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CASE STUDY

## How a CEO Built Leadership Bench Strength for a Confident Succession

**Industry:** Multi-Location Service Business | **Revenue:** \$18 Million

### The Situation

The CEO of this multi-location service business had built something he was proud of. After years of hard work, he could finally see the finish line — he wanted to step away within five years and enjoy what he had created. There was just one problem, and it was a big one: the business couldn't run without him.

Almost every important decision still flowed across his desk. His middle managers were capable people, but they had been promoted for doing the work well, not for leading others, and no one had ever taught them the difference. There was no succession plan, no leadership pipeline, and no obvious successor waiting in the wings.

That is a quietly dangerous place to be. On paper the company was valuable, but most of that value was tied up in one person. Any buyer or lender would see the same thing the CEO was starting to feel: if he walked away tomorrow, the business would wobble. We often call this key-person risk, and it is one of the most common reasons a good company sells for less than it should — or doesn't sell at all.

### What We Did

We didn't go looking for a single replacement. The goal was bigger than that — we set out to build a bench: a group of leaders capable of running the business together, long after the founder was gone. We laid out a three-year leadership roadmap and worked it patiently, because real leadership development doesn't happen in a weekend retreat.

**Leadership competency model** Before you can develop leaders, everyone has to agree on what “good” looks like. We defined the specific behaviors and capabilities the company needed from its leaders, so development had a clear target instead of being left to chance.

**Coaching and individual development plans** Each leader got a tailored plan and ongoing coaching. We met people where they were and grew them deliberately — not with generic training, but with the specific skills their role and the business actually required.

**Strategic planning process** We installed a real planning rhythm so the leadership team learned to set direction and make decisions together, rather than waiting for the CEO to do it for them.

**Succession framework** Finally, we put a structure around the transition itself — who would own what, how authority would shift, and how readiness would be measured along the way.

### The Results

Within 24 months, the change was visible in the numbers and, more importantly, in how the business actually ran.

- Internal promotions increased 60% — the company was now growing its own leaders.
- Leadership turnover decreased 40% — good people stayed because they had a path.
- The CEO’s involvement in daily operations dropped by 50%, freeing him to focus on the future instead of the day-to-day.
- Company valuation increased significantly, driven directly by reduced key-person risk.

*“Tom helped us build leaders, not followers. That’s what increased the value of our business.”*

— Chief Executive Officer

## The Takeaway

The true value of a business isn’t only what it earns — it’s whether it can thrive without you. When everything depends on the owner, the owner becomes both the engine and the ceiling.

The leaders this CEO needed at the finish line had to be built years in advance. The best time to develop your bench is long before you plan to walk away. Do it early, and you don’t just protect the value you’ve created — you multiply it.

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**Curious where your organization stands?** Take the free Leadership Operating System™ assessment, or book a discovery call with Tom at [northstarlc.com](http://northstarlc.com).