



# Unit 7 Succession Planning

## Learning Outcomes

**By the end of this unit the learner will be able to:**

- ✓ Demonstrate an understanding of the value of succession planning for successful businesses.
- ✓ Demonstrate expertise with the key elements of a succession plan

## Unit 7

### Understanding the value of Succession Planning

Successful succession planning means that if someone leaves an organization, the right person is in place to take their place. Succession plans were first used by family owned companies as a way to ensure that the business stayed in the family; if the business owner was the family patriarch, it was common for the children to be “groomed” to take over the business. That process evolved slightly as businesses began intensive research and preparation to replace CEOs.

Today, succession planning means that businesses provide developmental, support, and search activities to ensure that the organization continues effectively when people who occupy key roles leave or are promoted.

- Succession planning is an aspect of workforce planning that concentrates on key positions within the organization.
- Workforce planning involves all positions within the organization.
- Replacement hiring is a response to a vacancy; succession planning is a proactive process that addresses needs before they exist.

If we hope to compete for talent in today’s workplace, then our organization has to make sure that it appeals to, and can successfully compete for, the best talent available.

Succession planning means that we are working long term, like we do when we invest our retirement savings. This is different than hiring in response to a vacancy.

#### The Definitions

As you read each of the points below, decide whether they fit what you already know about replacement hiring (write RH on the line) or succession planning (SP). Discuss each point with your group to determine any subtle differences, areas of overlap, or questions that may arise.

Description	SP or RH?
Quick answer to immediate need	
Long-term commitment	
Developing individuals	

Description	SP or RH?
Based on current job descriptions	
Based on new directions and expanded responsibilities to the job description	
Uses input from the incumbent and supervisor	
Uses input from multiple perspectives and resources	
May offer advancement within the organization as a reward or result of seniority	
Considers whether the right person is in the right role and merits advancement	
Addresses developmental needs of an individual to ensure success in current and future roles	
Is integrated with recruiting, training development, and diversity factors	
Must usually be done quickly and is not consistently coordinated with other human resources activities	
Can lead to finding the best person available at the moment	
Focuses on the best candidate for the position	

## Defining a Succession Plan

### Strong Leaders and a Strong Organization

The following two points are not mutually exclusive, even though some people want to argue that they are:

- An organization can be great because of great leadership
- An organization can be great because it is a great organization

If you look closely at a successful organization (and hopefully yours is one of them!), they can be led by great leaders, and they can develop great leaders. The ability to determine where leadership stops and the organization takes over can be a very fine line, and a chicken-and-egg type of argument.

A great leader does not make a great organization by operating independently of their team. Successful, enduring, and leading organizations are not led by one individual. They are led by people who have the talent and expertise to move the organization ahead. There may be one individual who is responsible for making a final decision on a difficult issue, but the day-to-day management is shared between leaders and critical staff at many levels.

The important factor is that success stems from having both strong leaders and a strong organization. Which one comes first or is the greatest contributor is not as important as having both, and in that way, you can put the chicken-and-egg questions to rest.

The great leader theory is not right in the sense that it makes it sound like the great leader can operate independent of the organization, and that is not the case. Great leaders are people who have the courage and tenacity to make tough decisions, and they do so in consideration of the goals of the organization and the lives of the people who either work with it or are impacted by it. Succession planning allows leaders to work most effectively by creating a system for developing leaders and critical staff that can ensure the business runs smoothly and profitably.

**Test your Knowledge**

**What type of plans do you commonly encounter at work?**

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**What is one common element to those different plans?**

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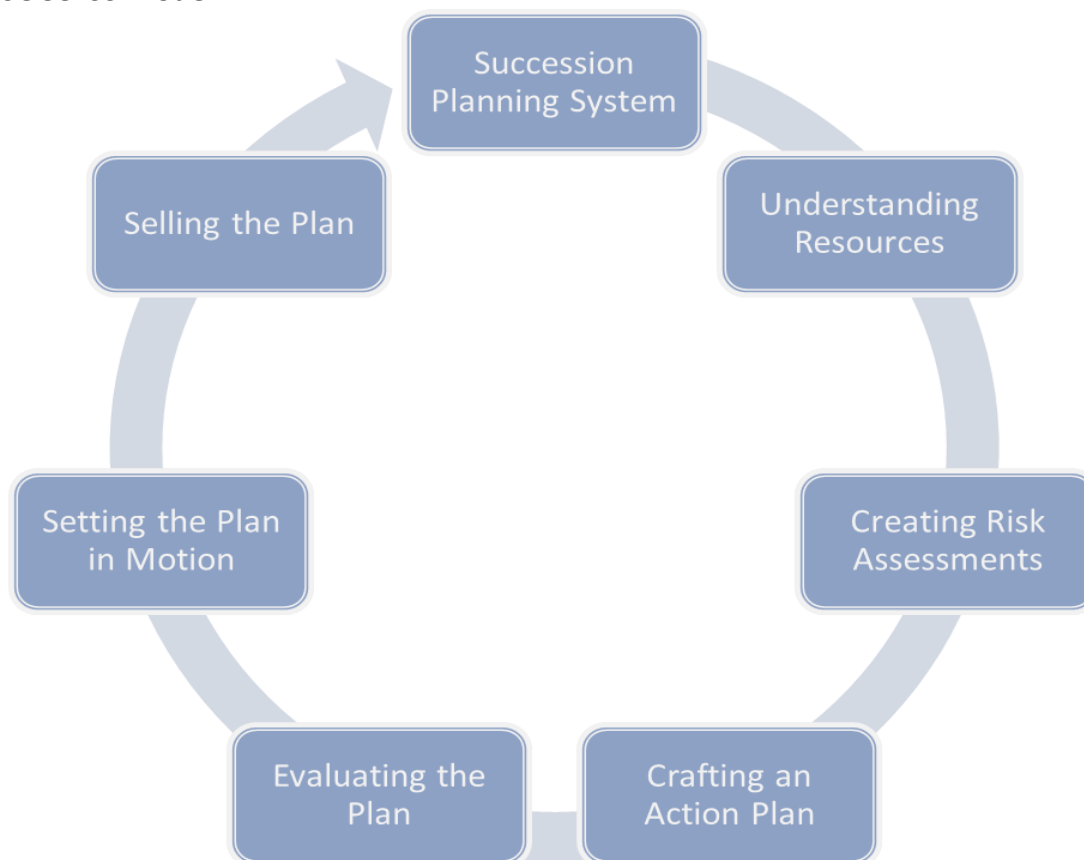
## Components of the Plan

A succession plan is one element of a finely executed business operation. Succession plans, like other important projects, must have the following attributes:

- A mission statement, supported by defined vision and values
- A dedicated team for planning, design, implementation and follow-up (although the same people need not be involved at each stage)

In different resources, you will see succession planning defined and described in different ways. Ultimately, each book puts their own spin on the methods, and your job is to determine which method is the best suited to your own organization. Here we present a model for succession planning. You will see elements of this plan in other models, sometimes called different things. As we already mentioned, your job today is to develop a deep understanding of how to develop and maintain a succession plan that works for your organization. We support those endeavors by championing your SUCCESS.

## SUCCESS Model



Your SUCCESS results from:

- Succession planning system: Designing a system, determining resources, and setting up progression pathways.
- Understanding your resources: Identify key positions, analyze the environment, and establish individualized engagement plans.
- Creating risk assessments.
- Crafting an action plan.
- Evaluating the plan.
- Setting the plan in motion.
- Selling the plan and creating reinforcement by celebrating success and continually reminding the board and members of the succession team of its value.

### **Setting the Scope**

Succession planning relates to a system that you design. This includes determining the resources that you need and setting up what we will call progression chains.

The first step includes the system itself, and this involves three main components.

- Identify the critical people for your succession plan
- Develop progression procedures
- Incorporate top-level support and buy-in

The critical people for your succession plan are those whose absence directly interferes with business operations. In a small, family-run organization, this could be just two people (namely mom and dad), and in a medium-sized organization, this could just be four people (for example, the CEO, COO, HR Director, and CFO). As things get larger, the numbers will increase. Beyond those first people that you identify, you must delve down at least two layers to reach all of the people involved in your succession plan.

Note: In businesses that experience high levels of turnover because of contracts, burnout, or retirements, you will need to work through three layers.

### **Case Study One**

Here is an example of succession planning for a CEO named Ann, using a Succession Plan Chart that delves down three levels. Note that the people under Ann in this chart may not report directly to her, but these are the staff that have been identified as best able to step into her shoes.



Each chart needs to do the following:

- Identify a critical position in the organization (Ann, the CEO)
- Delve down three levels below the critical position (no one, then Abby, and finally Robin)

**Looking at this example, what two areas of potential difficulty do you see?**

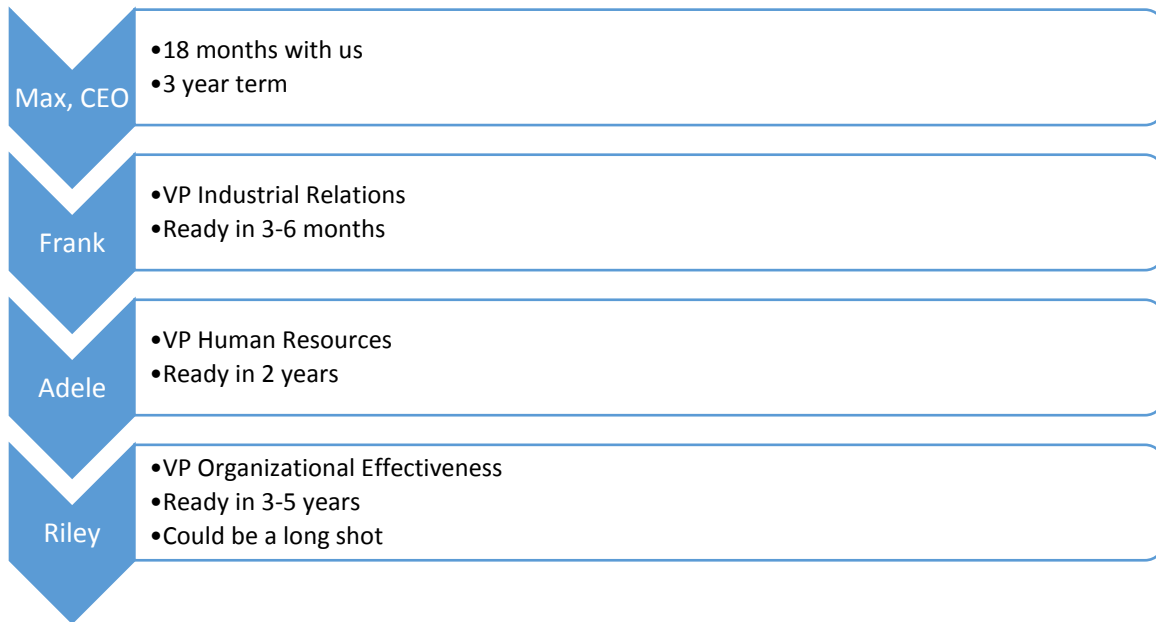
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### Case Study Two

Here is another example.



Considering these two examples, Ann’s successor is a problem, but Max’s is not. What steps would assist in resolving some of the issues around Ann’s successor?

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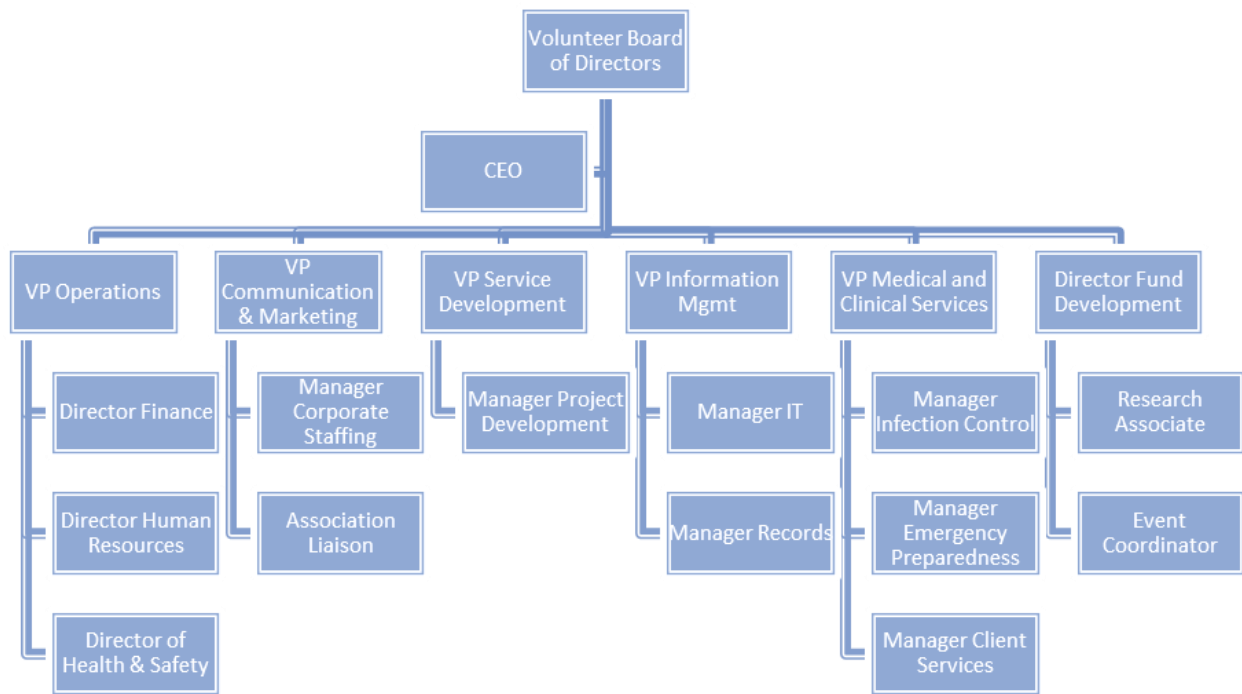
### Pre-Assignment Review

#### Task

Using the information that you gathered as part of your pre-assignment, circle the four most critical people in your organization based on what you know about your organization and succession planning.

#### Sample Organizational Chart

If you were not able to gather an organizational chart, you can use this sample.



## Identifying Resources and Analyzing Risks

### Identifying Resources

Now you have looked at the resources within your organization, and identified who the critical employees are, you might also be thinking about the fluidity of the current marketplace.

It is tough to explore succession planning without acknowledging that the employment marketplace moves in cycles. Depending on things like the economy, retirement waves, and mobility of the workforce, we could set ourselves up for difficulty. For example, we may groom an individual for a senior position, and then they leave the organization and apply their talents (and our hard-earned training money) to another company.

What about loyalty? What about gratitude?

Well, don't count on gratitude, but there is good news. Although loyalty is not a major attribute of people entering the workforce today, mobility might not actually hurt you as much as you think. The process of developing leaders is a calculated risk that you take to ensure the success of your business. Although newer workers entering the workforce will exhibit high levels of mobility (changing jobs and even professions many times), they are also expected to revisit previous employers. So if, for example, you hire me in an entry-level position when I have just finished

school, and I work with you for three years, it is true that I may move somewhere else. However, if I change jobs every two to five years and there are only half a dozen organizations that exist within my industry, the chances are good that at some time in my future, I will return to your organization.

Where are your other resources located? Where do the people that you want to attract actually spend their time?

Working with recruiting specialists as a part of your succession planning can open you up to resources that you were unaware of even five years ago. If prospective employees are not knocking on your door or flooding your inbox with resumes, they may be out experiencing their community and life. Explore where the up-and-coming leaders that you want to attract actually spend their time, and go meet them on comfortable ground. Do not expect that they will see your recruiting ad and want to come work for you. Do not anticipate that the best candidates will come to your job fair. It just doesn't work that way anymore. They may see your ad, they may have heard of you, but they also are checking you out very closely. What kind of an environmental reputation do you have? How much money do you invest in employee development? What kind of benefits do you offer? (If you don't offer benefits, they may openly ask you, "What are you thinking?")

Don't be offended by changes in the way people are approaching work; this is simply the reality of how people are addressing their own values for balance, community, or meaning. Attract people with long-term vision that reflects their own values, not just the values of the organization, and you may find that in the long term you have attracted the people that enrich your organization, and that you can stop hiring to simply respond to an immediate need.

We cannot treat employees as commodities; they will not stand for it. Knowing that the strengths of the people who work for your organization are what can make or break you, you might as well put in the extra effort and find the people that you want.

### **Developing External Successors**

So far we have really focused on developing our internal people as the most appropriate successors. In some positions, however, that will not always be possible. A small resource pool or highly specialized jobs are just two reasons that we may have to look outward for successors.

Developing relationships externally to your organization can be an important way to attract interest in your organization. Meeting potential candidates through a business network and by attending or sponsoring functions for college students and graduates are just a few ways that you can look at finding external candidates. Developing methods to suit your organization could also involve commitments in sponsoring scholarships, participating in competitions, or setting up internships.

**Risk Assessment**

People can become frozen solid when they think of risk assessments, and so our recommendation is to keep the process as simple and non-threatening as possible. Succession planning is rife with risks. People come and go from organizations. Whether we create ironclad non-competition agreements or confidentiality agreements, or we don't, we can still have our viability threatened.

The Risk Analysis here is a leader's very honest attempt to address the risks of continuing with a particular plan. The leader's role is to complete the analysis honestly and with feedback from the individual as well as the leader's observations. In our experience, managers need training and mentoring to complete these tools properly, and so that they become a tool that is meaningfully used. When managers and their direct reports complete tools such as this, they must concentrate on being honest and objective.

**Risk Analysis for (insert name) \_\_\_\_\_**

**Date \_\_\_\_\_**

Category	Factors	Current Risk (Yes/No)	Change expected by Employee (EE) before next reporting period? (Yes/No)	Warning Signs
<b>Pay &amp; Benefits</b>	Our compensation differs from competition by >10%?			Employee exceeding learning curve of colleagues (sign of impending departure)
	Are we offering fewer benefits than competitors?			
<b>Current Position</b>	EE not satisfied with position title			Peers and colleagues leave positions or advance
	EE not satisfied with position			
<b>Balance</b>	Work hours not consistent with life needs			Changes in personal/family factors

	Location not consistent with life needs			
<b>Supervision</b>	Is EE receiving enough mentoring?			Superior's feedback often negative or critical
	Is boss supportive of work habits and results?			
<b>Team</b>	Friend in the workplace?			Does not attend or appear to enjoy outside events
	Team or friend including EE in activities?			
<b>Development</b>	Not learning anything new			No learning opportunities since last reporting period (or not in past year)
	Not receiving developmental opportunities			

When you read through this form initially, do not be intimidated. This is a good time for you to answer these questions in terms of your own fit with the organization. Are you someone who seems to be settling in to lead, or are you on your way out?

## Elements of a succession plan

### Defining Roles, Responsibilities, and Functions

#### Individualized Engagement Plans

A succession plan can be a partly creative and partly scientific process. The roles of people involved will evolve depending on the strengths of individuals that are present, and those strengths will change as they develop, and as new people enter the organization. The key aspect of succession planning is to have the right people in the right job at the right time, and so it makes sense to apply that approach to the process.

Flexibility will allow the plan to evolve and grow as business needs are identified and change. Succession planning is a process that involves people at critical areas of the organization, so keep in mind that you need to look at those critical roles and the people that are positions two levels beneath them on an organizational chart.

We have discussed the importance of finding and attracting the right people, and part of that is related to the evolution of individualized engagement plans (IEP). Engagement refers to the level of commitment that people have to your organization. Some succession plans refer to these individual plans as development plans or training plans. We like the phrase “engagement plan” because it addresses all aspects of what keeps your people committed to the organization. After all, in succession planning, in order to have the right people in the right positions doing what they can and do well, we have to be involved in their development, but we also need to know what their passions are and what makes them tick.

Engagement plans are a key component in the succession planning process. Each person that you identify ANYWHERE in a succession plan as being either a critical link or a potential leader must have an IEP. The IEP is developed in consultation between the leaders and their staff. Critical elements of an IEP include developmental needs as well as a career plan.

Each critical employee identified in a Succession Plan Chart must be described within an individual profile, which you can create specific for your own organization. It should have the elements that are on the sample page, as well as anything else that makes sense for your organization. Note that the IEP and Career Plan are parts of this profile.

## Succession Plan Profile

### I. Identification

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Name:

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Current Position:

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Dated Started in This Position:

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Time Spent in Current Industry (not just this position):

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#### Biography (250 words or less):

Ask the employee to write this, with your help if needed. Include their educational background; work style; and current lifestyle considerations such as ongoing courses, family or lifestyle status, community, or recreational involvement.

### II. Current Status

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List areas of competency (strengths that apply to the organization and leadership roles as well as other assets)

### III. Individual Engagement Plan

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Development needs for \_\_\_\_\_ role

Insert name of the role as it is currently, such as VP of Operations. Include any aspects that influence the engagement of this particular employee, including a detailed list of all development required to get them ready for their next steps. Examples could include any or all of the following:

- Associations to join (human resources, leadership, industry specific, etc.) as well as meetings, seminars, or workshops to attend
- Courses and/or mentorship in human relations, IT, operations, coaching, leadership, finance, business, performance planning
- Obtaining licensing or certification in any areas
- Having paperwork such as passports or vaccinations up to date and documented
- Image consulting; dress, deportment, and etiquette; manners for executives

### IV. Risk Assessment

Summarize any points of concern that were raised in the risk assessment table that you completed

**V. Career Management Plan**

This is generated primarily by the employee, and should include benchmarks for one, three, and five years. If the employee has not given a lot of thought to their career plans, it would be a benefit to them for the organization to arrange for some career counseling or coaching. Career development services are no longer used just for job searching or changing employers; they are being used more often by organizations who want to provide those services to their existing staff.

**VI. Action Plan and Follow-Up Dates**

Action	Follow-Up Date

**Working the Plan**

Now you will get some practice using the process for completing a succession plan! We will not be completing an entire plan in this course, but this next section is designed to give you a sense of the information that must be gathered during this process.

**Assignment #1: Complete a Risk Assessment.**

**Write down pertinent questions that the interviewer can ask that will elicit the strongest and most meaningful answers.**

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**Assignment #2: Complete a first draft of an IEP.**

**This IEP is a development plan for \_\_\_\_\_ (name) to grow into the role of \_\_\_\_\_ (the position one or two steps ahead of where you currently are, such as VP of Operations).**

**Include any aspects that influence the engagement of this particular employee, including a detailed list of all development required to get them ready for their next steps.**

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- Courses and/or mentorship in human relations, IT, operations, coaching, leadership, finance, business, performance planning
- Obtaining licensing or certification in any areas
- Having paperwork such as passports or vaccinations up to date and documented
- Image consulting; dress, deportment, and etiquette; manners for executives

**Assignment #3: Create a biography of up to 250 words.**

**This biography should capture their educational background; work style; current lifestyle considerations such as ongoing courses, family or lifestyle status, community, or recreational involvement. The information needs to be a summary, introduction, and sales tool in order to introduce this employee to a leadership team and potentially explain why they have the background needed to be considered for leadership positions within the organization. To give you an idea of size, this paragraph is approximately 75 words.**

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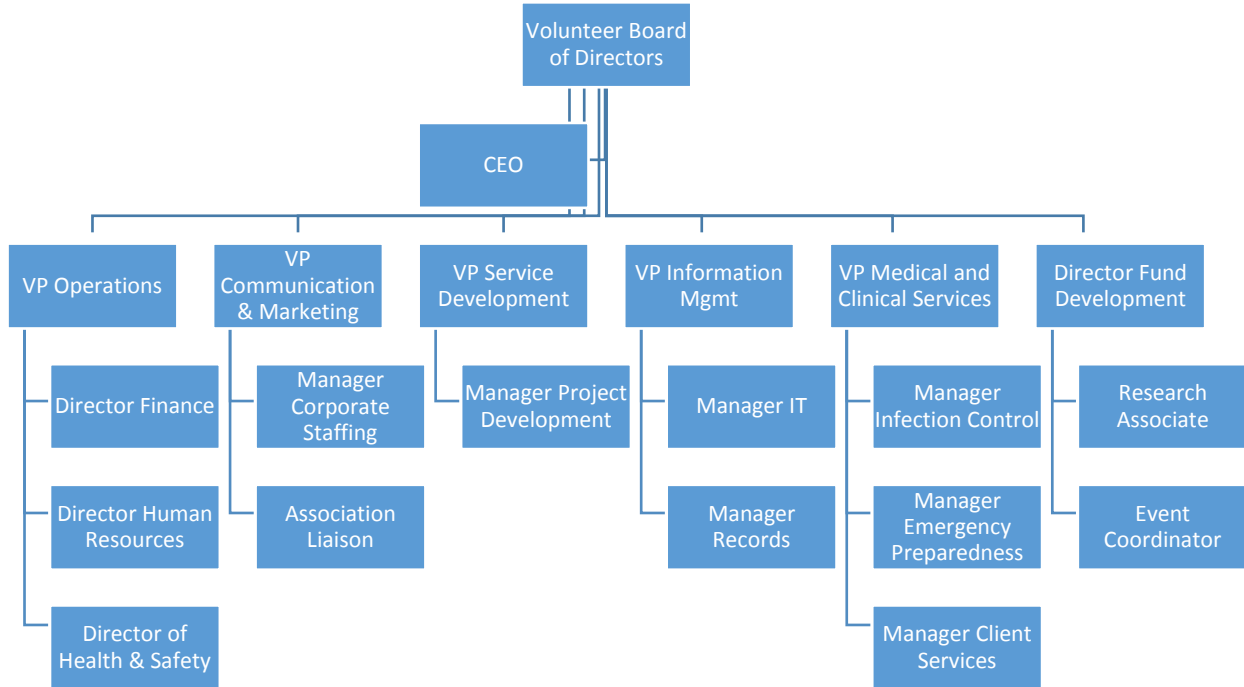
### Gathering Information

There are layers of complexity involved in succession planning. It is very important to know:

- What information you need
- Where to gather the information
- What methods to use

In the previous session you were able to interview each other for information that was needed. There were some gaps, however, and so this section will focus on getting what you need when you need it.

How many critical positions are in this chart?



**Test your Knowledge**

Are there other critical employees that are missing from that chart?

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How we can look within our own organizations and determine what the critical positions are?

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Jot down the names and positions of critical people in your organization who have not been obvious until just now.

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## Forecasting Needs

### Key Ingredients of a Successful Plan

Succession planning is an important part of a business that is able to grow and thrive in a competitive world. Why?

- We need a work-ready pool of people.
- Our organization must understand that a succession plan impacts long-term sustainability.

If we expect to have the right people in the right jobs at the right time and for the right reasons, we need to have the following key ingredients.

### We must be a part of a learning organization.

Succession planning is about developing leaders. In order to do that, we have to belong to an organization where education is valued and where it is supported from the top, all the way down through each layer.

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### Succession planning does not exist in a vacuum.

As we mentioned earlier, succession planning is a process. The process has to incorporate the other areas of the organization in order to support the business. If the plan does not support the organization, it will be discarded.

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### Develop reliable data gathering.

Succession planning has been regarded as many things, including being an HR add-on. Succession planning must be demonstrated scientifically, which is impossible if we see it as a strictly creative process (although there is creativity required). Data gathering means that the organization is looking at benchmarks and actual results to measure and assess progress.

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**Have senior level support.**

The CEO or President must endorse and support the succession planning process. The CEO must be involved and be an active participant. This is not just because she/he is one of those critical employees; when the CEO is highly engaged, the program becomes coherent and embraced.

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**Continually assess your results.**

If you do not assess the quality of performance within the organization, you will not learn the level of success – or failure – that the plan holds. We know that succession planning is a long-term endeavor, and so we must ensure that the right people are in the right jobs without losing our focus on performance. If we place people in positions on a hunch that they had the potential, but those people did not actually have the skill to succeed, the leadership pipeline fails.

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**You do not have to do it all at once.**

One major threat to succession planning is that implementation over a short period of time can overwhelm systems and people. Succession planning is a process; change can seem threatening. When you begin to contemplate a succession plan, you could realistically be creating implementation plans across multiple departments, regions, or countries, and it could involve a huge number of people. Step-by-step implementation will allow you to experience success in one area and demonstrate to other areas how effective the process is, while allowing the important work to take place. Phased implementation also allows time to make adjustments to the program before it is widely distributed.

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**Coaching and Mentoring**

Coaching can be an important aspect of succession planning, especially when we consider that we are preparing people for leadership roles. While training is usually focused and scheduled, coaching can be provided when an opportunity presents itself. Coaching, especially in reference to

performance, is not effective at “fixing” a problem like those that are associated with poor performance. It can, however, very effectively be used to prepare future leaders. Coaching and mentoring are different in that mentoring means actually teaching someone a particular skill. If someone is completely new to a subject, mentoring is appropriate. To try to coach someone who has never used a wrench on how to change the oil in their car would not make any sense. That person needs a mentor or teacher. However, for the mechanic who is a valued employee within a shop environment, and who has excellent leadership qualities and the potential to be a critical employee, some coaching can accelerate his evolution into a leadership role.

Good coaches actually take the time and make the effort to learn how to coach. Anyone can call themselves a coach, but some of the key aspects of coaching need to be learned in order to be effectively applied. Coaches lead; they do not teach. A coach approaches something in a way to help someone discover, explore, and ask their own questions (rather than just answer a coach’s questions).

Coaching is available with specialties in certain areas that can really help with succession planning. Executive coaches can help someone who lacks certain skills to develop the skills that will make them successful. For example, when someone is moved into a role before they are completely prepared, they may benefit from job content coaching. In other circumstances, process or image coaching focuses on the impact that the leader projects. Can they carry a conversation, project a confident and professional image during a business lunch or meeting, deliver bad news to staff, or conduct a meeting?

**Test your Knowledge**

**Have you worked with a coach?**

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**What results did you seek when you started?**

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**Did you successfully reach your goals?**

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**Write down five areas in your professional or private life where you could benefit from working with a coach.**

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## Development of a Succession Plan

### Putting the Plan Together

#### Using Appreciative Inquiry (AI)

Many businesses have failed where others succeed. Or, should we really be asking how successful businesses flourish where others fail?

- Appreciative inquiry is about acknowledging what is working rather than searching for what is broken and fixing it.
- Succession planning may require full-scale change.

AI is an approach or philosophy that forces us to consider what is working instead of spending time or energy on things that are not working. In a traditional performance review, we often point out the lack of someone's skill or their failure to meet production or service standards. We focus on things that they do poorly, and justify reasons not to increase their salary or somehow acknowledge them at work. Appreciative Inquiry is very different. AI actually means to "ask questions about things that are worth appreciating." AI focuses on what is going well, who people are, and what their strengths are. AI is a pretty natural fit for succession planning.

The formal process for AI uses the 4 D's:

- Discover the processes that we are using that work well.
- Dream about what will work well in the future (like developing a formal succession plan!).
- Design a process that is going to get us through this.
- Deliver (execute) the design.

#### A Permanent Vacation

The CEO of the Acme Shoe Company visits the warmth and hospitality of Easter Island and decides to stay there. Forever. As in he is never coming back. The board of directors sets up an emergency meeting to look at their options. The conversation around the table starts out in a bit of a panic, but notice that Kim steers them towards an AI approach.

<b>Chair</b>	So folks, we all know why we are here. David went to visit Easter Island and has decided to stay. I cannot believe this myself; I thought he was really committed to our cause. We make the best running shoes sold in the world, don't we?
<b>(People nod and make noises of agreement around the table)</b>	
<b>Director Don</b>	I am choked, actually. We were in the middle of a product launch; what the heck are we going to do? We've got all this stuff set up and now we have to drop everything to recruit someone new. It took us a year to find David!
<b>Director Kim</b>	Well, how about if we focus on what we know and what we have?
<b>Director Max</b>	Oh, yeah, real pie in the sky, Kim. It's not going to get David back in here. I think we could lose the business and you want to look on the bright side?
<b>Kim</b>	Members of the board, I would like the floor.
<b>Chair</b>	You have five minutes.
<b>Kim</b>	Thank you. Ladies and gentlemen, we do appear to be in the midst of a crisis. David has resigned his position with no notice. I suggest that we move forward under the premise that he is not willing to come back, and that we develop a plan.
<b>Max</b>	Kim, we don't have time for this fluffy nonsense stuff. We need to decide about this company and fix the problems at hand.
<b>Kim</b>	<p>Max, bear with me. I have another 4 ½ minutes. Folks, I suggest that we use an Appreciative Inquiry method to figure out how we can overcome this problem, this gap we have in a critical position of the company. I want to start by asking you a few questions.</p> <p>First, who do we know that has most or all of the leadership and technical skills that David has?</p> <p>Second, of the people that we know off the top of our heads, who is interested in moving into a highly public and challenging position like the CEO of this company?</p>

	<p>Third, if no one has expressed interest, what is the most effective way for us to find the answers to these questions?</p> <p>From what I know about this organization, I believe that the talent that we need is right here in this building. I think that if we take some time and actually do what is opposite to problem solving – some Appreciative Inquiry – we can get the answers that we need very quickly. We may have to look at bundling some duties and we may have to consider doing things differently than we ever have before. I suggest that we speak with our department managers today and forge ahead in this manner to discover what we are doing that works well.</p>
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Instead of going to battle stations and abandoning projects or selling the company, AI is going to actually get this board, and the company, to the best place they can be.

### **Tough Choices**

Another example of AI is its use during a reorganization. A municipality is faced with a tough decision: put up municipal taxes anywhere from 12-16% or reorganize staff. The mayor and council know that if they put taxes up that high, they will never get through the next election. So they undertake a massive reorganization. Not in the traditional sense, where managers are told to slash budgets, but using Appreciative Inquiry. This was a slightly longer method, but the benefits to the organization were enormous. People were excited about being involved in a project that actually not just meant that they would still be employed; they actually got to make some very important choices.

Using an AI process meant that:

- The city consciously reviewed processes and practices to discover what they were already doing well.
- They proposed different ideas (the dream stage) that included how the organization could be structured in the future.
- They designed a process that included aligning different departments and sections together in different ways to save money, improve results, and save jobs. This included allowing people access to short career-planning programs so that if they were already qualified or nearly qualified to try out new jobs, they could move into new areas.
- They implemented the changes over a gradual period to allow the least amount of disruption to customers and to allow for a suitable transition for staff.

**How to Choose the Leader**

In order to understand what someone does and whether they are in the right place and are the right person for the job, we must have information from more than one source. Traditional performance reviews assess an incumbent’s weak areas and might make recommendations for improvement, but they often do little to encourage meaningful development on the part of the individual. In order to have a meaningful assessment of what an employee does in a certain role, some employers are making the move to work portfolios rather than resumes, and multi-rater performance assessments such as a 360° review.

A work portfolio allows an employee to present examples of work they have done, just the way an artist does. Having the opportunity to review what someone has actually done can be much more meaningful than a description of generic keywords on a resume.

The multi-rater review is just what it sounds like: a performance review that is prepared with input from the complete range (hence 360 degrees) of people and services that the incumbent is responsible for.

Whichever system you use, you can create a quick reference that will assist you in objectively identifying the up-and-coming leaders. We have included a sample leadership quality assessment on the next page.

**Leadership Quality Assessment - Confidential**

<b>Name:</b>		<b>Position:</b>	
<b>Review Date:</b>		<b>Supervisor:</b>	
<b>Overall Rating:</b>		<b>Review Period:</b> Six Month <b>(circle one)</b> Annual Review	
<b>Rated By:</b>			
<b>Result Indicators</b>	<b>Performance During Current Period</b>		
On track	Met and sometimes exceeded goals established		
Above track	Consistently exceeded goals established		
Below track	Met some but not all goals established		
<b>Leadership Indicators</b>	<b>Performance During Current Period</b>		

Leads	<ul style="list-style-type: none"> <li>● Often the first to volunteer; sets an example that others emulate</li> <li>● Takes initiative consistently</li> <li>● Makes suggestions for improvements or change with reliable backup</li> <li>● Rating in the above track area</li> </ul>
Follows	<ul style="list-style-type: none"> <li>● Demonstrates preference to be a part of the working team</li> <li>● Takes initiative occasionally, but not consistently</li> <li>● Accepts leadership from others</li> </ul>

<b>Add to succession plan for profile development?</b>	Yes	No	Not yet
<b>Justification:</b>			
<b>Signature:</b>			
<b>Date:</b>			

**Test your Knowledge**

**What do you perceive as the benefits to AI and multi-rater performance review in support of a succession plan process?**

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**Are there drawbacks to using some kind of leadership quality assessment, and if so, how would you improve it?**

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**How could you sell the potential of AI and multi-rater performance reviews to your organization?**

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## Putting the Plan into Action

### Phased Implementation

We have said several times that succession planning is really a process. It involves a commitment to several different transitions rather than one significant shift. The succession program planners and those responsible for implementation must be able to “sell” the value of the plan to many individuals involved in the organization, not the least of which would include the CEO and perhaps a board.

In order to elicit buy-in for the plan (which is the more politically correct way to say “sell the plan”), you must know your plan intimately (the “set” part of our SUCCESS acronym). Once you have your plan established and can describe it in simple terms (i.e. to a board of volunteers that has no experience with succession planning just yet) and complex terms (i.e. to the actuaries, lawyers, and accountants who must back the program), you will have become intimate with the value of the program.

Then you can lead the changes in thinking and attitude that are a part of succession planning, such as:

- Considering staffing as a continuous process rather than an annual undertaking (perhaps during the budgeting process). Succession planning involves discussions about staffing with senior management throughout the year. Those meetings are arranged on a

timeline and not just at the request of management, in order to keep the succession plan in constant evaluation.

- Making the shift from a reactive replacement strategy (short-term and immediate need to fill a space with anybody, not necessarily the best person) to a long-term retention and development strategy (which ensures the right people are in the right place at the right time).
- Evolving from a culture of lack, to a culture with a pool of talent at the ready.
- Shifting from subjective or creative non-measurement strategies to an emphasis on meaningful data. These numbers do not have to be complex; if we are able to identify the number of key positions that have at least two ready successors, the percentage of key positions that we will fill from external sources, and the number of action plans with targets being met on time, then we are able to produce useful and accurate data.

**Test your Knowledge**

**What are the four most important positions in your organization?**

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**Which position will be the first one to have a succession plan completed and in implementation?**

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**Consider your position in your organization, today. Can you identify two to three levels of individuals that can succeed you? Who are they, why do they fit, and where will they come from?**

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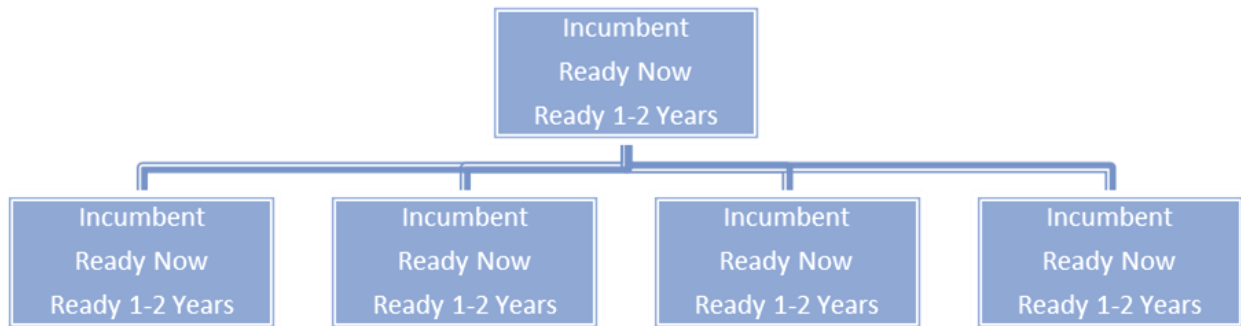
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**Succession Plan Organizational Chart**

Eventually you will have created a Succession Plan Organizational Chart that has the same shape as your own organizational chart, but with three names in each box: an incumbent, someone who is ready to succeed right now, and someone who is ready to follow within one to two years.



**Technology**

Technology can be discussed in both online and high-tech approaches to succession planning.

**What are some differences between online and high-technology methods?**

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The best methods to suit your organization will depend on your needs, budget, location of operations, and the technical savvy of participants. There are several software packages available that provide talent and succession management services. (These are not listed here as we are not

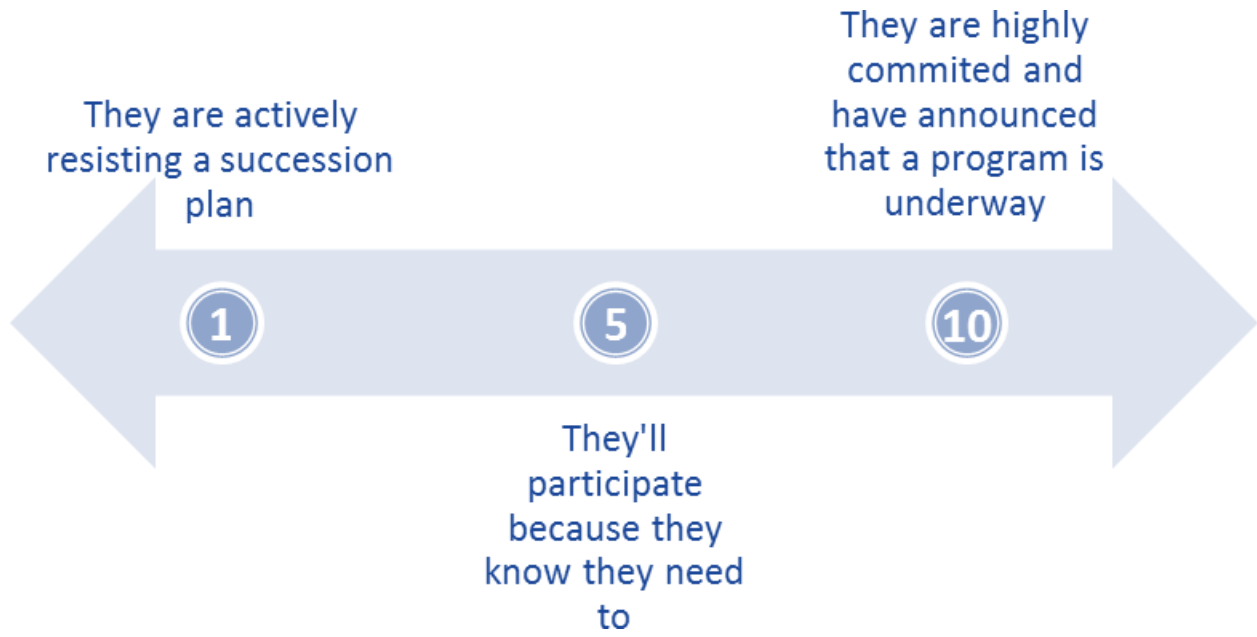
endorsing a particular product; however, a little additional research will lead you to them quite easily.)

**Test your Knowledge**

How would you rate your current organization on its technological savvy, on a scale of one to ten?



What does your organization’s commitment to technology say to you about their commitment to an undertaking like succession planning? Are the two related? Can you estimate where your CEO, board, or executive management team sits on the one to ten scale?



**If your organization, or the organizations of other people in the room, does not appear to be ready to embrace a succession plan, what specific actions can you take to encourage their commitment?**

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## Evaluating and Reviewing the Plan

### Evaluation Challenges

#### Essential Ingredients

Evaluating your program is the only way to know if you are on the right track.

- Every succession plan requires a system of evaluation.
- You can adapt your evaluation model from others; many are rooted in principles of adult learning and education.

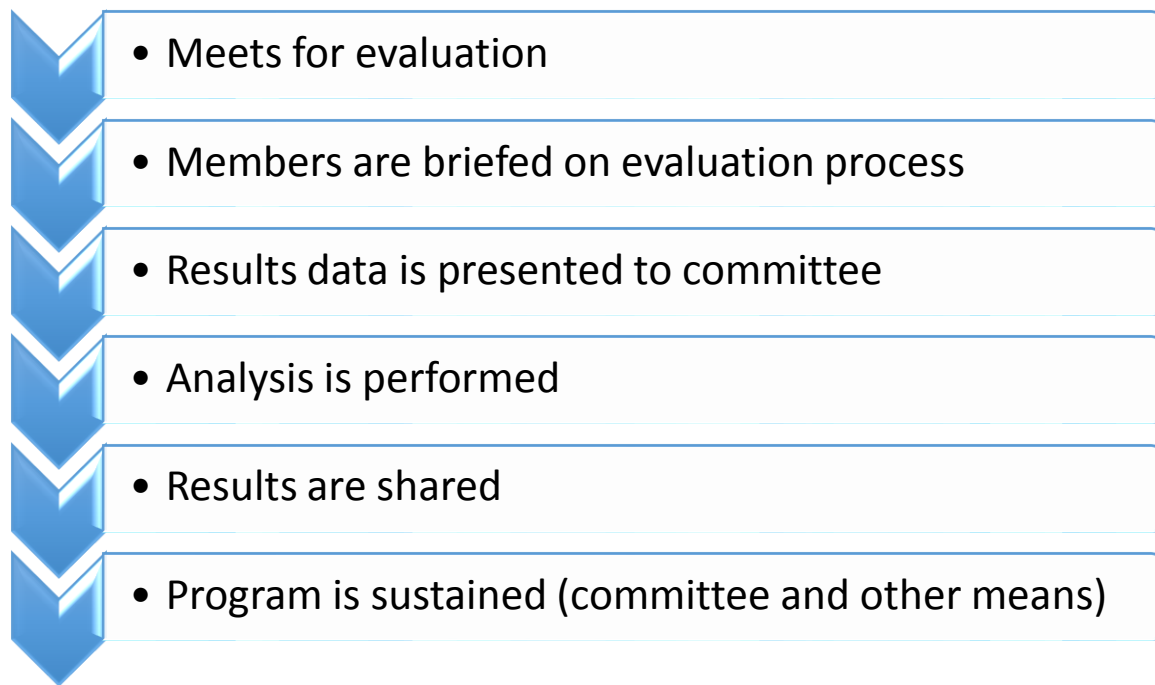
If you cannot validate the worth of your program, chances are the program will not survive. At the same time, succession planning can be such a complex undertaking and so difficult to measure that we actually become overwhelmed with trying.

You may find some very complex systems for evaluation; however, our goal is to provide you with a simple, straightforward tool that measures information in objective ways whenever possible. We have also resisted the tendency to focus on vague questions that would reflect individual satisfaction levels more than actual data.

Your evaluation needs to encompass the entire business succession program. Formal evaluation needs to take place each quarter, and should be conducted by a formally appointed committee that includes representatives from a cross-section of the organization; managers, CEOs, and board members can all be part of this committee.

### Evaluation Process

We recommend that the committee follow a six-step process like this one:

**Step 1**

The committee meets for the sole purpose of program evaluation.

**Step 2**

Committee members are briefed on the need for evaluation and the steps to follow.

**Step 3**

Results data is presented to the committee (benchmarks from this organization as well as competitors). Make sure that you have access to the information that you need, and that committee members find the most useful. In order to efficiently gather information for the committee members, hiring managers will need access to a form or web-based questionnaire that quickly and effectively collects the information.

The following benchmarks and questions might be helpful for your committee:

- Turnover rates within the succession plan members.
- Number of positions replaced with internal/external candidates.
- Was a successor identified to take the position before the job was vacated?
- If so, how was the individual being prepared?
- If not, explain why we were not preparing a successor.
- Who was selected, and why?

**Step 4**

Analyze the results of the program, recommend improvements, and document evaluation results.

**Step 5**

Share the results that identify specific goals and targets for improvement with the people responsible for succession planning.

**Step 6**

Sustain the program with ongoing training, management, and by sharing information with stakeholders.

**List five essential questions for an evaluation form about a succession program.**

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**Sample Evaluation**

Through the life of a program, shorter quarterly meetings that review progress should be supplemented by longer annual or semiannual meetings to keep the program on track.

Since your program is unique to your organization, your evaluation program will be unique as well. This sample is designed so that you can gather and compare meaningful data over time, while at the same time being very sensitive to people’s commitment to this program and the time that they have already invested. The following list of questions can be answered by your planning committee through the program inception and design, and then revised prior to implementation. (By revised, we mean that it will be shortened to meaningful questions that apply to your organization.)

**Succession Program Evaluation Checklist**

Evaluation committee members can complete this list independently or in consultation with other program members. You are encouraged to discuss points that need clarifying or explaining and make recommendations for improvements or modifications.

Effective Programs Contain the Following Elements	Our Program Succeeds With This At Least 80% Of The Time	Our Program Needs To Keep Or Exclude This Element
Succession plan is coordinated w/organizational strategic plans.		
All succession incumbents have been identified.		
All potential incumbents are identified at least 2 layers deep.		
Succession plan is linked to internal training and development programs.		
Potential incumbents have a completed profile.		
There is a written mission, vision, and values statement specific to succession program.		
There is a written action plan that is being followed.		
We have developed a budget and resources for the succession program.		
We have designed a method to record and develop individuals who are designated successors.		
Management employees have attended up-to-date workshops/training about the program.		

Effective Programs Contain the Following Elements	Our Program Succeeds With This At Least 80% Of The Time	Our Program Needs To Keep Or Exclude This Element
Career development workshops have been provided to employees.		
We have established a method to compare individual skills with potential future positions.		
A method is in place to forecast future talent needs.		
A method is in place to meet succession demands by utilizing profiles and the IEP.		
A tracking system is in place to record development activity and prepare successors for advancement.		

**Action Steps That Result From This Assessment**

Goal Statement	Review Date

Note that each step should be written in the form of a SPIRIT goal:

- Specific
- Prizes
- Individual
- Review
- Inspiring
- Time Bound

**Check Out the Checklist**

Define any ambiguous or unclear statements in the checklist so that it makes sense.

Effective Programs Contain the Following Elements	Our Program Succeeds With This At Least 80% Of The Time	Our Program Needs To Keep Or Exclude This Element
Succession plan is coordinated w/organizational strategic plans.		
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Potential incumbents have a completed profile.		
There is a written mission, vision, and values statement specific to succession program.		
There is a written action plan that is being followed.		
We have developed a budget and resources for the succession program.		

Effective Programs Contain the Following Elements	Our Program Succeeds With This At Least 80% Of The Time	Our Program Needs To Keep Or Exclude This Element
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A method is in place to forecast future talent needs.		
A method is in place to meet succession demands by utilizing profiles and the IEP.		
A tracking system is in place to record development activity and prepare successors for advancement.		

## Your Action Plan

### Plan and Then Do

Succession planning, as we have seen, is a large undertaking, and creating a plan involves:

- Access to people at different levels of the organization.
- Access and coordination with functions of Human Resources.

You have almost enough knowledge to get started on developing a succession plan, or being a valuable member of an existing team in your workplace.

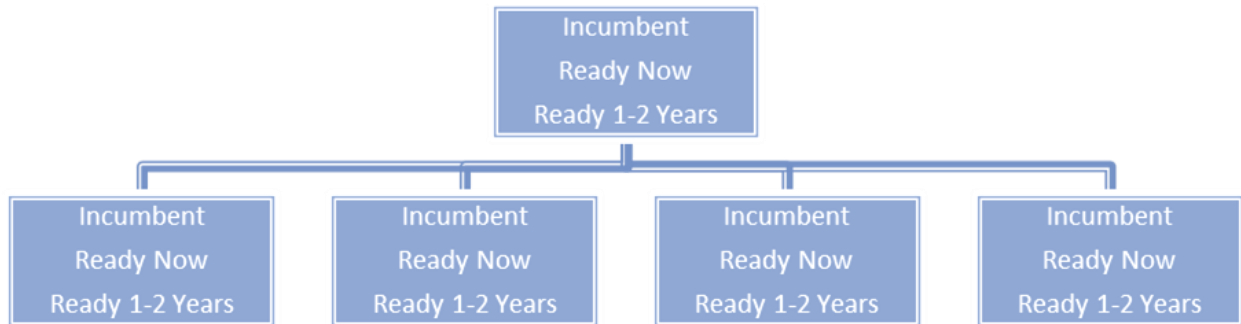
To keep your list from getting too long, try to restrict yourself to five items. Write them as a SPIRIT goal and be sure to put your follow-up date directly into your calendar.

If you're having difficulty choosing where to start, review these questions:

- Do you know the extent of progress the current succession plan in your workplace has made?
- Who are the members of the succession plan committee?
- Who is coordinating the development aspects of the plan?
- Who is responsible for following up on benchmarks?

**Next Steps**

When you find yourself getting in over your head, or need some way to ground yourself as to where you are at in the succession plan process, imagine your organization chart that we spoke of earlier today. Imagine that it looks something like this, with each position actually listing three individuals: an incumbent, someone who is ready to succeed right now, and someone who is ready to follow within one to two years.



**Test your Knowledge**

Write out your review questions and their answers in the space below.

<b>Session</b>	<b>Question</b>	<b>Answer</b>
<b>One</b>		
<b>Two</b>		
<b>Three</b>		
<b>Four</b>		
<b>Five</b>		
<b>Six</b>		
<b>Seven</b>		
<b>Eight</b>		
<b>Nine</b>		
<b>Ten</b>		
<b>Eleven</b>		
<b>Twelve</b>		

### Further Reading:

- ✓ *Atwood, Christee. Succession Planning Basics. ASTD, 2007.*
- ✓ *Bennis, Warren. On Becoming A Leader (Fourth Edition). Perseus Publishing, 2009.*
- ✓ *Clutterbuck, David, and Marshall Goldsmith. The Talent Wave: Why Succession Planning Fails and What to Do About It. Kogan Page, 2012.*
- ✓ *Conley, Terence, Phil Harkins, and Mark Sobol. Linkage Inc.'s Best Practices in Succession Planning. Pfeiffer, 2007.*
- ✓ *Cooperrider, David D., and Diana Whitney. Appreciative Inquiry: A Positive Revolution in Change. Berrett-Koehler Publishers, 2005.*
- ✓ *Rothwell, William. Effective Succession Planning: Ensuring Leadership Continuity and Building Talent from Within (Fourth Edition). AMACOM, 2010.*