

Succession Planning and Leadership at DRYCO, Inc.

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SYNOPSIS

Daren Young, CEO of DRYCO, a family owned paving construction and maintenance (PCM) firm, faced several crises at DRYCO but he worked hard to make the firm profitable. The last few years had been especially difficult for DRYCO primarily due to the decline in the local real estate market that propelled the PCM industry. He made a bold decision to expand his firm to a second site in the middle of the recession. Young reflected on his leadership approach during all the decisions he had faced at DRYCO and wondered what would happen if a family or business catastrophe materialized. He felt that he was too young to retire and while succession planning was important but not an urgent matter. Daren mulled over what priority to give succession planning, what management or leadership approach he should take concerning this issue and who was the best person to succeed him.

LEARNING OBJECTIVES

The objectives of this case study are:

1. Evaluate the role of CEOs' leadership in the development of succession plans.
2. Analyze the role that family and non-family members usually play in the development of effective succession plans.
3. Analyze methods used by CEOs to select a successor.
4. Describe the relationship between methods used by CEOs to select a successor and the best candidates selected.

Application

This decision case was designed for senior level undergraduate and graduate level courses in family business, small business, and entrepreneurship. The decision focus revolves around the leadership approach the CEO should take to plan and implement a successful succession plan; therefore, management courses with modules in leadership, strategic planning and human resource management could benefit from this case.

KEY WORDS

Family Business, Small Business, Entrepreneurship, Leadership, OB/Management and Human Resource Management.

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