Succession Planning: The Conversation Nobody Wants to Have

The most important conversation in a family business is often the one being avoided. Here's how to start it — and why sooner is always better.

Ask any family business owner about their long-term vision, and you'll likely get an enthusiastic answer about growth, new markets, or the next big investment. Ask the same owner who will run the company in ten years, and the room tends to go quiet.

Succession planning gets postponed for understandable reasons. It raises questions about mortality, fairness among children, and whether the next generation is ready. It can feel premature when the business is thriving — why plan an exit when everything's going great? But that question has it backwards. The businesses in the strongest position when a transition finally happens are the ones that started planning long before they needed to.

The gap is wider than most owners realize

Deloitte's 2026 global survey of family businesses puts a number on the avoidance: 85% of family business leaders agree that succession planning is critical to long-term success, yet only 57% have actually put a plan in place, and fewer than a quarter are actively implementing one. Nearly a third admit their planning is behind schedule. Deloitte has taken to calling this the "succession paradox" — near-universal agreement on the importance of the issue, paired with widespread inaction on it.

The timeline pressure is real, too. Globally, 78% of family businesses expect a CEO transition within the next decade, and 42% expect one within just three to five years. Yet only about half of current leaders — and just 37% of next-generation leaders — say they feel highly confident in their own readiness for that shift. The most commonly cited obstacles are a next generation seen as underprepared, difficulty identifying a suitable successor, and current leadership's reluctance to hand over control.

One more shift worth noting: family businesses are increasingly looking outside the family for the top job. The share of businesses appointing an external, non-family CEO after a transition is projected to roughly double, from about 13% today to 26% post-succession. Keeping ownership in the family and keeping leadership in the family are no longer treated as the same decision.

Why "everything's going great" is exactly the right time

A business at its peak has the most leverage to shape its own future. Waiting until a health scare, a sudden retirement, or a family dispute forces the issue means making decisions under pressure instead of on your own terms. Planning early, while the business is strong, allows for a few things that crisis planning doesn't:

Maximizing value. A succession plan is also a value-creation plan. Thinking through the transition forces a clear-eyed look at financial performance, operations, and market position — and gives you time to strengthen all three before ownership changes hands.

Managing risk. Every transition carries uncertainty: Will the next generation want to run the business? Are they ready? What happens if they're not? A plan built years in advance lets you stress-test these scenarios and build contingencies, rather than discovering the gaps at the worst possible moment.

Clarifying the future. Succession planning is really long-term thinking in disguise. It pushes owners to define what they want the business to become, and to set a direction the next generation can actually inherit and act on.

Protecting peace of mind. There's a particular kind of relief that comes from knowing the future is handled. Owners who have a plan in place tend to run their businesses with more confidence, not less, because they're not carrying the weight of an open question about what happens next.

The conversation itself

Knowing succession planning matters doesn't make the conversation easier to start. A few principles help:

Start with the business, not the people. Framing the first conversation around the health and future of the company — rather than "who gets what" — keeps early discussions constructive instead of personal.

Separate ownership from management. Passing the business to family doesn't have to mean passing the corner office to family. Some of the smoothest transitions separate who owns the business from who runs it day to day, whether that means promoting from within, bringing in outside leadership, or some combination.

Put it in writing early, and revisit it often. A succession plan isn't a single decision — it's a living document that should be revisited as circumstances, capabilities, and family dynamics evolve.

Bring in a neutral voice. An outside advisor can ask the hard questions a family member can't, and can help separate business logic from old family patterns.

The bottom line

Whether the plan ultimately involves passing the business to the next generation, selling to employees, or finding an outside buyer, the businesses that transition well are the ones that started the conversation before they had to. The conversation nobody wants to have is far easier on your own timeline than on someone else's.

If you're ready to start planning your business's transition — whenever that may be — Riverbend Strategies can help you build a plan that protects both the company and the family behind it.

Source: Family business succession planning and the next generation, 2026 — Deloitte Global

Interested in learning more? Click the link the book a Discovery Call or the link to take the Discover Assessment today!

Contact: Louise Aitcheson – Riverbend Strategies, LLC – (518) 424-4395