

## Senior Level Transition Put Back on Course

### Situation

A large family-owned Canadian manufacturing company had grown into a significant player under successive generations of family leadership. However, decreasing global demand for the company's product, combined with a wave of industry consolidation and the sudden emergence of discounters, threatened to challenge the organization's top line performance and squeeze margins just as it had expanded into the US market. In addition, the President of the business decided it was time for him to step down. Without a family member in line who was ready to take on a key role, an external candidate was hired for the position. The plan was for a promising family member to be groomed for the top job – at a very accelerated pace. But before the expected time frame had expired, the new President announced his desire to retire. The successor-in-waiting felt he was ready to take over the role, while the CEO was convinced this was not the case. The board members were divided. RHR International was asked to step in, evaluate the situation, and offer solutions to the myriad of challenges facing the organization.

### Intervention

- RHR consultants interviewed independent board members, the CEO and the current President to develop a clear picture of the company's strategic goals and how well the company was organized and led to maximize the probability of success.
- A series of frank discussions conducted by RHR helped the board focus on the President's role and better articulate what behaviors and talents were needed for the heir apparent to succeed in the position. The board reached agreement about this Profile of Success™.
- A talented executive was moved up to act as interim President for a specified period of time. The retiring President agreed to stay on to mentor the heir apparent, who continued to grow and show promise.
- The RHR team advised the board and supported the arrangement.

### Outcome

- The heir apparent eventually succeeded to the role of President, with the full support of the board. The company is once again led by a family member.
- The former President retired smoothly after assisting in the transition.
- The board is better aligned about what is needed from its leaders to secure the future of the company.
- Lessons learned during the process led to other executive management changes that continue to generate more effective operations.
- The company's business strategy was modified to one that reflected the realities of the current marketplace and could be implemented successfully by the leaders.