

Six Most Common CEO Exit Types—The Inventor

Jack Bares, CEO emeritus of Milbar Corporation and current CEO of Meritool, a hand-tool product development company, is a great example of another CEO exit type: the inventor. More than anything else, Jack had always enjoyed developing hand tools for new applications. So when Jack, his daughter, the board, and other heirs decided that they were ready for succession, Jack started an engineering and product development company. Milbar was purchased by Jack's daughter in a clear demonstration of her commitment to the enterprise and its continuity. While she succeeded him at Milbar, the inventor moved across the street to continue developing new tools, his life's work.

The inventor designation is really a metaphor for an exiting CEO who takes on a satisfying key position in another enterprise. The inventor could just as easily be called the marketer, the private investor, or the tinkerer. Frank Mars, who ran Mars Inc. for many years, transferred power to sons Forrest and John Mars and started a small gourmet chocolate company. He named the new enterprise and its products Ethel M as a gesture of love for his wife and built a whimsical "chocolate factory" that thousands of tourists have visited to learn about chocolate and the making of premium chocolate confections.

Inventors are creative people. Once they have built systems and institutions that will help the next generation lead successfully, they are usually ready to pursue their next dream. Heirs to inventors are very fortunate. They can request coaching and negotiate for advice on an as-needed basis. It helps to schedule breakfasts, lunches, or "wisdom meetings" with the CEO on a regular basis. Advisors and service providers to an inventor should build bridges to the next generation but be aware that successors will more than likely want to choose their own advisors.

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