

# CASE STUDY

## Succession Planning



### The Organization

A leading mid-market PE firm in the early stages of ownership by a software company in the automotive market.

### The Challenge

When the founder/CEO suddenly announced his retirement, the executives and the Board were deeply concerned about the transition process and the recruitment of a new CEO who would be embraced by the leadership team and immediately jump in to hit established growth objectives.

### Potential Obstacles

#### Timeline Constraints

The organization must identify a successor and transition leadership and management responsibilities while the departing CEO is still available and involved



86%

of organizations report feeling unprepared for succession planning <sup>(MRG)</sup>

#### The Cost of External Hires

20%

higher salary than internal hires



lower performance in the first 2 years

# Keystone engaged in a 3-step process to ensure a smooth transition of leadership

Actively involved the leadership team and PE partners overseeing the investment



## The CEO

Provided executive coaching and career/life transition assistance to the exiting CEO.



## The Profile

Developed a successful CEO profile through assessments and interviews with the senior leadership team and PE board members.



## The Successor

Assessed, interviewed, and provided results on the CEO candidates. Onboarded the new CEO. Supported their integration with the senior leadership team and company culture.



## The Results

The CEO's transition was smooth, supported by an appropriate amount of overlap with the prior CEO to transfer knowledge and experience. The selected individual was embraced by the senior leadership team and private equity board members. A strategic planning process was initiated immediately and resulted in a plan that everyone embraced.

Timeline: 3.5 Years+

Having a clear succession plan in place led to a flawless transition and more than quadrupled the organization's EBITDA during the 3 ½ year holding period and subsequent sale.



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