Change is Constant!

Succession Planning is an important but often avoided subject. It means addressing change and many of us struggle with change. But addressing the skills and training our teams have and determining how we might keep our processes flowing, work progressing and businesses healthy is a normal part of a business life cycle.

Benjamin Disraeli once said “Change is Constant”. Of course, he was right! Perhaps the only constant is change and being prepared for it is really important to business. Succession planning should be a part of our thinking in terms of each functional position in our organization. Clear procedures are a dramatic help when an employee moves on or is promoted to another position as our companies grow and change.

Not having good succession planning can limit the upward mobility of our people and our companies. Succession planning for owners is often a touchy subject as it may involve family members, inheritance, life changes. All can be challenging topics. But addressed earlier is much better than later.

Very often, a third party who is highly experienced and skilled in the field is worth engaging with to work through the nuances of succession planning.

Having a general plan and understanding of managing
Washington that include the Center Director and President. I have had a soft plan to retire at the end of 2018 and am now solidifying that plan. The benefit of a good succession plan is that it provides the basis for smooth, timely transition, opportunity for different and potentially better performance for the company and provides a logical path for people to make these changes. No surprises! Consider your own company's succession planning and whether you are ready for change. 
If you would like to discuss it, let us know!
Best,
Loren Lyon

Ownership Transition – Plan Early for Success!

By Arnie Hendricks, Financial Management Resources

Business owners typically have invested a good portion of their lives building a successful business and have enjoyed the financial and personal benefits of company ownership. They also have created an asset in their personal portfolio that is usually a substantial percentage of their net worth.

Early planning is essential to assure that the transition of the ownership of the business results in realizing the value of their business, that their legacy remains intact, and that important family and personal relationships are not damaged through the process. There are several steps that a business owner can take to begin the process, for which 3 to 5 years at a minimum should be allowed:
Hold an annual family meeting. This allows all family members – whether active in the business or not – to be aware of how the business is doing, industry issues, threats and opportunities on the horizon, and any changes in roles and ownership contemplated in the future.

- **Understand the valuation of the company.** The value drivers of the business need to be worked into the business planning process. Knowing an accurate value will also assist with proper estate planning and the timing of an exit plan.

- **Formalize business operations.** A family or management buyout that is owner financed is often a very attractive exit option. However, there is frequently the need to enhance the processes and systems in place to help set the company up for success (which will generate the cash to pay for the company!). This would include management training, business planning, budgeting, strategic planning, organizational structure and Human Resources processes, employee and customer satisfaction surveys, etc.

- **Dilute the owner’s role.** Often a business owner is critical to many customer and vendor relationships, product development, and the daily decisions of running a business. These duties need to be transitioned over time so that the company can be successful without the owner’s involvement.

- **Assure clarity of family roles - current and future.** Children and other family members need to understand their current roles and what is planned for them in the future. This leads to assuring development plans are in place and also to avoiding any misunderstanding as the owner moves towards a transition plan.

- **Install an Advisory Board.** Outside objectivity and accountability is critical to help navigate through the complexity of a business ownership transition. The right advisors can help to assure the value of the company is maximized and that the emotional toll is minimized for an owner personally as well as on the family relations that will be impacted.

The level of complexity of the ownership transition process is often no different than the variety of business issues that are handled on a regular basis by business owners. The critical need for early planning is driven by the fact that this process will be new, that it will be dealt with only once, and that the ramifications of not doing it properly can be devastating to a business owner’s retirement plans and their family relations. Addressing the process early, formally, and with the right advisors will help a business owner enjoy the financial reward of building a successful business throughout their retirement years.

**Arnie** can be contacted for further information or assistance at 425-681-3319 or at arnie.hendricks@gmail.com. His website is [www.FinancialManagementResources.biz](http://www.FinancialManagementResources.biz).
12 Steps to a Better Succession Plan

Don’t kid yourself—succession planning isn’t just about identifying potential leadership successors any more. Planning for succession is a process. If you want to future-proof your organization, here are 12 steps you need to take:

**Step 1**
Identify all the areas/functions that are currently strategic to your company’s success and survival.

Hint: executive leadership is only one of them.

**Step 2**
Identify the key roles and employees in these strategic areas/functions.

Think: if x got hit by a bus tomorrow, we’d be in big trouble.

**Step 3**
Identify emerging areas/functions that will be strategic to future success and survival.

Example: consider the impact digital imaging had on photography.

**Step 4**
Identify any roles and employees in these emerging areas/functions.

Maybe you have some people in these roles, maybe you don’t, but you’ve got to take note now.

**Step 5**
For each of these areas/functions/roles, identify the competencies, knowledge, skills and experience required for exceptional performance.

Yes, we mean exceptional! ⭐

**Step 6**
Identify learning resources and activities that can help develop each of these competencies.

**Step 7**
Identify your high performing employees.

Tip: simple to do if the data from your performance appraisal process is easy to report on.
Ask: who demonstrates the interest, drive, passion and "smarts" to progress in their careers in your organization?

Step 9
Hold “stay interviews” with your high-performing and high-potential employees.
Ask: what motivates them, what engages them, what career plans they have, what frustrates them about the organization/their role/their manager today. Then take appropriate actions to retain them.

Step 10
Create talent pools for each strategic [current and emerging] area/function.
How: assess the readiness — and interest! — of your high performing and high potential employees to fill these roles. Assign development plans as needed to help them increase their proficiency. Regularly assess their readiness to assume greater responsibility.

Step 11
Recruit from these talent pools when vacancies or new positions open up.

Step 12
Repeat.

Effective succession planning requires that you create a culture that is nimble and responsive, and that identifies and nurtures its top performers. It's that simple.

To find out more about best-practices succession planning and other talent management topics visit:

www.halogensoftware.com/resources.
Leadership Transition & Succession Planning

Massive Leadership Change is Upon Us

Each day for the next 16 years, 10,000 Americans will turn 65. A full 87% of nonprofit EDs/CEOs are 50 or older and 67% of nonprofit leaders are expecting to leave within the next five years. Yet just 17% of nonprofits have a succession plan. Ready or not, leadership transition and succession are soon going to be the new normal for nonprofits.

The good news is that preparing for these changes is not rocket science! You and your organization are probably more prepared than you realize, and getting fully prepared requires common sense, a few tools, and some support. Read more here.

What’s Next? Planning smart & living well in your next chapter

By Jennifer Fry, MA, Gerontologist

What’s Next? It’s one of the most common questions pre-retirees ask when approaching this exciting and sometimes daunting stage of life. Yet for those who have invested 20-30+ years in their life’s work, many have given little thought, much less created a plan for how they’ll live fully in the years ahead.

Think about your best vacation ... chances are you didn’t make that trip without some thoughtful idea of where you’d go, what you’d do and what you wanted to experience. So why would you even think about doing that with these exciting years ahead?! You’ll find greater purpose and meaning if you Pause, Plan and Practice before you begin your journey.

Pause: You’ve been busy about your good work and one of the hardest things to do is stop and think about the future. Anyway, isn’t it all about golf and leisure in retirement? Certainly not! But you need to take time to get clear about what is most important to you. Identifying your core values, interests, strengths and what brings you joy launches a GPS that guides...
Surgical Implant Generation Network (SIGN) is a manufacturer of Food and Drug Administration (FDA) approved orthopedic implants for long bone fractures. SIGN is known throughout the orthopedic community for the development of orthopedic implants that can be used in developing world conditions and for the orthopedic training it makes available to surgeons in developing countries. Since its inception in 1999, SIGN has been the only organization that combines training and a sustainable supply of orthopedic implants to local surgeons so that they can provide timely surgical care to their trauma patients. The company employs 29 people at its facility in Richland, Washington.

**Situation**

The original employees at SIGN were learning how to lead on the job and didn’t have the resources available to attend outside leadership training. SIGN had become aware of Impact Washington, a NIST MEP affiliate, through its local Education Development Center (EDC) partner at their annual Smartmap Expo. The company brought in Impact Washington to guide them through employee and company growth...

**Plan:** While planning can often feel restrictive, in retirement consider the adage, *if you don’t know what road you’re on any road will get you there,* becomes reality! Plan with intention and know that you can make necessary changes along the way. What do you dream of doing? In what areas of your life do you want to invest more time or may have put on the sidelines? What do you want to be, have, do and give?

**Practice:** It’s never too soon to consider what’s next. Discover your passions and test-drive ideas you’ve been pondering. If a few months in the sun sounds interesting, don’t wait to try it out. Spend time in one or more locations to “practice” in real time what it’s like to live there. Strengthen connections with friends and colleagues inside and outside of work before you transition. Most importantly, start the dialogue now - - your “What’s Next” is up to you!

Jennifer Fry is a business owner and retirement transition specialist. She is passionate about helping people reignite meaning and purpose in their life, especially as they step into retirement. With her planning tool Second Half Map, Jennifer equips her clients to create intentional plans to navigate an extraordinary next chapter. Her e-mail is jfry@advantagedevco.com.
#1 Succession Planning Book On Amazon

UPCOMING EVENTS

Toyota Kata Workshop – Spokane, WA – June 19th & 20th, 2018
FSPCA Preventive Controls for Human Food Course – Vancouver, WA – June 25th & 26th
FSPCA Foreign Supplier Verification Training – Vancouver, WA – June 27th & 28th
FSPCA Animal Food Training – Bothell, WA – July 23th & 24th
PNVA Produce Safety Rule Grower Training – Kennewick, WA – November 13th

Learn About Our Made in Washington Program

Manufacturing is a vital arm of Washington's economy, and it's our mission to support and energize our local industry. The Made in Washington program is a free service to the community that certifies, promotes, and connects Washington State manufacturers. Check out our directory of Made in Washington businesses, or get certified and listed today! The program is at no cost to join and includes such benefits as listing in our on-line guide and use of the Made in Washington logo on your website. For more information or to
Business: Real-World Advice for Northwest Manufacturers and Service Providers

This event will focus on the 14 key areas of the NIST 800-171 compliance standard and the NIST Cybersecurity framework as an example of accepted industry practices to keep your company safe. Presentations will address cybersecurity as business management topics in plain English.

**DATE:** Wednesday, July 11, 2018

**TIME:** 9:00 AM – 3:00 PM

**LOCATION:** Center of Excellence for Global Trade & Supply Chain Management at Highline Community College 2400 S. 240th St., Des Moines, WA 98198 – Building 2

**COST:** Price: $130 (if registered by June 26) / $165 (after June 26)

*Impact Washington clients use code IW35 to save an additional $35 off the registration price.*

Submissions are welcomed! Please submit entries or report errors to our newsletter editor.

What types of grants are available? Would my business qualify for a grant? Find out more [HERE](https://mailchi.mp/bc9637d56985/impact-washington-june-newsletter-change-is-constant-be-prepared).