



Succession Planning: The Bridge to a Successful Future

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SUCCESSION PLANNING

PROCESS OF IDENTIFYING A LONGER-TERM PLAN FOR THE ORDERLY REPLACEMENT OF KEY EMPLOYEES, PARTICULARLY TOP MANAGERS IN THE EVENT OF SOMEONE LEAVING, RETIRING, DYING UNEXPECTEDLY, OR OTHERWISE CREATING A VACANCY.



KEY FACTS REGARDING SUCCESSION PLANNING

- While Crucial To Small & Medium-Sized Businesses, Few Of These Firms Formalize Succession Planning
- In One Study, It Was Identified As The Biggest Threat Facing Small Businesses
- The Supply Of Managers & Executives Is Becoming More Scarce With Baby Boomers Approaching Retirement



KEY FACTS REGARDING SUCCESSION PLANNING

- Potential Replacements Often Have Work & Family Issues that Don't Always Make Them Ideal Succession Planning Candidates
- Addressing The Developmental Needs Of Successors Helps To Avoid A Host Of Potential Problems



SUCCESSION PLANNING PROCESS

- Determine How The Process Is Going To Be Communicated, Internally & Externally & COMMUNICATE
- Determine The Leaders For Whom Successors Must Be Identified
- Determine The Timing Of The Natural Succession
- Evaluate If Emergency Succession Plans Are Necessary
- Identify The Current Requirements Of The Positions
 - Identify the experience & duties required
 - Identify personality, political savvy, judgment
 - Identify leadership skills



SUCCESSION PLANNING PROCESS

- Identify The Expected Future Requirements Of The Positions.
- Conduct A Current & Future Situational Analysis Of The Company To Assist In Developing The Criteria
- Identify The Future Direction Of The Company
- Prepare Position Descriptions For Each Position Reflective Of Current & Future Expected Needs

SUCCESSION PLANNING PROCESS

- Identify Potential Internal Candidates
- Conduct Preliminary Assessment Of Internal Candidates
- Determine If External Searches Are Necessary
- If External Searches Are Deemed Not Necessary, Proceed With The Preparation & Implementation of Developmental Plans
- Determine The Best Way To Involve The Management Team, Key Employees & The Board of Directors In The Development Process

SUCCESSION PLANNING PROCESS

- Communicate To The Board Of Directors The Progress Of The Succession Efforts
- If External Searches Are Deemed Necessary, Conduct Them In A Very Formal & Rigorous Manner To Minimize Bias & Ensure The Best Candidates Are Selected
- Make The Final Selection
- Prepare The Transition Plan



BENEFITS OF SUCCESSION PLANNING

- Better Retention
- Valuable Training Goals
- Increased Preparation For Leadership
- Greater Employee Satisfaction
- Enhanced Commitment To Work & Workplace
- Improved Corporate Image



SUCCESSION PLANNING STATEMENT

A CHANGE IN EXECUTIVE LEADERSHIP IS INEVITABLE FOR ALL ORGANIZATIONS AND CAN BE A VERY CHALLENGING TIME. THEREFORE, IT IS THE POLICY OF THE COMPANY TO BE PREPARED FOR AN EVENTUAL PERMANENT CHANGE IN LEADERSHIP POSITIONS – EITHER PLANNED OR UNPLANNED – TO ENSURE THE STABILITY AND ACCOUNTABILITY OF THE ORGANIZATION UNTIL A REPLACEMENT IS IN PLACE.