

The Business Case for Succession Planning



Expected outcomes from a successful succession planning process should include:

- continuity of leadership
- a contribution to achievement of business objectives by selecting and developing managers on the basis of strategic and organizational requirements
- an increased ability and speed to identify and place managers who are ready to assume higher level management or key leadership roles
- an accelerated identification of issues and creation of action plans concerning the mix of talent against current need and strategic issues
- increased ability to identify, retain, develop and promote high potentials, and diverse talent
- a catalyst to drive organizational change
- frequent in-depth reviews of key talent; common framework on people and performance standards
- the communication of a strong signal to employees about the leadership process, developing talent, and promoting diversity
- opportunities to coach managers on the required competencies
- broadening the base of information about a company's talent.

More should be expected from managers even though most successful development comes from the self-motivation of employees. Managers need to be informed that the succession planning process is a critical process to be planned for and to manage. They will need to provide specific feedback to key employees on current performance, on-the-job-development, cross-functional assignments, as well as focused development and training. Managers must know that developing talent is an integral part of their responsibilities.



Succession planning is a business necessity

An increasing number of businesses have determined that succession planning is a business necessity as critical as strategic planning for their business as a whole. Succession planning is strategic planning for the most efficient use of your human resources, not only for the business in the current state, but its future state. Businesses utilize the strategic planning process to forecast future customer and product or service requirements; they also need to forecast the human resource needs, both in competency levels and quantity, that will ensure resources are there, when needed, to achieve the overall plan.

In summary, a succession planning process consists of the following key steps:

1. Ensure that the unit or company head is fully committed to the process. If not, do not begin the process.
2. Educate those involved in the selection process as to the business need.
3. Determine how deep into the organization the plan will be applied. (How many layers below the president?)
4. Establish the criteria to be used to identify candidates.
5. The president and his or her immediate staff meet to establish a competency profile of the current staff that will be assessed using a standardized set of proven competencies or skill sets or a set they have developed from scratch.
6. Review the company's strategic plan/direction and identify the human resource elements.


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In too many instances, businesses view succession planning as only for very large companies. Nothing could be further from business reality. A more realistic approach is to call the succession planning process management or employee development. Apply the process to the company president and the next two layers of management if the company has 500 or more employees. If the company is smaller, all exempt employees can be included in the process. The thrust of the management development or succession planning process is to determine the development activities employees need in order to increase their competencies. For key positions, after successors have been named, development activities are selected to prepare the employee for the next level.

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