

Six Most Common CEO Exit Types--The General

Unlike monarchs, generals partly retire in a display of self-discipline, per the rules of the military. But these chief executives leave office reluctantly and plot a return. Generals wait patiently, hoping that the younger officer or popularly elected leader will demonstrate his or her sheer inadequacy. When that happens, they return triumphantly to right the wrongs and rescue the unit that lesser people could not save. Today's general lives six months out of the year in Florida, California, or Arizona but plays golf with a cell phone on standby, hoping for the call suggesting that Junior has just made the biggest blunder of his life. Why? Because it is precisely that piece of news that will bring the general back on service, making his or her heart beat strongly and passionately again. He or she flies back to town, reappears in the office, and retakes control, as if never having missed a day of work.

Generals live for the day when they will be called back into service to right the real or fabricated wrongs committed by next-generation managers. (Unfortunately, the wrongs are sometimes fabricated by a group of loyalists; they may be key nonfamily managers who never had much use for the young scion, or they may be siblings and cousins who are still jealous about not having been chosen for the leadership position.) Since businesses are hardly ever problem-free or steadily successful, odds are that the general, much like the monarch, will continue to rule, undermining the capacity of anyone else in organization to succeed at the helm.

If a general runs the family business, other officers and enlisted personnel need to know that their new responsibilities and authority will be only part-time, because the general will be back soon to take full-time possession of all available power. Heirs to a general should learn to enjoy the times when they are in control of the business, because the feeling will be short-lived. Willingness to drop a new information systems project, advocacy of a human resource issue, or a new strategic plan as soon as the general reports back to duty is a must. Advisors and consultants to the part-time regime should build or maintain bridges with the general. Otherwise, their consulting project will be considered useless and too expensive the minute she or he returns to the company.

Poza, Ernesto J. Family Business. Mason: South-Western, 2004.