



Navigating the Future

Fostering leadership and ownership transitions
in complex business landscapes

BY DEANNA DI BIASIO

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A diverse group of professionals from various industries and backgrounds came together on Monday, September 18, 2023, at Perry's Steakhouse to discuss a critical topic: preparing the next generation of leaders and business owners for tomorrow's complex economic landscape. Jason Christie, Publisher of the Triangle Business Journal and a seasoned journalist and facilitator, led the discussion, and Melissa Linn, Senior Vice President and Senior Wealth Planning Strategist at Comerica Bank, began by asking, "How do I educate the next generation? How do I deconstruct estate documents to understand what happens? How do I ensure the buy-sells between business owners, which may be family members, work the way I want? And how do I ensure harmony and peace during transitions?"

These words capture a universal challenge businesses face today: transitions in leadership and ownership. When success is often defined by the ability to adapt and evolve, the responsibility of leadership and ownership must inevitably transfer to a new generation. But how can these incoming leaders prepare for the ups and downs of business, where decisions carry economic consequences and profound

emotional pressure?

Bob Buchanan, Senior Vice President and Head of Business Transition Planning at Comerica Bank, said, "It's such an interesting question because there are so many facets to consider. There's preparing for leadership, and there's preparing for ownership, which are different things. An owner is somebody who takes risks, who does something different than participate in succession."

Decisions about succession can lead to bruised egos, lingering resentments, and in the case of a family business, fractured families. Brent Gore, Senior Vice President and Director of SE Commercial Banking at Comerica Bank, asked, "So how do you identify a leader who's going to become an owner within a family structure?"

To reduce the risk of toxic schisms, Buchanan emphasized the importance of "creating a formal process for identifying the next owners. And you have to consider family dynamics within the context of business succession." He also highlighted the necessity of "having a proper strategy. A well-defined process as early in the process as possible will get you the best results."

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CRAIG HAGOOD

CEO and President of House-Autry Mills

happens at every level, but it goes beyond just leadership," says Craig Hagood, CEO and President of food industry pioneer House-Autry Mills. "It's a significant challenge we always face as we try to chart the course for the next generation of House-

Autry, a company with a legacy dating back to 1812. It's clear that these are two separate processes, each requiring its path for success."

The participants shared their perspectives on what it means to be a leader and the importance of



recognizing individual motivations and capabilities.

“Creating future leaders involves recognizing and guiding their potential through coaching and mentoring,” says Karen Russell, CFO of Mercalis. “It’s a matter of identifying those who both aspire to lead and possess the capability, as not everyone is cut out to be a leader or owner of a company. It’s challenging when no one within the family has the capacity or interest to take on such roles.”

“Honesty and realism are critical in identifying potential talent and helping individuals discover their true passions and abilities,” says Randy Canady, Founder and CEO of Atticus. “It’s not enough to think you want something; you must truly understand it to determine your genuine excitement and commitment. This honesty catalyzes personal success today and valuable contributions to the company’s future.”

The discussion also explored

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the complexities of identifying the right individuals to carry the mantles of leadership and ownership within a family-owned business. Buchanan emphasized the need for a structured approach to this critical task, saying, “Identifying potential leaders and owners should involve a systematic evaluation process. This process should consider not only their professional credentials but also their commitment to the business’s long-term success. Family dynamics play a significant role in this decision-making process, and open communication within the family is key.”

“Succession planning is not a one-size-fits-all solution,” says Hagood. “Our company’s legacy spans generations, and we’ve learned that leadership development and

succession planning must follow separate paths. What worked in the past may not be suitable for the future. It’s about adapting to changing times while preserving the core values that define the business.”

The participants all agreed that leadership development and succession planning are intertwined but distinct processes and acknowledged that identifying the right leaders and owners within a family structure can be challenging but stressed the importance of having a well-thought-out strategy.

“It’s not just about finding someone with the right skills and qualifications,” Linn said. “It’s about understanding their motivations and aspirations. Ensuring the successor aligns with the family’s vision and values is crucial.”



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