



# Planning for Perpetuity:

How to avoid the risk of checkmate

---



## **PLANNING FOR PERPETUITY:** HOW TO AVOID THE RISK OF CHECKMATE

---

---

**Author** Renata Moura

**Contributors** Gary Singer  
Guido Solari

**Copy Editor** Nick Gemmell

**Marketing  
Coordination** Heloísa Camargo  
Rodrigo Marques

**Design & Layout** Ana Contatore  
Lais Yamamoto

---

 **Integration**

# Table of contents

---

## **I. Introduction: Accepting a moment of truth**

Succession planning is a strategic opportunity to prevent businesses from getting cornered

## **II. The benefits of CEO succession planning**

Planning early to pass on the baton offers advantages across the board

## **III. 3 steps to start preparing now**

1. Start early, work side by side
2. Act holistically across the entire organization
3. Review the strategy, governance and leadership

## **IV. Conclusion: There's no magic formula**

While each company is unique, starting early will pave a road to success for anyone

# I. Introduction: Accepting a moment of truth

---

## SUCCESSION PLANNING IS A STRATEGIC OPPORTUNITY TO PREVENT BUSINESSES FROM GETTING CORNERED.

Borrowing an analogy from the game of chess, checkmate represents the end of the road. The king is faced with a situation in which he can no longer be saved by another piece, nor make a move without being beaten by the adversary. For founder-led businesses setting out on a succession process, a real risk exists of encountering this scenario and finding oneself paralyzed. By waiting too long to prepare solid foundations for the business to independently forge ahead into the future, the eventual exit of the founder can mean game over for the organization and its legacy.

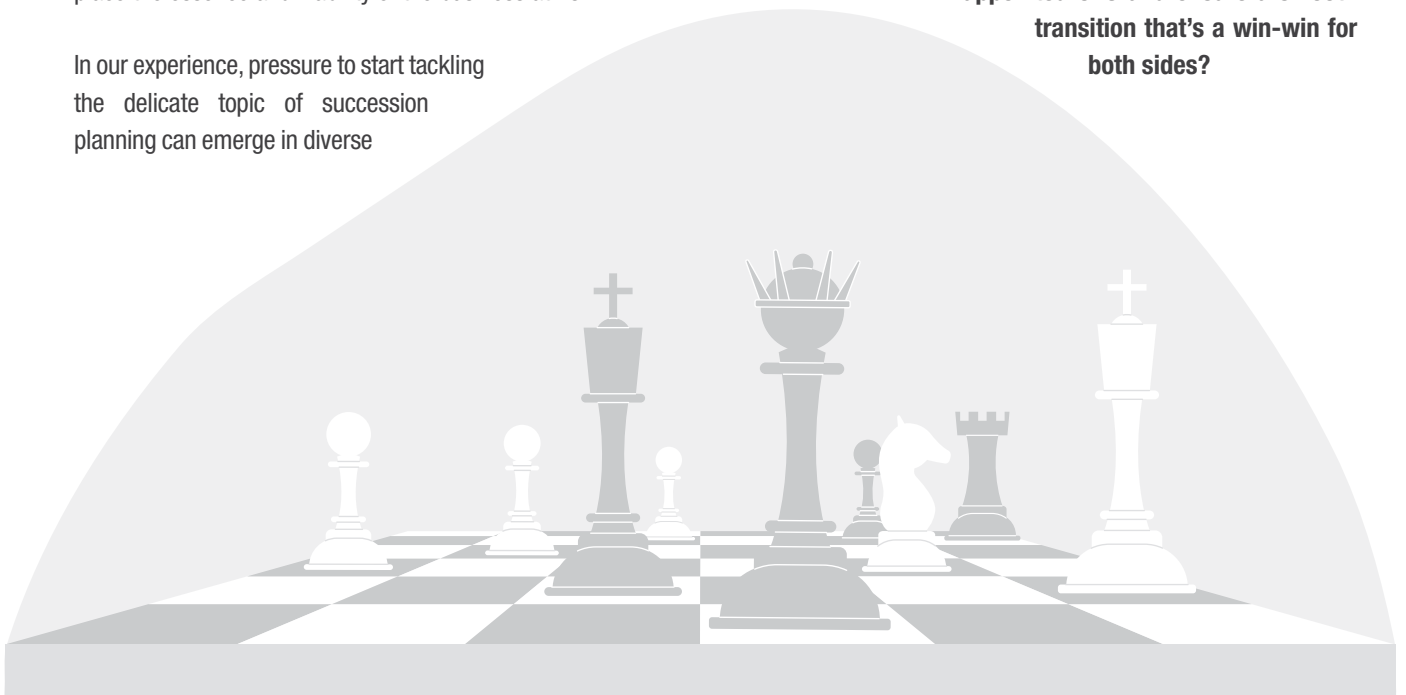
Despite knowing that this moment of truth will invariably arrive, we find that founder-led businesses across diverse sectors and geographies are frequently uncomfortable and ill-prepared to see the baton passed on to a new CEO. And no wonder: The founder and the organization's stakeholders – who so passionately built a thriving organization together over the years – want peace of mind that the business will pursue the ambitions that have been carefully set out, maintain its essence and continue to prosper.

But why wait instead of planning for the next move already? As with any solid long-term strategy, planning for succession should start as early as possible. Letting discomfort cause inaction can result in hasty and ill-prepared succession plans that actually place the essence and viability of the business at risk.

In our experience, pressure to start tackling the delicate topic of succession planning can emerge in diverse

contexts and lead to some common concerns. Just to cite a few examples that we've seen among clients:

- Our business has just embarked on a new strategic planning cycle, but we've hit a roadblock. Without implementing a succession process to keep our decisions on track in the long term, our ambitious strategy of acquisitions and new business pursuits will be seriously limited. **As a founder, how can I have confidence that the business will be able to sustain our strategic ambitions in the long term?**
- Internal/external factors are forcing us to start thinking about a succession plan. But we see a high degree of risk in bringing on an external professional: This individual may not share the same values underpinning the business, their performance/fit hasn't been tested out, they haven't been prepared for this handover nor had time to truly absorb our culture. **How do we ensure that a successor will be adequately aligned with the essence and inner workings of the company to ensure longevity?**
- We've just acquired a company to grow the business and need to figure out who will lead the recent acquisition. Our assessment reveals that the new organization is highly dependent on its founder and may have a hard time adopting a new mindset and interacting with a different sort of business. **How do we collaborate with the existing company's founder-led leadership to prepare the newly appointed CEO and ensure a smooth transition that's a win-win for both sides?**





## II. The benefits of succession planning

---

There is, however, a proven path to successfully navigate the delicate issue of succession and attain tranquility for what's ahead. In this paper, we hope to show how crucial it is to dedicate sufficient time and space to preparing a founder-led business for handing over the baton.

### **PLANNING EARLY TO PASS ON THE BATON OFFERS ADVANTAGES ACROSS THE BOARD.**

Yet, all too often, we see business leaders overlook this opportunity. Helping founder-led businesses get a head start on succession planning has proven to offer clear-cut **benefits**:

- Providing adequate preparation to hand over the baton calmly and with care, thereby avoiding potential ruptures or interruptions in the business
- Allowing the new CEO to already start working and absorbing the essence and characteristics of the company, side by side with the founder
- Preparing the board for the transition ahead and culturally getting the organization ready for the new cycle –

benefiting from careful change management that will preserve the essential elements of the business and allow for natural evolution

- Ensuring that the organization has a clear path forward laid out – with a clearly defined strategy, formalized values and ways of working, and a consolidated organizational model and governance

These positive impacts are cross-cutting, offering advantages for the founder, the successor, the stakeholders within the organization and the business itself. In our experience, there are three actions that founder-led businesses can take to capture these benefits.

1. Start and see the entire succession process through while the founder is still at the helm of the business
2. Treat succession planning as a holistic exercise to ensure that change is managed appropriately
3. Concretize the succession plan into specific measures and treat it as an opportunity to keep evolving the business

### III. 3 steps to start ensuring perpetuity

---

#### 1) SUCCESSFUL SUCCESSIONS ARE A LONG-TERM, SIDE-BY-SIDE ENDEAVOR.

So, what's the right moment to start creating a succession plan? The entire succession journey can take years to conclude, culminating on the day the new CEO occupies the full scope of the envisaged role – to the trusting satisfaction of the founder and the organization as a whole. That's why it is so important to start the succession process when the founder is still at the helm and provide ample time for the founder and successor to work side by side.

The most effective succession plans are those that have sufficient time to be developed, starting years (if not decades) before the baton is handed over to the new CEO. Besides allowing the founder-led company to amply reflect on and objectively codify the essence of the business to be passed on to a new CEO, it also avoids the need to make hasty decisions down the road.



#### Case study

##### GETTING THE ORGANIZATION READY TO MATURE

The realization that it may be time to start thinking about succession planning very often comes when a founder-led business finds itself needing to mature and pursue more ambitious growth.

One of our clients in the real estate sector came to this very conclusion after a period of growth that brought many new strategic professionals aboard. The founder soon recognized that his company faced an existential risk: To retain the talent that was making the business prosper, it would eventually need to prepare for a more ambitious future by expanding and pursuing new opportunities in the market.

The founder also understood that neither he nor the company was prepared to make this move – potentially threatening the longevity of the business. Integration supported the founder-led company in preparing for this journey by putting together a management board, creating an independent governance model, reviewing the organizational structure and commencing the long-term process of succession planning.

In the end, by addressing the question of succession early on, the founder was able to set the foundations that would preserve the longevity of the business in this new moment of growth supported by fresh talent but also the essence of what he had so carefully built since the beginning.



## 2) SUCCESSION PLANNING IS A HOLISTIC MOVEMENT INVOLVING THE ENTIRE ORGANIZATION.

As such, this endeavor goes far beyond merely finding a good replacement. In essence, succession plans are about ensuring the needed continuity of what the founder constructed, respecting the legacy that was built, maintaining the established business model and professionalizing the organization. This makes succession a holistic exercise that requires founders to consider diverse aspects of the business. This includes the work of:

- preparing the organization and its stakeholders for a new chapter without the founder,
- setting the right governance pillars that will ensure continuity while avoiding ruptures and
- paving the way for the new CEO to have an easy transition into the acquired role to the benefit of the business.

### The five holistic elements of succession planning



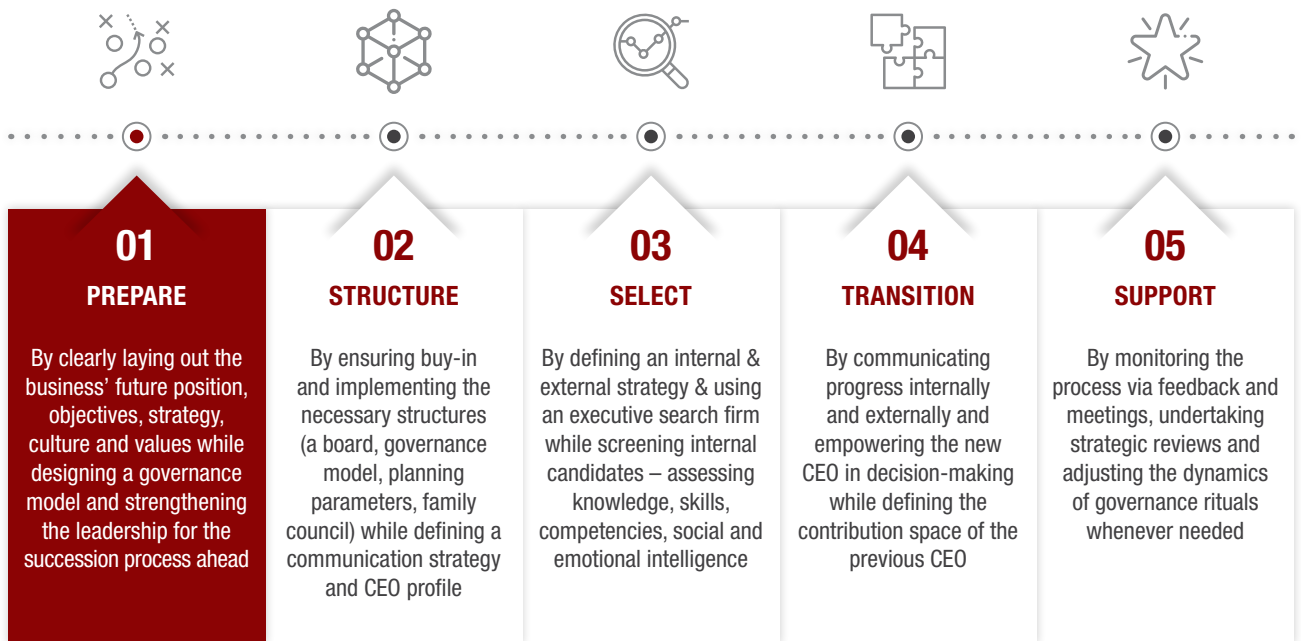
At the same time, this is an opportune moment to restructure the founder-led business in tandem with a review of the strategy. In practice, covering all of these bases truly works best when the founder and the executive board work shoulder to shoulder.

Founder-led businesses are advised to take a holistic view of the company's context as a whole – both internal and external – and eventually incorporate the new successor into this collaborative task as well.

### 3) TAKING A FEW CONCRETE ACTIONS WILL TURN THE RISK INTO OPPORTUNITY.

Our experience guiding businesses through this process has led us to identify some steps that founder-led businesses can start addressing straight away. These mostly relate to the first

of the five stages of CEO succession planning – and the one that's the most crucial.



The first step in this is about awareness: looking **inside** at the heart and soul of the company, looking **outside** at the context in which it's situated and looking **around** for a successor, gaining an understanding of the profile that would be a best-fit for the business. The second step is channeling this awareness into concrete actions targeting the governance model, strategic plan and leadership.

- i a. Codify the business** by building a governance model that will support healthy growth. This will increase its capacity to generate value, expand its credibility for greater access to capital in the market and promote the perpetuity of the organization. As a foundational pillar, corporate governance is essential for structuring the succession process and, above all, ensuring continuous monitoring at the right speed and with a systemic vision.

#### TIP:

Creating an external council or a committee is an effective solution for providing needed perspective for the process ahead. This committee functions as a personal trainer, taking a careful look at what's being defined, providing support along the way and setting the pace – with a start, a middle and an endpoint for succession. Detached from the

**b. Lay out the strategy** by constructing a plan that underlines and formalizes the company's long-term objectives. This is an important exercise for reflecting on your ambitions and asking: "What do we want for the future?" Apart from gaining clarity for the road ahead that can readily be passed on to a successor, a strategic plan will also allow you to determine the degree of coherence between the business' strategic ambitions and the reality at hand. Having already identified resources that will be necessary to make this happen in the future will go a long way in ensuring a smooth succession.

**c. Strengthen the leadership** through a review of your organizational model. This means reinforcing your C-level and also creating the opportunity for potential successors to be identified within the existing structure. Having well-prepared leadership in place at the company-wide or business-unit level will serve as an essential resource for ensuring that the strategic plan you've outlined will actually gain traction.

day-to-day business, these committees add a great deal of value by presenting a truly unbiased view with clear targets and critical momentum. Tasks falling to the committee include reviewing the organizational structure, identifying necessities related to succession and preparing the organization as a whole.

## IV. Conclusion: There's no magic formula

### WHILE EACH COMPANY IS UNIQUE, STARTING EARLY CAN PAVE THE ROAD TO SUCCESS FOR ANYONE.

There's no magic formula for succession planning that applies to every type of founder-led business. This means each company should embrace its uniqueness and take guidance from the framework presented here to objectively codify its most essential elements and develop initiatives to effectively hand these over to a future CEO.

The most well-succeeded succession processes for founder-led companies avoid checkmate by getting to work well before “d-day” – remaining in the game long term with confidence and

continuity. Creating a succession plan doesn't mean that the founder will stop being the CEO. On the contrary, this individual should remain involved for years to come.

Founder-led organizations can take the eventual succession of their carefully constructed businesses into their own hands, rather than leaving this chance. Just as skilled chess players devise their strategy many moves in advance, we advise founders to realize that the succession process shouldn't only commence once they've decided to leave the company.

### The key success factors:

1

**Ensure perpetuity** by starting the succession process early when the founder is still at the helm, providing time for them to work side by side with the new successor.

2

**Adopt a holistic view of succession planning** that considers a strategy revision, preparing the organization, refining corporate governance, conducting an executive search and transitioning the new CEO.

3

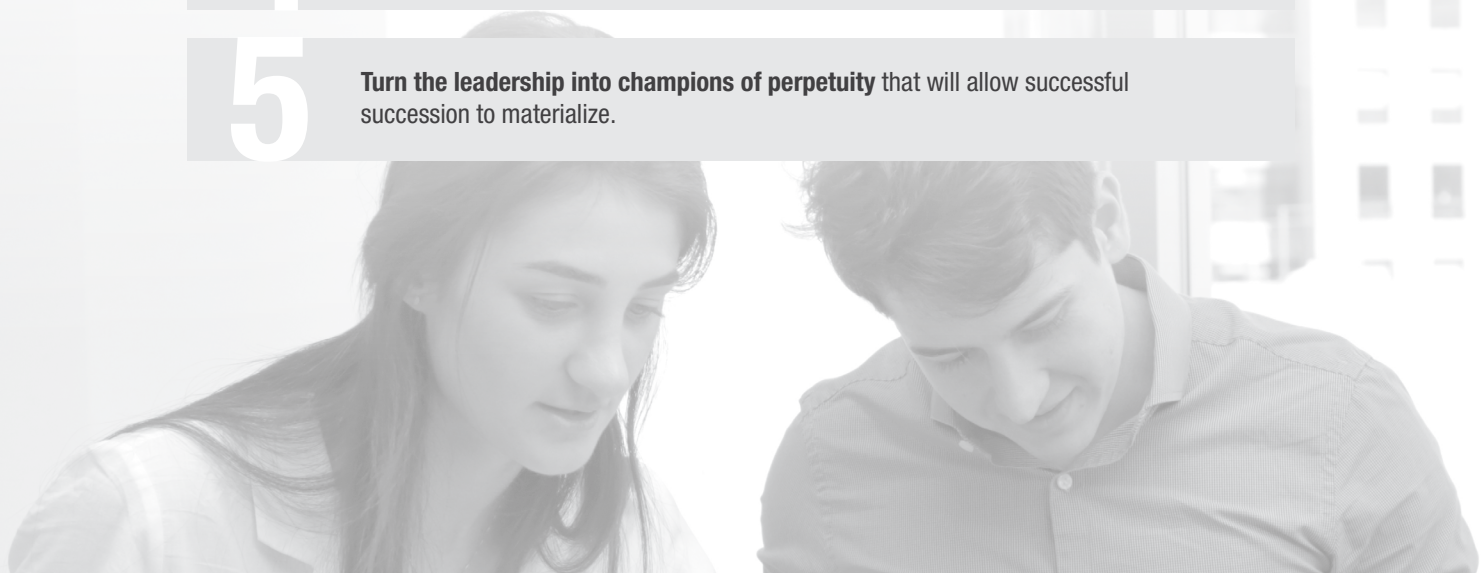
**Make sure that governance will serve as a foundation** for change and perpetuity – potentially setting up an external council tasked with objectively preparing the organization and paving the way for a smooth succession process.

4

**Gain clarity and codify the essence** of the company's strategy, making updates in line with new internal and external realities wherever necessary.

5

**Turn the leadership into champions of perpetuity** that will allow successful succession to materialize.



## About the Authors

---



**Renata Moura, Partner**

[rmoura@integrationconsulting.com](mailto:rmoura@integrationconsulting.com)

Renata Moura is Partner responsible for the Leadership & Organization practice since 2016. Renata has over 20 years of professional experience, having worked in 5 different companies and segments. She began her career at AMBEV in the consumer segment, then participated in the privatization of the telecommunications sector at Oi and the consolidation of Santander. In Retail she worked at Grupo Carrefour Brasil where she led the HR, Legal and Sustainability areas. Before Integration, she participated in the construction and implementation of the succession of Cyrela. She has a degree in Law, an MBA in Operations from IE Business School, in Spain, specialization from Fundação Dom Cabral (FDC/Insead) and a post-graduate degree from Instituto de Pós-Graduação e Pesquisa em Administração da Universidade Federal do Rio de Janeiro (COPPEAD/RJ).



**Jéssica Pavão, Engagement Manager**

[jpavao@integrationconsulting.com](mailto:jpavao@integrationconsulting.com)

Jéssica Pavão is an engagement manager at Integration's Leadership & Organization Practice and she has been working at the company since 2016. Throughout her career, Jéssica has worked on change management projects in the retail and consumer goods sectors, post-merger integration (PMI), implementation of organizational structures, design of recruitment and professional development programs, design of compensation models, career planning and leadership training and retention plans. Before working for Leadership & Organization, Jéssica was part of Integration's Implementation Practice. Jéssica has a degree in production engineering from Universidade Federal de São Carlos, which includes one year of studies at California Polytechnic State University.

**Marcos Schmidt** was a director at Integration's L&O Practice. His experience includes leadership development, corporate culture, talent management, change management, compensation and benefits as well as executive experience at various companies.

## About Integration

Integration is a **strategy & management consultancy** committed to realizing the change that our clients need. Founded in 1995, Integration has grown quickly to become an internationally recognized and award-winning consultancy firm operating from offices in **Buenos Aires, Chicago, London, Mexico City, Munich, Santiago and São Paulo**. To date, our teams have delivered thousands of projects for clients across virtually all industries in over 85 countries.

We work side by side with our clients to create customized solutions that match their business needs for change across all levels of the organization – always integrating our expertise with the client's reality. This is done by bringing together multi-functional and international teams of hands-on specialists that draw from our five areas of expertise called Practices: Marketing & Sales, Implementation, Finance & Management, Supply chain, Leadership & Organization and Tech & Digital – always integrating strategy and implementation.

The result of this for our clients is a unifying movement across the organization that creates a positive legacy of tangible change – always integrating people and business. **The solutions we create together with our clients work because they are adapted to each specific reality, actionable and people-centric.**

clients  
**900+**

projects  
**3385+**

projects in  
**85+**  
countries

offices  
**7**

## RECOGNITIONS

Integration has received various awards recognizing our contribution to the consulting sector:



Best Change  
Management Project  
in the Public Sector



Project  
of the Year



Category:  
International  
Project



Category:  
Commercial  
Impact



Since  
2018



Since  
2022



Best Supply Chain Consultancy  
Award from Inbrasc (the Brazilian  
Supply Chain Institute)  
(2016, 2017, 2018 and 2020-2021)

# Legal Disclaimer

---

“Integration” refers, but is not limited to, the Integration Group, which is comprised of the following companies: Integration Consultoria Empresarial Argentina S.A.U.; Integration Consultoria Empresarial Ltda.; Integration Implementação de Soluções em Gestão Empresarial Ltda.; Integration Consultoria Empresarial – Chile Limitada; Integration Management Consulting GmbH; Integration Consultoria de Mexico, S. de R.L. de C.V.; Integration Management Consulting Ltd; and Integration Management Consulting Inc. Integration© is a registered trademark of Integration.

This report is based on information available, collected or provided to Integration (“Information”). This material developed by Integration (“Knowledge”) is Integration’s exclusive property.

Integration has not independently verified, to any extent or by any means, in whole or in part, the truthfulness, correctness or accuracy of this Information and Knowledge, and therefore makes no representation or warranty as to these elements.

The analysis and conclusions contained in this report are based on Integration’s Information and Knowledge, through the work of Integration’s professionals and the company’s sole judgment. Integration assumes no responsibility or liability for the Information (including analysis and conclusions) derived from unexamined sources or unanalyzed documentation. No Information or Knowledge shall be construed or deemed as forecast, promise or guarantee of future performance or outcome.

The Information, Knowledge and any analyses contained herein should not be construed as advice, guidance or a recommendation of any kind or nature. Any opinions expressed by any of Integration’s professionals regarding any of the contents of this material are the sole representation of the personal opinion of said professional and not Integration. Integration, its respective partners, directors, managers and employees shall not be liable, whether on civil or criminal terms, for the use or reliability of any Information, Knowledge or analysis contained herein.

This report is not and does not constitute (and should not be the basis for constituting) an offer, advertisement or any other type of advertising for any decision to buy, sell or participate in any form of business or transaction, commercial or otherwise, for the provision of consulting services, in any jurisdiction in which this material is presented. Integration is not responsible for any actions taken or decisions made based on this report. Before making any decision or taking any action that may affect your personal finances or your company, consult a qualified professional advisor.

This material shall not be published, transmitted, copied, reprinted, reproduced or redistributed, in whole or in part, regardless of the reason or circumstance, without prior permission from Integration. If authorized, this material must be accompanied by appropriate credit and acknowledgment of Integration’s authorship.

This report was developed in January 2023.





#### Buenos Aires

olga cossetini 771  
piso 3 puerto madero  
buenos aires argentina c1107cda  
tel 54 11 | 5352 3784

#### Chicago

311 south wacker drive  
suite 6125  
chicago IL 60606 USA  
tel 1 872 | 250 9671

#### London

2nd floor 36 dover street  
london W1S 4NH  
united kingdom  
tel 44 20 | 3606 0835

#### Mexico City

av paseo de la reforma 115 piso 16  
col. lomas de chapultepec miguel hidalgo  
ciudad de méxico c.p. 11000  
tel 52 55 | 5520 6300

#### Munich

seitzstraße 8a  
80538 münchen  
deutschland  
tel 49 89 | 5521 39690

#### Santiago

enrique foster 0115  
oficina 209 las condes  
santiago chile 7550123  
tel 56 2 | 2405 3248

#### São Paulo

r jerônimo da veiga 45  
5º, 11º e 15º andar itaim bibi  
são paulo sp brasil cep 04536 000  
tel 55 11 | 3078 1144

#### ID One® Accredited Centre

r jerônimo da veiga 45  
16º andar itaim bibi  
são paulo sp brasil cep 04536 000  
tel 55 11 | 2050 5807



**Integration**