



**CLA Global TS**

The Growth Strategist For Asia

# Succession Planning: Leadership Transition - The Hardest Conversation Business Owners Keep Postponing

Private Wealth Series - Part 2

May 2026

© 2026 CLA Global TS. All rights reserved.

In our first part of our private wealth series focusing on succession planning, we highlighted three interdependent elements which determine whether transitions succeed or fail and they are

1. Leadership,
2. Ownership, and
3. Governance.

Each pillar matters. None works in isolation.

This article focuses deliberately on Leadership not because it is more important than the other two, but because it is often the most personal, the most deferred, and the least openly discussed aspect. For many business owners and founders whom we have observed in our line of work, we noted that leadership transition is not necessarily a lack-of-planning problem but more of a letting-go problem.

# Leadership Change Is Not a Technical Decision

Leadership transition is frequently framed as a technical question:-

- ▶ Who is capable?
- ▶ Who is qualified?
- ▶ Who should be named as the “next CEO”?

These are necessary questions, but they are rarely the ones that stall succession.

What slows leadership change is the reality that stepping aside forces founders to confront, more often than one would like to admit, a change in identity, a loss of direct control and / or uncertainty over whether the next leader in line will protect what took decades to build.

The resulting outcome is one where leadership succession is often postponed until circumstances dictate timing rather than intention. The issue does not appear to us as an absence of intelligence, resources, or advisors. It is basic human reluctance.

# The Intention – Action Gap in Leadership Transitions

Most business owners intellectually accept that leadership transition is inevitable. However, action frequently lags intention.

Often, leadership change is deprioritised because, or perhaps, the business is still performing well or the current leader remains highly capable and / or no immediate disruptions are appearing on the horizon.

Ironically, these are precisely the conditions under which leadership transition should be addressed. Preparing for leadership change before it becomes urgent preserves choice whilst waiting until it becomes necessary narrows it. It should then follow that leadership succession is less about timing an exit perfectly and more about ensuring that transition, when it comes, is deliberate rather than forced.



# Acknowledging that Letting Go Is a Leadership Competency

One of the least acknowledged aspects of leadership transition is that the ability to let go is itself a leadership skill.

Founders often struggle not because successors are incapable, but because:

- ▶ authority is never genuinely transferred,
- ▶ decisions remain informally centralised,
- ▶ or responsibility is delegated without real autonomy.

In such environments, successors cannot develop credibility, be it internally or externally and founders remain indispensable by default.

Effective leadership transition happens progressively when:

- ▶ authority is shared before it is surrendered,
- ▶ successors are allowed to make decisions and mistakes,
- ▶ and success is redefined from personal control to institutional continuity.



# Acknowledging that Leadership Readiness Is Not the Same as Lineage

In family-owned and owner-managed businesses, leadership succession is often constrained by implicit assumptions that the next leader should come from within the family or that appointing professional management (outside the family) signals loss of legacy and / or that leadership and ownership must reside in the same person or family.

“In our observations, leadership, ownership, and governance do not need to converge in a single individual or stays within the family.”

Separating these roles create flexibility:

- ▶ ownership can remain within the family,
- ▶ governance can provide oversight and continuity,
- ▶ leadership can be selected based on capability and suitability for the next chapter of the business.

Clarity around leadership criteria reduces conflict and protects both the enterprise and family relationships.

# Preparing the Organisation for Leadership Change

Leadership transition is not a private family conversation. It is an overarching organisational process.

Employees, management teams, lenders, regulators and key partners all respond to leadership uncertainty. When leadership succession is unclear:

- ▶ decision making slows,
- ▶ authority becomes ambiguous,
- ▶ institutional confidence erodes quietly before it becomes visible.

Preparing the organisation involves:

- ▶ clarifying interim and future leadership roles,
- ▶ aligning governing bodies on the transition approach,
- ▶ and ensuring continuity of direction even as leadership evolves.

Trust is built when leadership change appears intentional, not accidental.



# Leadership Does Not Transition in Isolation



Leadership transition must align with Ownership and Governance. Leadership change without ownership clarity creates tension. Leadership change without governance oversight creates instability. Leadership change without a clear mandate creates resistance.”

The topic on leadership (transitions) deserve dedicated focus and cannot be solved independently.



# Leadership Transition Readiness Checklist

*Questions to which business owners and family principals should be asking now*

This checklist is not a scorecard but is intended to be a diagnostic tool designed to surface blind spots early and while choices remain available.

## A. Readiness of the Current Leader

- Have I accepted that my role will change, even if I continue contributing?
- Am I prepared to move from decision maker to steward, mentor, or chair?
- Can I allow others to make consequential decisions without intervening?
- Is my future involvement defined or merely assumed?

## B. Clarity on Leadership Criteria

- Have we articulated what leadership this business needs for its next phase and not its past?
- Are leadership criteria explicit and shared or implicit and assumed?
- Are successors assessed on capability and temperament rather than lineage?
- Have we separated *potential* from *readiness*?

## C. Development of Successors

- Are successors given real authority or only symbolic responsibility?
- Do they have exposure beyond the family business?
- Is there a structured development pathway?
- Are mistakes treated as learning and not threats?

## D. Organisational Preparedness

- Would the business remain stable if leadership changed unexpectedly?
- Are decision rights and escalation pathways clear during transition?
- Has leadership succession been considered from the perspective of key stakeholders?
- Does the organisation understand how leadership change will be managed?

## E. Alignment with Ownership and Governance

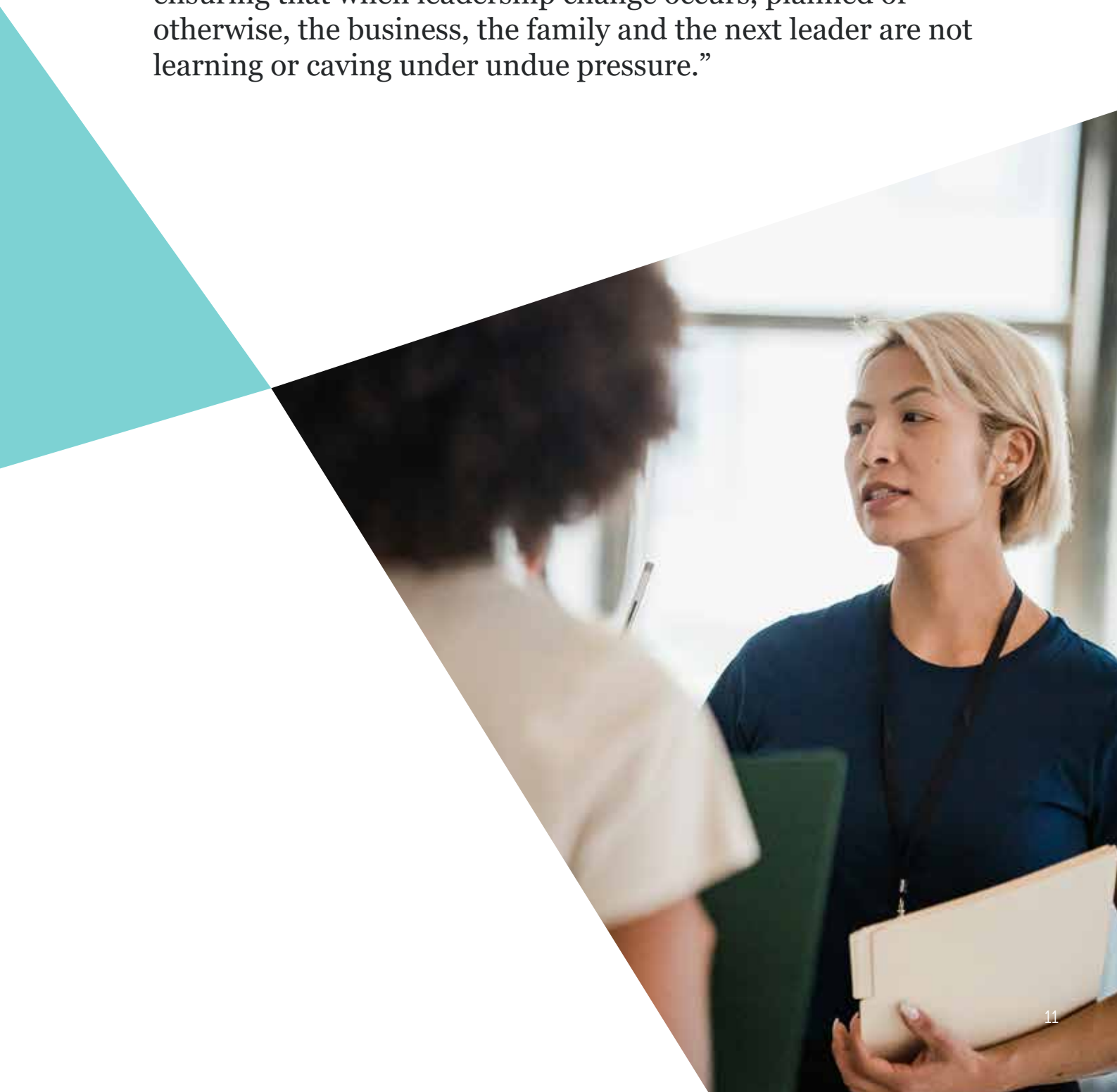
- Is leadership transition aligned with ownership expectations?
- Is there an effective board or governing body to oversee transition?
- Are roles clearly separated between owners, family and non-family members and executives?
- Does governance have real authority to support or intervene if needed?

# A Final Thought



Leadership transition rarely fails because the “wrong” leader was chosen. It fails because leadership conversations are delayed until options are limited.

Readiness is not about choosing who will take over today. It is ensuring that when leadership change occurs, planned or otherwise, the business, the family and the next leader are not learning or caving under undue pressure.”



# How CLA Global TS Can Assist

At CLA Global TS, we work with business owners and families to approach leadership transition as a structured, deliberate process, rather than a reactive decision.

We support clients by helping them:

- ▶ surface and reconcile unspoken assumptions around leadership and control,
- ▶ align leadership transition with ownership and governance realities,
- ▶ design credible development pathways for next generation or professional leaders,
- ▶ and build transition frameworks that protect both enterprise value and family continuity.

Whether leadership change is imminent or still years away, early clarity expands choice and reduces risk.

If leadership transition is on your horizon, even if the timing feels uncertain, we would be pleased to explore how to approach it methodically, pragmatically, and on your terms.



# Contact us

Private Wealth Specialists



**Edwin Leow**  
Co- Advisory Leader  
Director, Head of Tax  
[edwinleow@sg.cla-ts.com](mailto:edwinleow@sg.cla-ts.com)



**Shaun Zheng**  
Director, Tax  
[shaunzheng@sg.cla-ts.com](mailto:shaunzheng@sg.cla-ts.com)



**Tan Xin Yi**  
Manager, Tax  
[tanxinyi@sg.cla-ts.com](mailto:tanxinyi@sg.cla-ts.com)



**Else Guo**  
Manager, Tax  
[elseguo@sg.cla-ts.com](mailto:elseguo@sg.cla-ts.com)

▶ T: (+65) 6534 5700  
[connect@sg.cla-ts.com](mailto:connect@sg.cla-ts.com)  
[cla-ts.com](http://cla-ts.com)



We have taken great care to ensure the accuracy of this newsletter. However, the newsletter is written in general terms, and you are strongly recommended to seek specific advice before taking any action based on the information it contains. No responsibility can be taken for any loss arising from action taken or refrained from on the basis of this publication.  
© 2026 CLA Global TS. All rights reserved.

CLA Global TS is a trusted public accounting and Asia-focused business advisory firm. As an independent network member of CLA Global Limited (CLA Global), a leading global organization comprising independent accounting and advisory firms, CLA Global TS represents the network in Singapore, Southeast Asia, and China, serving as a key firm for CLA Global in Asia. Led by professionals with over 30 years of experience, CLA Global TS offers assurance, taxation, accounting, and a wide range of advisory services from locations in Singapore, China, and Malaysia.

We come to work every day with a singular purpose: to create winning opportunities for our People, our Clients, and our Communities.

CLA Global TS is an independent network member of CLA Global. See [claglobal.com/legal-disclaimer](http://claglobal.com/legal-disclaimer).