Lessons Learned from HBO's *"Succession"*

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My wife and I recently completed watching all three seasons of HBO's "Succession." It's a wild ride on many levels, full of deceitful and dysfunctional family dynamics, corporate political backstabbing, and plain old evil greed. Despite this over-the-top intertwined family and business drama, there are quite a few relevant lessons worthy of attention from bank leaders and board members. Three in particular stand out to me.

First: Succession planning is always critical, and never more so in an organization (public or private) with any element of familial involvement. As is well known, all boards of directors should be paying close attention to succession for the CEO role and other key leadership positions. In the HBO show, there is no clear line of succession, and the company's 80-year-old patriarch (who experiences major health issues early in season 1) has not only failed to plan for his eventual departure but has all four children thinking they can and should take over the "family" business. Only one of the four is even close to qualified, and he becomes compromised by external events. Meanwhile, daddy plays each sibling against each other. It is a mess which devolves into chaos at various times, seriously impacting both the fortunes and future independence of the business.

Second: Where is the board of directors? In this instance, the company, Waystar Royco, is a publicly traded global media and entertainment conglomerate, but the board is not governing at all. The single most important responsibility of any board of directors is the decision of "*who leads*". This goes beyond the obvious CEO succession process, ideally in a planned, orderly leadership transition or worst case, a possible emergency situation. It more broadly relates to an ongoing evaluation of the CEO and his or her competency relative to the skills, experiences, leadership capabilities, temperament, and market dynamics. . Too many boards allow CEOs to determine when their time is up, rather than jointly crafting a plan for a "bloodless transition of power," that encourages (or even forces) a constructive change of leadership. In "Succession," the board is comprised of cronies of the patriarch — and his disengaged brother — who are both beholden to and intimidated by their successful and highly autocratic CEO.

Lastly, in any company with a sizable element of family ownership, the separation of economic ownership and executive leadership is vital. While at times the progeny of a successful founder and leader prove extremely capable (see Comcast's Brian Roberts), this is often the exception rather than the rule. Therefore, the board and/or owners ideally will address this dynamic head-on, accepting that professional management is indeed the best way to enhance economic value for shareholders and family members while encouraging the offspring and descendants to keep their hands off and cash the checks. Many privately held banks grapple with this same dynamic.

Such decisions, of course, are fraught with peril for those involved, which "Succession" endlessly highlights. Creating the proper governance structure and succession plans is rarely easy, especially when personal and financial impacts weigh heavily on the individuals involved. Still, with the board's prime directive of leadership selection top of mind, and a commitment to candor and transparency, the outcome will likely be much better than simply ignoring the elephant in the room.

When season four of HBO's "Succession" rolls around, it will surely provide more examples of how not to govern properly.

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