will both set and embody the expectation of change by virtue of their professionalism.

## Define your Exit Goals

Setting the right expectation for your interim leader's day-to-day responsibilities is indeed vital, but knowing *why* you're bringing them in sets the tone and message for everyone in the business.

It's essential to understand what you need from an interim leader and strategize how your interim leader will help you. Ideally, this should be set in stone before you start the search: they can review and assess work flows with a critical third eye; they can advise and involve themselves succession and hiring your permanent replacement; they can provide critical and operational leadership as you prepare for sale.

An interim executive is an excellent option to either maintain business-as-usual or help prepare and map your future. Leadership continuity is essential to the legacy and long-term value of your business. Defining exit strategy goals upfront helps to ensure that legacy lasts over generations.



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