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## Passing the *plate*

Mentoring and preparing a family successor

*Part 3* of the series, *Setting the table: Succession planning strategies for family business legacies*

In this final article of our three-part series on *succession planning* for family enterprises, we move from planning to implementation.

As we've discussed throughout [the series](#), succession is rarely simple and almost always a multi-year journey. By now, you may have decided to maintain company leadership within the family. You may have evaluated candidates, identified a successor, and invested in their readiness over years—prioritizing growth, development, and exposure. Now it's time to make the transition real.

Making a transition to a successor can carry real emotional weight. A successor who was once a peer, sibling, or child may suddenly assume new authority, while the current CEO faces the challenge of letting go. Some bumps may be inevitable, but the goal is to eliminate surprises.

In this final phase, the work shifts from “selecting” to “making it real.” To increase the likelihood of a smooth handoff, focus on three fundamentals: *clear communication*, *disciplined “clock management,”* and *a deliberate step-back plan for the current leader*—paired with thoughtful support for the new CEO.

## It starts with *communication*

Clear, transparent, and consistent communication is essential throughout the transition. Done well, it can build support and credibility for the successor. Done poorly, it can create confusion, uncertainty, and doubt.

Wendy Diamond, a partner at Deloitte Tax LLP, says, "In my experience, even the best-prepared family business CEO successor begins their tenure at a disadvantage if the communication and messaging around the transition lack transparency. [The transition] is an important step that needs a lot of attention to foster trust and collaboration."

Deloitte's 2025 Family Business Succession Planning Survey reinforces Wendy's point: More than half (**56%**) of the businesses that responded to the survey rated their internal succession communications as fair or poor, and **54%** of respondents rated their external communications the same.

The goal of effective communication is to instill confidence while building trust and cooperation across key stakeholders: family owners, management and employees, business partners, and the marketplace. Keep the key themes of the message consistent, but tailor them to each audience.



## Family *owners*

Ideally, most family members will have had the opportunity to provide input throughout the succession planning journey—weighing in on candidates, observing the successor’s development, and sharing priorities and concerns through a family council or similar forum. That’s especially important because family identity, legacy, and wealth are often deeply tied to the business.

Family owners need confidence that the family strategy—culture and values, community presence, family harmony, and financial security—will be protected and will continue to influence business strategy.

Family businesses also prioritize family alignment as a risk reducer. When asked what measures they’ve taken to reduce risk during the CEO transition, the top response (**63%**) was “ensuring strong support from the family.” It ranked above involving the successor in key decisions before the transition (**60%**) and increasing the CEO successor’s contact with the board (**55%**). All matter, but the responses to the survey highlight the distinct complexity of family enterprises.

Family support is foundational—especially when a child is being prepared to lead the enterprise. When successors have a clear understanding of the family’s legacy, values, and expectations, they’re more likely to lead with consistency and make decisions that reinforce stewardship over time. At the same time, effective stewardship doesn’t require replication—successors should feel empowered to lead in their own style while honoring the values and legacy they’ve inherited.

Early in their tenure, the new CEO can reinforce trust by meeting with the family council (or other forum) to clarify decision rights, governance, and how family members’ roles and responsibilities will be structured going forward—aligning on expectations for both continuity and change.

### How do family businesses reduce risk during the CEO transition?

**60%**

of respondents involve the successor in key decisions before the transition

**63%**

of respondents ensure strong support from the family

**55%**

of respondents increase the CEO successor’s contact with the board



# Management and *employees*

For management, the transition should feel like the continuation of a gradual shift—more responsibility for the successor and a visible step-back by the current CEO. Still, once titles change, team dynamics can change fast. Emotional intelligence and situational awareness matter.

A strong early move is actively cultivating buy-in from the leadership team. Even when those leaders remain in place, a new CEO changes the dynamic—making intentional relationship-building and trust essential from the start. Time spent building trust—and surfacing the challenges and opportunities each leader sees—helps create the conditions for a high-performing team. These leadership team conversations can also expose risk deeper in the organization, including succession below the CEO. For many

employees, confidence that the culture will endure is often a critical source of stability and a differentiator for family enterprises. Joan Goodwin, a managing director in Deloitte Consulting's Human Capital and Workforce Transformation practice, notes that surfacing these gaps in succession and leadership continuity early “can decrease the vulnerability of unexpected departures and any risk associated with a single point of failure that could disrupt the business.” Over time, the new CEO should reinforce why they were chosen—applying strategic thinking, ethical grounding, and cultural awareness to the way they communicate, motivate, and lead.



## External *stakeholders*

External outreach matters as well. Partners, stakeholders, and the marketplace may have long relationships with the company and trust in its brand and business practices. Survey results support this: **77%** of respondents emphasize the critical importance of the successor meeting with key external constituents.

Laura Pearson, Deloitte Private's US Family Enterprise leader and partner at Deloitte Tax LLP, notes that communications to family, the business, and external stakeholders are interdependent and critical.

**"Each group may have their own specific concerns; for family it may be financial security and legacy, for the business it may be the culture and values, and for the stakeholders it may be the continuation of the brand promise and business practices. But together, they are looking for a level of continuity among the change."**

- Laura Pearson

## Disciplined 'clock management': Making the handoff *real*

Even strong communication can't compensate for a fuzzy handoff. "Clock management" is about the events leading up to the transition and holding the organization to a firm handoff of responsibilities.

Having a clear understanding of the timing of new leadership taking the role can prevent any confusion about decision rights, authority, "looking over one's shoulder," and any chance of shopping for the support needed. The goal is simple: No mixed signals.

With those mechanics in place, governance becomes an important stabilizer—especially in a family enterprise, where relationships can blur roles.



**77%**

respondents emphasize the critical importance of the successor meeting with key external constituents

## The board as the *bridge*

A well-functioning board can balance continuity with the evolution a new CEO may bring. It can serve as a bridge between generations, providing oversight and ensuring major strategic shifts aren't made unilaterally.

In our **Deloitte Private Family Enterprise Survey**, we found meaningful differences between the current and next generation. While **31%** of respondents indicated that the current generation is confident in their business alliances and partnerships, only **22%** of respondents suggested that the next generation share that view. On growth risks, **23%** of respondents indicated that the current generation perceives risk in hiring and retention versus **11%** of the next generation. And perhaps most importantly, while only **8%** of the current generation expects the next generation to sell part or all of the business, **18%** of the next generation plans to do so.

Time will tell which views prove more accurate, but the board should consider providing guardrails and guidance for the CEO's direction.

Since succession is a core board responsibility, the board should be confident the timing is right and the successor is ready. The board members may also need to do more: counsel the new CEO, spend time outside meetings understanding emerging issues, and broaden their engagement to include mentoring and supporting the wider leadership team. The "on-the-job training" shouldn't end—especially if the current CEO struggles to let go or defers decisions to the new leader.



# The step-back *plan* (and support for the new CEO)

Amid all the focus on preparing the successor, don't overlook the departing leader. Wendy Diamond notes, "After all the work on creating alignment, building trust, preparing the new leader, and sticking to the game plan, it's important to acknowledge how life will change for the departing leader."

This process can be emotional for a CEO who has made the business their life's work. Common issues include fear of losing control (day-to-day and long-term direction), anxiety about what's next, and concern for personal legacy. In *Finish Big: How Great Entrepreneurs Exit Their Companies on Top*, Bo Burlingham outlines four ways leaving the corner office can affect an individual:

01

## Their sense of identity:

They are no longer a CEO.

02

## Their sense of purpose:

They are no longer responsible for the financial security of the family and well-being of their employees.

04

## Their relationships:

Those individuals who relied on the CEO and filled their calendar with meetings, issues, and opportunities now have someone else to go to.

03

## Their sense of achievement:

There is no longer a goal to chase, be it revenue growth, new product development, or market expansion.



Naming these realities—and planning for them—can help create a meaningful next chapter. One possibility, however, should not be looking over the shoulder of the new leader. Departing CEOs may have valuable guidance to offer, but the most effective will wait to be asked rather than create confusion with unsolicited advice. And a smart new CEO will seek counsel, recognizing there is still much to learn.

# Never *finished*

A successful CEO succession often reflects years of work by the family owners, board, incumbent CEO, and incoming leader. But success isn't defined by winning the role; it's defined by what the new CEO does with it. Evolving the organization while staying true to culture, values, and priorities can be challenging and deeply rewarding. If longevity is a priority and the CEO adopts a stewardship mindset—seeing their role as increasing enterprise value for the next generation—then succession is never truly finished.

We hope you've enjoyed Setting the table: Succession planning strategies for family business legacies. Within each part—**Preparing the table, Selecting the seat, and Passing the plate**—we've laid out a pragmatic, family-enterprise "recipe" for navigating succession with a stewardship mindset—aligning the family on purpose and governance, building confidence in the next leader, and executing a transition that sustains trust. The goal is simple: Preserve what matters most to the family while positioning the business to thrive for the next generation.

## Questions for consideration

- What, when, and to whom must we communicate to build confidence and avoid surprises (family, leadership team, external stakeholders)?
- What is our "clock management" plan for transferring authority—decision rights, timing, and when the incumbent hands over the reins?
- How will the board provide guardrails and support post-handoff to ensure the business strategy is aligned with the family strategy?
- What will the new CEO do in the first 30–90 days to re-recruit the leadership team and reinforce culture while setting expectations?
- What is the departing CEO's next-chapter plan and boundaries—so support is available without the risk of "over-the-shoulder" leadership?



#### **Survey methodology**

A survey of 300 executives from family businesses with knowledge of CEO succession planning was conducted online by an independent research firm in September 2025. Respondents included C-level executives, board members, and partners/owners of family-owned companies across the United States, each with annual revenues ranging from US\$100 million to more than US\$1 billion.

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