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STRATEGIC SUCCESSION PLANNING


Building Leadership Continuity and Talent from Within

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Today's Agenda

Succession Planning Components



The diagram illustrates the five components of succession planning in a sequential flow: 1. Building Commitment & Accountability (represented by a cluster of colorful dots), 2. Targeting Positions for Succession (represented by a red arrow), 3. Successor Identification & Selection (represented by a green arrow), 4. Successor Development (represented by a purple arrow), and 5. Leader & Talent Continuity (represented by a blue arrow pointing to a green circle). The connexHR logo is in the bottom left corner.



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Building Commitment & Accountability



Embed Succession Planning into the Leadership Culture

Building Commitment & Accountability

Building Support for Succession Planning is a Challenge



"Tell him we haven't got time for any of his bright ideas - we've got a battle on our hands"

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Building Commitment & Accountability


Making the Case for Leadership Commitment

Why Succession Planning?

- Maintains leadership continuity as gaps arise
- Develops leaders from within to sustain corporate values
- Provides growth for aspiring, high-potential talent
- Builds talent readiness for long-term business strategies

Barriers to Overcome:

- Time commitment to the process
- Fear of identifying one's own replacement



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Building Commitment & Accountability

Embedding Accountability

Building Visibility through Dashboard Metrics:

- % of key positions with identified successors
- % of key positions filled internally
- Quality of recently promoted successors

Building Individual Leader Accountability:

- Measure successor readiness for key subordinate positions
- Monitor fulfillment of successor development plans
- Link recognition and rewards with succession results

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Targeting Positions for Succession



Prioritize At-risk Positions Most Critical to Business Success

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Targeting Positions for Succession

Building a Target Position List

Key Steps:

- Select a succession planning team
- Imagine tomorrow's organization
- Conduct vacancy risk assessments
- Finalize position list for succession planning

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Targeting Positions for Succession

Predicting Talent Needs for Tomorrow's Organization

Critical Questions:

- What does the business look like in 3 to 5 years?
- What organizational changes are likely to occur?
- What leadership/talent capabilities are critical to future success?
- What organization structure could maximize people contributions?

Needed Answers:

- Key competencies needed to drive upcoming business initiatives/changes
- List of positions to consider for succession planning

"You may have set up a perfect succession plan for your apple growing business, but that won't help you if the business has moved to growing oranges."

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Targeting Positions for Succession

Prioritizing Succession Efforts

- Formal process to evaluate position criticality
- Prioritize succession efforts on high risk positions

Sample Assessment

Vacancy Risk Factors	Position A: VP of R&D	Position B: CFO
Urgency on Time-to-Fill	High	High
Impact on Bottom Line Results	High	Medium
Competency Scarcity in the Labor Market	High	Low
Potential Turnover of Current Incumbent	High	Medium
Overall Vacancy Risk	High	Medium

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Targeting Positions for Succession

Final Position List for Succession Planning

Process Summary:

- CEO selects team to discuss succession
- Team plans future organizational structure and needed competencies
- Team develops a preliminary key position list
- Team conducts formal or informal vacancy risk assessment on positions
- CEO/team approves final list of positions to include in succession planning

Process Outputs:

- Final list of positions targeted for succession
- Competencies needed to drive future strategies

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Successor Identification & Selection



Calibrated Evaluation of Talent for Succession Opportunities

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Successor Identification & Selection

Conducting Talent Evaluations

Key Steps:

Determine evaluation performance and potential criteria

Plan and deploy the evaluation

Analyze and calibrate evaluation results

Finalize successor list

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Successor Identification & Selection

Evaluating Talent Performance and Potential

Criteria Categories

Engagement

Performance

Aspiration

“Grower” Employee

Someone with the ability, engagement, and aspiration to rise to and succeed in more senior, critical positions

Engagement

Proven commitment to corporate values

Intent to stay with the organization

Willingness to go “above and beyond the call of duty”

Performance

Demonstrated talents

Proven capabilities

Positive work assessments

IQ and EQ

Aspiration

Seeking a higher level position

Genuine interest in helping the business succeed

Interest in prestige and recognition

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Successor Identification & Selection

Planning the Evaluation

Develop statements or questions to evaluate criteria

Determine target employees for evaluation and select assessors

Agree on a scoring methodology

Develop and deploy an evaluation tool

Sample Spreadsheet

	Tim	Jill	Al	Joe	Jane
Performance Criteria					
- Drives for Improvement	High	Low	Medium	Medium	High
- Persists in Efforts	High	Low	Low	Low	Medium
- Sets High Standards	High	Medium	Low	Low	High
Engagement Criteria					
- Committed to Making a Difference	Medium	Medium	High	Low	Medium
- Models the Values	High	High	Medium	Medium	High
Aspiration Criteria					
- Seeks and Uses Feedback	High	Medium	High	Low	High
- Builds Broad Business Knowledge	High	High	Medium	Low	Medium

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Successor Identification & Selection

Analyzing Talent Evaluation Results

Best Practice Method:

- Force-rank participants by target position based on category criteria

Sample Analysis:

- Plot results on a 2-D graph
 - X-axis: Performance
 - Y-axis: Aspiration + Engagement = Potential
- Intersection of x and y axes = average participant score

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Successor Identification & Selection

Calibrate Talent Assessment Results

Leaders discuss talent evaluations as a team to:

- Gather experiential feedback
- Build consensus on talent assessment results
- Discuss growers and possible future roles in the organization
 - Grower strengths
 - Development needs
 - Career potential

CEO should establish clear discussion guidelines:

- Information discussed is accurate, specific, and relevant
- Leaders must offer perspectives on other leaders' reports

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Successor Identification & Selection

Final Succession Plan for Targeted Positions

Outputs:

- Agreed upon list of potential successors for targeted positions
 - Discussion on gaps on critical development components
- Consider risk mitigation strategies for positions without immediate successors
 - Successors may need time to develop or no readily identified successors
 - Deploy targeted talent retention activities to buy time
 - Initiate proactive recruiting to have a short-list of external candidates

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Successor Development



Preparing Successors for Future Success

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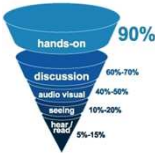
Successor Development

Effective Successor Development

Customized Development with a Combination of Learning

- Formal learning experiences
- Coaching and feedback through mentors and performance management
- Real-world, experienced-based learning with full business exposure
- Internal role switching to build cross-functional acumen

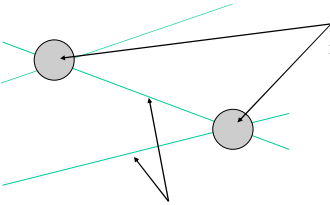
Learning Retention



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Successor Development

Just-in-time Development



Transition point
Individual has been placed in new position and is adapting to new role

Development path
Customized development plans targeted at building individual's inventory of experiences

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