

# Pass It On

Issue XLIV

Planning to Keep Families in Business

Since 1947

## “Suit Up Kid! You’re Starting!!”

### Why Succession Plans are Starting to Skip a Generation

By Misty Meschter

**M**IKE KRZYZEWSKI says, “Leadership is an ever-evolving position,” and he should know. He is the winningest D1 college basketball coach in history. This letter probably should have come out in March, but during the Madness, I’m trying to ignore the fact that next year we will have a completely different team when my favorite players get drafted to the NBA where they’ll forget how to pass, shoot and take a charge. One of the most fascinating aspects of high school and collegiate sports is that the coach has to deal with a new team and new leadership every single season. They have a guaranteed high turnover rate! Just when the team really begins to function as a unit and the players finally understand and master their roles, the season’s over. The seniors graduate, a handful get drafted and the rest move up. Some of the people who will lead next year’s college team are still in high school—Yikes! No wonder some college coaches look like permanent ads for Maalox.

My freshman year of High School, I was a starter on the varsity basketball team, along with four juniors. I attended a small high school with a superb volleyball program and there just weren’t that many girls who also played basketball. We didn’t have any seniors on the team that year, and no sophomores who could play my

position. So, at 14 years old I found myself “jumping” the first ball of the first game of my first high school season against a 6’4” senior who had also been a varsity starter her freshman year. I was so nervous that I jumped as high as I could, swung as hard as I could, and hit the ball into the bleachers. Twice! The third time I managed to get it to my point guard and get on with my life.

#### Generations Defined

##### The Greatest Generation

Born before 1928 (Ages 88+ in 2015)

##### The Silent Generation

Born 1928 to 1945 (Ages 70-87 in 2015)

##### Baby Boomers

Born 1946 to 1964 (Ages 51-69 in 2015)

##### Generation X

Born 1965 to 1980 (Ages 35-50 in 2015)

##### Millennials

Born 1981 to 1997 (Ages 18-34 in 2015)

A generation gap is what got me into that situation. And it’s the very same thing that the US is experiencing right now. Baby Boomers make up the majority of the upper classmen (business owners) in our economy today. Although the oldest of the Boomers are well into their retirement years, many of them are not retiring just yet. They’re sticking around to enjoy their senior year! For the sake of this analogy, let’s call Generation X the sophomores and Millennials

the freshmen, as the most recent generation to enter the workforce. Over the course of the next decade or so, we will see a tremendous shift not just from one generation to the next—that’s always happening—but in some cases from the seniors to the freshmen.

In June of 2015, the US Census Bureau estimated that Millennials numbered 83.1 million, surpassing the 75.4 million Boomers. Generation X is the “middle



child” in between these two massive populations, and it’s considerably smaller. That means it’s entirely possible that there will not be enough future leaders in Gen X to take over for all of the Boomers who may someday decide to get out of their companies and go explore the world (or start their next venture—Come on, we all know there are a bunch of Boomers who have no intention of ever retiring.) Economists, investors and bankers forecast an increase in mergers, acquisitions and consolidations as fewer viable Presidents are of the appropriate ages and credentials. They may be right. There is no doubt that the Baby Boomers have cut a huge wake, and Gen Xers are the most likely and best-equipped successors now. I have hope that there will be plenty of driven, innovative, and grounded Millennials to fill in the spots where they are needed. Maybe they are the generation who will find new ways to do old things and do them better in this environment. They will face a steep learning curve, but so does everyone who is called upon to start!

In the transition from one year’s team to the next, a coach has to set the tone, design the vision and provide consistency and momentum while crafting the chemistry of each season’s team. If you own a company, chances are you’re the coach and the starting guard. Your job is not only to be a leader/rain-maker on the court but also to continue to drive your team forward. A great coach, like a successful business owner, has to deal with the personnel and issues of today while recruiting for tomorrow. So, what happens when you graduate or get drafted, or worse, sustain an injury that takes you out of the game either temporarily or for good? Somebody has to take over. Why not look at who is coming up and identify future potential leaders in your organization now?

### Think About It—and Pass It On!



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Misty Meschter and Don See of Pass It On, Inc. (est. 1947) work with a national clientele designing and funding succession plans for privately held companies.

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