

The “Perfect Successor” Is a Myth: What Family Businesses Should Look for Instead

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Research suggests that education, experience, confidence, personality, and motivation can all shape family business succession. But none offers a shortcut to finding the ideal next leader.

Succession planning often begins with a deceptively simple question: Who should lead the family business next? Families may look at who has the strongest résumé, the most experience in the company, the right education, the greatest enthusiasm for taking over, or just simply who is the primogenitary heir. Advisors may encourage them to establish formal requirements for successors, map out a timeline, and identify the family member who appears most prepared.

Those things matter. But they can also reinforce one of the most persistent misconceptions about succession: that somewhere in the family is a “perfect successor” waiting to be identified.

Research does not support that assumption. [Our review of 85 studies](https://www.tandfonline.com/doi/abs/10.1080/00472778.2025.2527664) (<https://www.tandfonline.com/doi/abs/10.1080/00472778.2025.2527664>) examining individual differences in family business succession found that successors differ across a wide range of characteristics, including education, experience, competence, self-confidence, personality, motivation, emotional attachment, gender, and willingness to take over the firm. Yet there was no single characteristic, nor established combination of characteristics, that reliably identifies who will become a successful successor.

This is because succession is a process that unfolds over time (in some cases over many years), rather than as a simple selection decision. The characteristics that help someone emerge as a potential successor may not be the same ones that help that person develop into a capable leader or successfully assume authority. For family businesses, then, the question is not simply “Who is next?” Instead, families should ask: “What will our business need next, who has the potential to provide it, and what needs to happen between now and the actual transition to prepare that person to lead?”

Succession Is More Than a Plan

Traditional succession planning emphasizes important structural questions. Who will succeed the current leader? When will authority transfer? How will ownership change hands? What will happen to the outgoing generation? Families that approach this thoughtfully and develop a plan may benefit from reduced uncertainty and clearer expectations. But even a strong plan does not guarantee that the people involved are prepared to carry it out.

A successor may have the technical ability to lead but no real desire to do so. Another may desperately want the job without yet possessing the capabilities it requires. An incumbent may spend years preparing a child to take over but discover that *actually* relinquishing authority is much harder than expected. Family businesses operate at the intersection of family and business, so decisions about leadership are shaped not only by strategy and performance but also by relationships, identity, expectations, history, emotion, and attachment.

Daspit and colleagues (2016) offer a useful way to think about this complexity by presenting succession as a process unfolding across three broad stages: selection, development and preparation, and transition. Each stage creates a different challenge for the family and requires families to look at their potential successors somewhat differently.

Stage One: Who Gets Considered?

The first stage is usually framed as identifying the strongest candidate. But before families compare candidates, they should consider who actually had the opportunity to become a candidate in the first place.

Succession decisions often begin years before anyone formally discusses succession. One child may have spent summers working in the company, attended meetings with a parent, and received informal mentoring from an early age. Another may have been encouraged to pursue a career elsewhere. An oldest child may have always been assumed to be the eventual leader. In some families, sons may still be more readily envisioned as successors than daughters. By the time a family officially begins evaluating candidates, opportunities may already have been distributed unevenly.

This issue is especially visible in research examining gender and succession. Studies have documented how daughters' opportunities to move into family-business leadership can be shaped not simply by their capabilities, but also by family expectations, the opportunities made available to them, and their motivations for joining the business (Akhmedova et al., 2020). The practical lesson is not that demographic characteristics should determine succession decisions. Rather, families should examine whether informal assumptions have already determined who had the opportunity to become a credible candidate.

Once potential successors are identified, attention typically turns to capability. Education, experience, competence, and confidence can all provide useful information, but they are not interchangeable. Education tells us something about what a person has studied. Experience tells us what situations they have encountered. Competence concerns what they can actually do. Self-efficacy reflects whether they believe they can successfully perform particular tasks.

Families can easily mistake one for another. A highly educated family member may be assumed to be highly

capable. Someone who speaks confidently may appear more prepared than someone who is more reserved. A person who has spent 15 years in the company may appear more qualified than a sibling who spent a decade developing capabilities elsewhere. Any of those observations might be meaningful, but none is sufficient in isolation.

Capability also answers only half of the succession question. Someone may be exceptionally well qualified to lead the family business and have absolutely no desire to do it. Research on succession intentions reinforces the importance of distinguishing "Can this person lead?" from "Does this person want to lead?" Family membership should never be treated as evidence of either.

Working in the business also should not automatically be interpreted as a desire to eventually run it. Next-generation family members may remain involved because of opportunity, obligation, economic considerations, emotional attachment, family expectations, or a genuine desire to continue the family's legacy. Those motivations are not equivalent. One of the most useful questions a potential successor can be given permission to answer honestly may be: If my family did not expect me to take over this business, would I still want to do it?

Another person's individual characteristics are often overlooked during successor selection: the incumbent. Successor selection does not depend on the candidate alone. Potential successors are typically evaluated by parents, other family members, boards, managers, and advisors, all of whom bring their own preferences and assumptions to the process.

For example, an incumbent may interpret a successor who approaches decisions similarly to them as competent and trustworthy, while perceiving a different leadership style as evidence that the successor "isn't ready." Research has begun to explore how incumbent characteristics can shape these dynamics. Huang and colleagues (2020), for instance, examined how parent-incumbent narcissism, successor capability and willingness, and coercive control can interact during succession. The broader lesson is that families should ask whether they are evaluating what the future business needs or simply how closely a potential successor resembles the current leader.

What Can Families Do?

- **Look beyond the obvious**

candidates: Before narrowing down the list of potential successors, families should consider whether all interested family members have had comparable opportunities to gain experience and demonstrate their capabilities. This may mean considering candidates who have pursued careers outside the family business or who were previously overlooked because of traditional family expectations.

- **Evaluate both capability and willingness:**

Families should establish clear criteria for evaluating potential successors, considering their skills, experience, and leadership potential while also having open conversations about their genuine interest in taking over the business. Being qualified to lead does not necessarily mean wanting to lead.

Stage Two: Readiness Can Be Developed

Once a likely successor emerges, the central question should change. Stage One asks what this person currently brings to the table. Stage Two should ask: What does this person still need to learn?

That distinction matters because families sometimes treat successor readiness as something a person either possesses or does not. In reality, many of the capabilities required for leadership can be developed. Potential successors can gain experience outside the family firm, rotate through different functions, lead important projects, receive formal education, manage employees, build relationships with customers and suppliers, or work with mentors.

The point, however, is not simply to accumulate credentials. Requiring five years of outside employment means little if the family never asks what the successor was supposed to learn during those five years. Rotating through departments is not necessarily developmental if the successor never receives meaningful responsibility. Another degree is only valuable to the extent it develops capabilities the individual and business actually need. Families should therefore move from credential accumulation to intentional development.

Successor development is also relational. Experienced

incumbents often hold substantial tacit knowledge that is difficult to capture in procedures or operating manuals. Successors often acquire this tacit knowledge through observation, mentoring, conversation, shared problem solving, and gradually increasing responsibility. Research has consequently emphasized the importance of trust, knowledge exchange, mentoring, and shared vision between incumbent and successor.

This means that assessing only the successor misses a major part of the equation. A highly promising successor can still struggle if the incumbent cannot delegate meaningful responsibility, tolerate different decisions, or allow the next generation to develop an independent leadership identity. Preparing the successor without preparing the incumbent can leave a family with a well-trained future leader who is never truly allowed to lead.

What Can Families Do?

- **Create an individualized development**

plan: Rather than assuming that education or years of experience automatically translate into readiness, families should identify the specific capabilities each potential successor needs to develop. This may involve assigning leadership responsibilities, providing mentoring, or encouraging experience outside of the family business.

- **Make development a shared responsibility:**

Preparing the next generation should not fall entirely on the successor. Incumbents should actively participate by sharing their knowledge, gradually delegating meaningful responsibilities, and creating opportunities for potential successors to make decisions independently.

Stage Three: Someone Must Take Over (and Someone Must Let Go)

Eventually, “the future leader” becomes the actual leader. This is when many assumptions made earlier in the succession process get tested and a series of hard questions arise:

- Does experience translate into judgment?
- Does confidence translate into responsibility?
- Do relationships with employees, customers, suppliers, and family members translate into legitimacy?
- Does the incumbent move from talking about

relinquishing authority to actually relinquishing it?

Frustratingly, this is also where research provides fewer clear answers. Our review found considerably more research examining individual characteristics during successor identification than during the final transfer of authority. Education, competence, experience, and self-confidence have all received substantial attention early in the process, but much less research has followed those characteristics through the final handoff.

In other words, we know considerably more about who looks like a promising successor than about whether those same characteristics help someone successfully become the leader. The research that does examine the final stage has considered characteristics including gender, competence, education, experience, emotional intelligence, and locus of control. So far, however, it has not produced a simple formula for predicting who will navigate the transfer successfully.

This uncertainty is actually useful. It cautions families against assuming that the person who looks best “on paper” will necessarily manage the actual transition most effectively. The final stage also makes something else impossible to ignore: Succession involves two people moving in opposite directions. The successor must assume authority while the incumbent must surrender it. A family that spends years preparing the incoming leader while doing nothing to prepare the outgoing leader has only prepared half of the succession.

What Can Families Do?

- **Establish a clear plan for transferring authority:** Families should define when and how leadership responsibilities, decision-making authority, and organizational relationships will transition from the incumbent to the successor. This will help ensure that succession involves an actual transfer of leadership rather than simply changing in tittle.
- **Prepare both generations for the transition:** Families should discuss not only how the successor will assume leadership but also what the incumbent’s role will look like after stepping down. Establishing clear expectations and boundaries can help reduce confusion and allow the incoming leader to develop legitimacy and

independence.

Why the ‘Perfect Successor’ Is the Wrong Goal

Families understandably want certainty when selecting someone who may eventually control a company that took decades (if not generations) to build. That makes the idea of a successor checklist appealing. Look for the right education, the right amount of experience, the right personality, enough confidence, strong emotional attachment, and the proper leadership style.

Unfortunately, the research does not yet support such a checklist. Some individual characteristics have been studied extensively while others have barely been examined. Our review found particularly limited use of established personality theory, despite the frequent assumption that particular personalities are better suited to succession.

More importantly, characteristics rarely operate independently. Confidence is likely to mean something different when paired with high competence than when paired with low competence. Education may matter differently depending on experience. A leadership style that works well with one incumbent may generate conflict with another. And the capabilities a business needs during a period of stability may be very different from those required during rapid growth or disruption.

The successor is therefore not a checklist. Succession is a problem of fit, development, relationships, and changing demands.

Things to Do Right Now

The absence of a perfect-successor formula does not mean families have no guidance. It means the research is more useful for improving the questions families ask than for generating a numerical score for potential successors, so we pushed further into this (see Bracamonte et al, in press).

A good place to begin is with the business rather than the person. Families should identify the challenges the company is likely to face over the next five or 10 years and think carefully about the leadership capabilities those challenges will require. Does the company need growth, professionalization, technological transformation, geographic expansion, operational discipline, or something else? Starting with the future

needs of the business reduces the risk of defining the “ideal” successor around the family member everyone already prefers.

Families should also look backward at how the successor pool was created. Who received mentoring? Who worked in meaningful roles? Who interacted with customers and senior employees? Who was encouraged to see the business as part of their future? A supposedly open succession competition may not be very open if one candidate has been developed for 15 years and another was never invited onto the field.

Potential successors should then be evaluated on both willingness and capability, with neither inferred from the other. A highly capable but reluctant successor presents a very different challenge from a deeply motivated but underprepared one. Similarly, families should look beyond credentials without ignoring them. Education and experience matter, but the better questions are what those experiences actually developed, what responsibilities the successor has handled, what they have demonstrated, and how they have responded when decisions carried real consequences.

Perhaps most importantly, assessment should lead to development rather than simply judgment. Instead of asking only whether someone is ready today, families should ask what that person would need to learn or experience to become ready. Education, outside employment, mentoring, stretch assignments, broader exposure, and genuine decision-making responsibility can all help close those gaps. This turns succession from a search for a finished product into a process of developing future leadership capacity.

The incumbent and the relationship between generations also deserve explicit attention. Can the incumbent transfer knowledge without demanding imitation? Can they tolerate the successor making decisions differently? Can they gradually transfer meaningful authority? Can they eventually walk away from responsibilities that may have defined their identity for decades? Succession depends on both parties, and treating the successor as the only person who needs to prepare overlooks a critical part of the transition.

Finally, families should keep reassessing. People change, aspirations change, relationships change, and businesses change. A successor who looked ideal at age 25 may no longer want the job at 35. Another family

member who seemed underprepared 10 years ago may have developed valuable capabilities elsewhere. The company’s strategic needs may also be completely different. Succession should therefore be treated as an evolving process rather than a one-time decision.

Ask Better Questions

Research on successor characteristics can tell family businesses a great deal about the people involved in succession. Education, experience, competence, motivation, personality, confidence, gender, and other individual differences can all matter. What the research cannot currently provide is a scientifically validated recipe for the perfect next-generation leader.

Families should be skeptical of anyone who promises one.

A more productive approach is to use the research to improve the conversations surrounding succession: what the business will need, who has received opportunities to develop, whether potential successors both can and want to lead, what they still need to learn, and whether the incumbent is truly prepared for someone else to take control.

The objective should not be to discover a successor who perfectly matches a predetermined profile. It should be to develop the right people, for the right business, at the right time, and continually reassess that fit as the family, individuals, and company evolve.

Explore the Research

[Personality and succession: A call for future inquiry \(https://www.tandfonline.com/doi/abs/10.1080/00472778.2025.2527664\)](https://www.tandfonline.com/doi/abs/10.1080/00472778.2025.2527664) . *Journal of Small Business Management*, July 2025

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