

Succession Planning

PREPARING for the FUTURE



Beneficiaries First

Their Future, Our Mission

Integrated Approach for Talent Management



Succession Planning – What Is It?

A deliberate and systematic effort by an organization to ensure leadership continuity in key positions, retain and develop intellectual and knowledge capital for the future, and encourage individual advancement.

- Ensures that employees are recruited and developed to fill each key role.
- Ensures that we operate effectively when individuals in critical roles leave.
- May be used for managerial positions or unique or hard-to-fill roles.
- Align bench strength for replacing critical roles.
 - The organization's preparedness to replace departing staff in critical roles.
 - People who are ready to step into a role with seamless transition.

Succession Planning – What It Is Not?

- A one-time event
- Decided by an individual
- Used solely for individual career advancement opportunities
- Reacting only when a position becomes open
- Line managers relying solely on their own knowledge or comfort with candidates

Succession Planning – Why Do It?

- Employees say company leadership is a key contributor to:
 - Job Satisfaction
 - Commitment and Intent to Stay... this is especially true for top talent
- Recent surveys show that employees value most the leadership qualities of Honesty and Integrity.
 - Easier to identify these attributes over time with current employees
- Only 1% of companies rate their succession management plans as excellent; two-thirds rate them as fair or worse.

Succession Planning – Is this Urgent?

- Have we lost high potential talent because they didn't know we viewed them to have upside potential?
- If a member of the senior team “*won the lottery*” would their replacement be able to step right in and be productive?
- Is the Leadership Team worried about the talent bench?
- What lost opportunity costs have we incurred because it took a long time to replace a key leader or role?



Replacement vs. Succession

Replacement

- Reactive
- Form of Risk Management
- Substituting
- Narrow Approach
- Restricted

Succession

- Pro-Active
- Planned Future Development
- Renewing
- Organized Alignment
- Flexible

Succession Planning – Process Steps

- Driven by current and future business needs
- Successors determined by an open process with multiple inputs and factors
- Development plans, development discussions and coaching with both candidate, management, mentors, and others held accountable for progress and monitoring
- Phase 1: Identify Key/Critical Positions
- Phase 2: Conduct Position Analysis
- Phase 3: Develop Succession Plan
- Phase 4: Monitor, Evaluate, Revise

Succession Planning – Phase 1: Identify Key Roles

- **Key Contributor** – In achieving the organization's mission or would hinder vital functions
- **Specialized Leadership** – The position requires specialized or unique expertise
- **Geography** – The position is the only one of its kind in a particular location
- **Vacancy** – Position will be vacant due to retirement/advancement in the organization/lateral moves

Succession Planning – Phase 2: Conduct Position Analysis

- What are the external and internal factors affecting this position?
- What competencies or skill sets will be required?
- Who are the employees considered to have high potential?
- What are the gaps (competencies or skill sets not possessed by the current staff)?
- What strategies will be used to address the gaps?

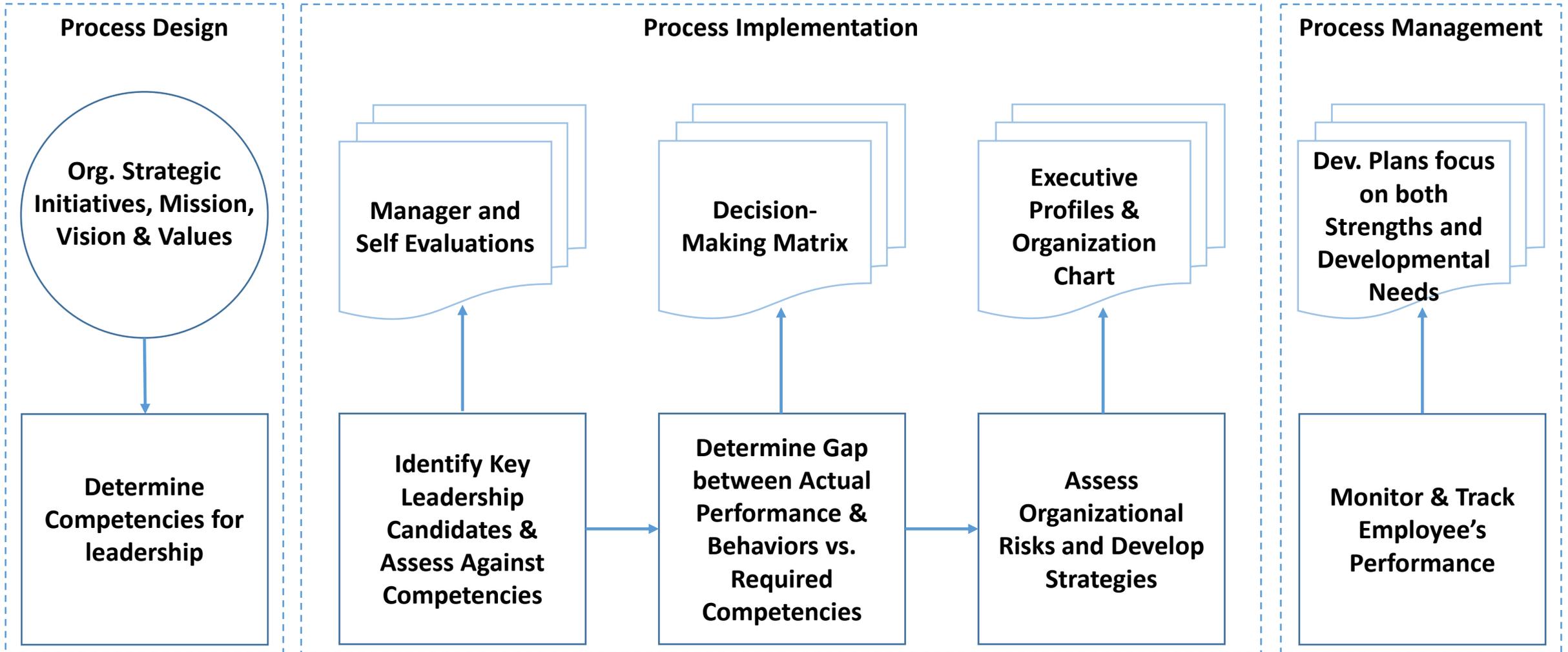
Succession Planning – Phase 3: Develop the Plan

- The plan is the culmination of Phases 1 and 2.
- Reviews of the individual positions and high turnover job classes are rolled into one document and gaps and strategies are formulated at an organizational or unit level.
- The strategies to overcome the gaps are outlined to include target completion dates, responsible parties, and required resources.

Succession Planning – Phase 4: Monitor, Evaluate, Revise

- Select evaluation period... typically reviewed annually.
- Be prepared to respond rapidly to unforeseen changes to the plan.
- Status/Progress updates should be monitored.

Succession Planning – Processes



Succession Planning - Definitions

- **Performance** – Whether a person performs their job well.
- **Potential** - Having or showing the capacity to become or develop into something in the future.

Succession Planning - Tools

Key Roles and Role Attributes Questionnaire

Role Title: _____ Incumbent Role Holder: _____ Date: _____

Phase 1: Identify Key Roles	
<i>Reason for Key Role Status</i>	<i>Rationale</i>
Key Contributor Key to achieving the organization's mission or would hinder vital functions.	
Specialized Leadership Requires specialized or unique expertise.	
Geography The position is the only one of its kind in a particular location.	
Vacancy Position will become vacant due to retirement/advancement/later move.	
Phase 2: Position Analysis	
<i>Criteria</i>	<i>Supporting Detail</i>
What are the internal and external factors that make this a key role?	
What critical knowledge, skills and behaviors are required for successful role performance?	
What critical knowledge, skills and/or behavioral gaps exist in the current staff members?	
What are the strategies currently in place or proposed to address the gaps?	

Succession Planning – Tools

Key Competency Descriptions

- Process Management
- Budget Management
- Technical Knowledge
- Data Analysis/Synthesis
- Strategy & Planning
- Organizational Alignment
- Demonstrates Honesty & Integrity
- Demonstrates Passion/Makes Courageous Decisions
- Drives Innovation & Results
- Adaptability
- Communication & Influence
- Develops Self & Others
- Systems Thinking

Succession Planning – Tools

Determining Performance/Potential

Performance – Potential Assessment		
<p><i>Worksheet for populating the Performance and Potential Grid</i></p> <p><i>Use this tool to assess your employees' performance and potential.</i></p>		
EMPLOYEE NAME:		
Part I: Defining Performance		
Question	Yes	No
1. Does this employee exceed expectations in at least one area of performance?	<input type="checkbox"/>	<input type="checkbox"/>
2. Would you say that this employee exceeds expectations in most (or all) areas of performance?	<input type="checkbox"/>	<input type="checkbox"/>
3. Does this employee meet or exceed expectations in all areas of performance?	<input type="checkbox"/>	<input type="checkbox"/>
4. Is the employee a key contributor to the team and the organization?	<input type="checkbox"/>	<input type="checkbox"/>
5. Does the employee act on performance feedback in order to improve performance?	<input type="checkbox"/>	<input type="checkbox"/>
6. Have you provided significant, specific performance rewards to this employee (special bonus, formal recognition, enhanced merit increase, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>
TOTALS		
<p><i>To evaluate this employee's performance, calculate the total number of "yes" responses and check the appropriate scoring:</i></p> <p>0-1 = Low <input type="checkbox"/> 2-4 = Medium <input type="checkbox"/> 5-6 = High <input type="checkbox"/></p>		
Part II: Defining Potential		
Question	Yes	No
1. Could the employee perform at a higher level, in a different position or take on increased responsibilities within the next year (consider the person's ability only, not whether there is a position available to support this growth)?	<input type="checkbox"/>	<input type="checkbox"/>
2. Could the employee perform at a higher level, in a different position, or take on increased responsibilities within the next three years (consider the person's ability only, not whether there is a position available to support this growth)?	<input type="checkbox"/>	<input type="checkbox"/>
3. Can you envision this employee performing two levels above his or her current position in the next five to six years?	<input type="checkbox"/>	<input type="checkbox"/>
4. Is the organization likely to value growth of the skills and competencies of this employee over the next several years?	<input type="checkbox"/>	<input type="checkbox"/>
5. Could the employee learn the additional skills and competencies he or she needs to be able to perform at a higher or different level?	<input type="checkbox"/>	<input type="checkbox"/>
6. Does the employee demonstrate leadership ability—by showing initiative and vision, delivering on promised results, communicating effectively, and taking appropriate risks?	<input type="checkbox"/>	<input type="checkbox"/>
7. Does the employee demonstrate an ability to comfortably and effectively interact with people at a higher level or in different areas?	<input type="checkbox"/>	<input type="checkbox"/>
8. Does the employee demonstrate comfort with a broader organizational perspective than his or her job currently requires?	<input type="checkbox"/>	<input type="checkbox"/>
9. Does the employee demonstrate flexibility and motivation to move into a job that might be different than any that currently exist?	<input type="checkbox"/>	<input type="checkbox"/>
10. Does the employee welcome opportunities for learning and development?	<input type="checkbox"/>	<input type="checkbox"/>
TOTALS		
<p><i>To evaluate this employee's potential, calculate the total number of "yes" responses and check the appropriate scoring:</i></p> <p>0-3 = Low <input type="checkbox"/> 4-7 = Medium <input type="checkbox"/> 8-10 = High <input type="checkbox"/></p>		

Succession Planning - Tools

Decision-Making Matrix

Performance		HIGH 5 – 6	<p>Solid Performer (High Performance/Low Potential)</p> <ul style="list-style-type: none"> Gets all important work done Is a pro in her/his position Is seen as a leader in her/his area Has reached potential <p><i>Action Required:</i> Continue developing in current position, is in the right job.</p>	<p>Strong Performer (High Performance/Medium Potential)</p> <ul style="list-style-type: none"> Gets all important things done May act at level of capability of one level above current position Acts as leader and role model Exhibits many strengths or competencies beyond current role Some leadership development issues <p><i>Action Required:</i> Look for opportunity to display leadership in current job.</p>	<p>Star Performer (High Performance/High Potential)</p> <ul style="list-style-type: none"> Gets all important things done Acts at a level of capability of at least one level above current position Exhibits many strengths or competencies beyond current role Has wide spread influence beyond current role <p><i>Action Required:</i> Stretch assignments to prepare for larger role</p>
		MEDIUM 2 – 4	<p>Questionable Performer (Medium Performance/Low Potential)</p> <ul style="list-style-type: none"> Gets most important things done Is very proficient in her/his current position Is not seen as a leader in her/his area <p><i>Action Required:</i> Work on improving performance in current job; may be candidate for lateral move.</p>	<p>Solid Performer (Medium Performance/Medium Potential)</p> <ul style="list-style-type: none"> Gets most important things done Shows signs of leadership and role modeling Exhibits Executive Competencies May be new in position <p><i>Action Required:</i> Leave in current job; continue developing skills and improving performance.</p>	<p>Strong Performer (Medium Performance/High Potential)</p> <ul style="list-style-type: none"> Gets most important things done Acknowledged as a leader and role model Exemplifies Executive competencies Acts at level of capability of next level in the organization <p><i>Action Required:</i> Focus on performance short term and development opportunities long term.</p>
		LOW 0 – 1	<p>Low Performer (Low Performance/Low Potential)</p> <ul style="list-style-type: none"> Isn't getting most important things done Difficulty performing to standards in her/his current position <p><i>Action Required:</i> Consider reassignment to more appropriate position; including lower level or exit option.</p>	<p>Questionable Performer (Low Performance/Medium Potential)</p> <ul style="list-style-type: none"> Isn't getting most important things done Capable of making higher contribution May be in wrong job or occupied with non-work distractions <p><i>Action Required:</i> Focus on improving performance.</p>	<p>Solid Performer (Low Performance/High Potential)</p> <ul style="list-style-type: none"> Isn't getting most important things done Has been acknowledged as a team player and role model Has exemplified Executive competencies May be in wrong job or occupied with non-work distractions <p><i>Action Required:</i> Address root cause performance issue; worthy of investment in development.</p>
		LOW 0 – 3	MEDIUM 4 – 7	HIGH 8 – 10	
		Potential			

Succession Planning - Tools

Decision-Making Matrix

Performance	HIGH 5 - 6	Solid Performer - B (High Performance/Low Potential)	Strong Performer - A (High Performance/Medium Potential)	Star Performer - A (High Performance/High Potential)
	MEDIUM 2 - 4	Questionable Performer - C (Medium Performance/Low Potential)	Solid Performer - B (Medium Performance/Medium Potential)	Strong Performer - A (Medium Performance/High Potential)
	LOW 0 - 1	Low Performer - Manage up or out (Low Performance/Low Potential)	Questionable Performer - C (Low Performance/Medium Potential)	Solid Performer - B (Low Performance/High Potential)
		LOW 0 - 3	MEDIUM 4 - 7	HIGH 8 - 10
		Potential		

Succession Planning - Tools

Talent Profile or Readiness Assessment

Name: Mary Doe Current Title: IT Manager Current Function: IT Reports To: Joe Smith Hire Date: 5/8/2009 Last Performance Rating: 2 – Meets Expectations		<i>{Insert Picture Here}</i>				
Possible Future Positions: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Role Title</u></th> <th style="text-align: center;"><u>Date Ready</u></th> </tr> </thead> <tbody> <tr> <td>Director of IT</td> <td style="text-align: center;">2</td> </tr> </tbody> </table>			<u>Role Title</u>	<u>Date Ready</u>	Director of IT	2
<u>Role Title</u>	<u>Date Ready</u>					
Director of IT	2					
Areas of Strength: IT Leadership / Takes Initiative Analytical / Problem Solving Excellent Communication Skills / Interpersonal Skills		Corresponding Brief Explanation: Disaster planning, WAN coordination, SOX coordination Stepped in during Joe's 6 week illness with no concerns or operational issues Always capable of assessing issues and determining solutions Effective presenter; Works well with others				
Development Opportunities: Continue to broaden knowledge of business IT support needs Expand strategic planning skills		Corresponding Brief Explanation: Not knowledgeable of needed investment tools and IT requirements Has not been involved in IT planning				

Succession Planning – Closing Thoughts

- It is an ongoing process... one in which the players will change over time
- It is a strategic effort that utilizes inputs from multiple sources
- The organizational direction may also change, so be flexible
- Competencies constantly need to be monitored to ensure they are measuring what you want to measure



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