

Required Reading for Growing Companies



caskey's corner

By Wayne Caskey
for Smart CEO

Legacy

*Balance sheets are important,
but don't forget to wonder how you'll be remembered.*

My step-father died a week ago last Saturday. His death and funeral have led me to the topic of this column - What do we as CEOs want our legacy to be, and to whom do we want to leave it?

Certainly, we want our loved ones to be adequately provided for. If we are young, and death seems far from our door, and particularly if we are struggling entrepreneurs, we may have put everything into the business. We know there's a risk, but it appears to be remote, and, besides, our business is growing! When do we reach the point where provision for loved ones weighs equally with the capital needs of our business?

Suppose our business has been successful beyond our wildest dreams, and we are concerned about the rags-to-riches-to rags three generation syndrome, so we cut our favorite charities in for a generous portion of our estate, to posthumously risk the ire of our offspring? (Speaking of charities, how do we choose them? Have they honored us and sought our affec-

tion? Have we been struck by the good work they are doing in the world? What values do they promote? Are those values our values?)

Must our dead hand control? Are we determined to limit how much of our wealth any one individual can control, through a series of trusts, operating as far down the timeline as possible?

Or, are we in the process of giving away our excess money to our heirs before death, so we can see them enjoying it (and also get an idea of how they might spend what we will to them)?

How considerate have we been of our heirs in throwing or giving away everything that does not serve our present or future, to save them the chore of sorting through meaningless junk?

Are we able to contemplate a time when we may be unable to make decisions for ourselves? Can we, with the financial and human concerns of our heirs and loved ones in mind, execute a living will and medical and financial powers of attorney? Or do we put it off, or even put off writing a will, reluctant

to embrace our own mortality?

Maybe real property has been our focus. Maybe it's income-producing, maybe it's not. Maybe it's readily salable, maybe it's not. Will it be a boon to our heirs, or will it be a burden, regardless of the affection we've held for it?

Or is our legacy our company? If we are the 100% owner, or if the company's operation depends on us, how will it run after we're gone? Will the key members of our management team stay on after our demise? What will keep them in place?

Even more important, how about the culture of our company? Have we done the necessary organization development work to be reasonably sure that the vision, mission and purpose is that of our total company, not just our own beliefs, parroted by sycophants who surround us? Are the appropriate values sufficiently embedded so that they will support the company 10, 20, 30 years from now?

If we have partners, do we have a buy-sell agreement in place, and what happens if there's a common

disaster, in which we all perish?

Are our children in the business? More importantly, are they happily in the business? What is our best estimate as to the probability of their independent success in this business, long after we are gone?

Rather than possessions, suppose we consider our legacy to be what we've done in our lives? Grade school, high school, college, maybe even grad school. That first job, bursting into the workplace with unbounded energy. Casting about for a ladder we could climb, or leaping into our own business, guided only by our determination. Then, building our business, climbing our ladder, all the way to the top - CEO - the coveted brass ring. Only to emerge, perhaps at mid-life, asking "Is This All There Is?" Hollowness. Searching. Maybe retrenchment.

And if our development is arrested, we may become increasingly strident as we continue to call attention to ourselves, our sterling resume and all we've accomplished. Some people may even consider us a self-centered bore.

But if we're lucky, some light,

some fullness, some rounding out of ourselves develops, so that we're more than our resume, and more than our financial statement, as they lay flat on the table before us.

Billy Collins, the reigning US poet laureate, treats this situation in his poem "Purity":

"...This is how I go about it:

I take a fresh pot of tea into my study and close the door.

Then I remove my clothes and leave them in a pile as if I had melted to death and my legacy consisted of only a white shirt, a pair of pants, and a pot of cold tea.

Then I remove my flesh and hang it over a chair.

I slide it off my bones like a silken garment.

I do this so that...I...will be pure, completely rinsed of the carnal, uncontaminated by the pre-

occupations of the body..."

Stripped of our outer layers, if we followed Collins' prescription, what would our lives be remembered for?

At funerals and memorial services, no one reads financial statements or resumes. For those who remain,

"Memories are the treasures
That mean more
than riches do.
May your warm
And loving memories
Now console and Comfort
you."

(Quoted without attribution in Newsletter of Trinity United Church of Christ, LaSalle, Illinois, May, 2002)

So at a funeral or memorial service there is a recitation of the values and qualities of the deceased, their eccentricities, those things which endeared them to us.

So, what does all this mean for us as CEOs? What are the values that we stand for, and for which we will be remembered? And who do we wish to have the most vivid memories of these values? What do we imagine will be said at our memorial service and by whom? Will the tears be genuine and will the memories of our qualities and eccentricities be true solace to those who are left behind?

Depending on what our answers are to these questions, what do we need to do now, while there is still time, so that our answers fill us with peace and assurance, rather than shame and regret, or uncer-

tainty and disquiet?

What does a life truly well-lived mean for us, and what is keeping us from living that life right now? Depending on our answers to these questions, we could determine that our lives need to change dramatically, greatly, slightly, or not at all. Are we ready for that change? What do we need to do to make the change? What choices do we need to make? And by when will we make them?

This process may not be easy. But, as we prepare to leave a legacy truly representative, not only of our industry and accomplishments, but of our highest and most deeply held values, the effort is worth it. In fact, there is no more worthwhile effort.

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