

## Six Most Common CEO Exit Types--The Ambassador

Most family business owners take on the role of either a monarch or a general when they exit their business. Fewer owners become ambassadors. Ambassadors exit the business by delegating most of the operating responsibilities to next-generation members and/or key nonfamily managers but hold on to their diplomatic or representational duties on behalf of the corporation. In the fast-food industry, both Dave Thomas, founder of Wendy's International, and colonel Harlan Sanders became marketing spokespersons—the personas, or public images—of their businesses and, through ads and personal appearances, reinforced the power of the brand they embodied. In both cases, business operations were delegated to key nonfamily members of the top management team.

George Soros of Soros Fund Management is becoming an ambassador, as he turns to writing a book and leading his charitable foundations. At the same time, he is making room for his son Robert, the eldest of five children and the only one to join the family business. Robert's preparation in the financial industry occurred outside the family company. He worked for several investment firms and banks between 1986 and 1994, when he joined the Soros Fund.

Ambassadors make room for top-notch nonfamily managers and next-generation members. They allow others to learn the business first-hand and to eventually take over responsibility for running the enterprise. The CEOs prone to become ambassadors include those who enjoy people, like to travel, and have always entertained the idea of living several months of the year in a city that is also a key market, such as London, Paris, or New York. CEOs who discover another calling in philanthropy or public service (say, the Salvation Army, the Jewish-American Committee, or the U.S. Senate) are candidates for this exit type as well. Ambassadors make good board members for a few years after their exit.

Ambassadors should proceed slowly with their exit, making sure that the next generation and/or key nonfamily managers are indeed capable and ready to take over day-to-day operations. An ambassador who rushes to the exit may have no option but to return as a general, in order to fix the problems of the corporation. The heirs of an ambassador-type CEO should build bridges with key nonfamily management and the next generation because, without such relationships, they are likely to be replaced by a younger and less expensive service provider.

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