

Thoughts on Succession Planning

In order to be effective, a succession planning system must address needs on a number of levels. Where to start? Ask yourself the following questions.

- What will be the future business environment in which your company finds itself?
- Will it be similar to today's?
- What market conditions are likely to change, necessitating a redirection of the company's strategy?

Taking into account the vast differences among companies, no one approach is right for everyone. However, there are some basic guidelines that can prevent unproductive false starts in addressing succession planning needs. Following are some key factors to consider when developing a succession planning system:

■ **Keep it Simple.** Don't create a system that is more complicated than your organization can sustain. Today's information technology makes it easy to develop a system that looks good, but is devoid of human judgment. Don't worry about complex forms, reports and lavish databases, but about essential and useful information. Encourage good listening and thoughtful questions as a way of getting at that information.

■ **Make Assumptions.** As difficult as it is to accurately predict the future, you must force yourself to make assumptions about what your organization needs to carry on. You may not know when or how your company is going global, for instance. What matters is that you have plans to do so, because that colors how you view candidates for top positions.

■ **Put Accuracy above Consistency.** Don't worry about consistency with past judgments of a person, but about accuracy of the judgment. Executives have a natural tendency to be declarative and they like to be right, even when evaluating people. However, there must be a willingness in this process to take risks in discussing people and their development. Accuracy comes through the regular sharing of perspectives. Raters must recognize that their job is not to be an advocate, but to fill in the pieces of the puzzle.

■ **Follow through.** Recognize that the succession planning process doesn't end with the review. It requires consistent follow up, development plans and regular revisions, based on newly acquired information, to gain the greatest value from the system. Day-to-day pressures often place development planning and implementation on the back burner. This results in development plans being completed just prior to the next review, leaving little time to assess the impact. It is important to start development as soon as you identify the needs, and to set and hold yourself accountable to concrete deadlines.

■ **Be Patient.** A succession planning system evolves as those responsible for it develop their understanding of its goals and methods. The raters' sophistication increases over time as they learn to evaluate people appropriately and to link the strategic development of the company to the leadership demands. The payoff is not instantaneous.

The phrase "Succession Planning" has a tendency to conjure up visions that it is an event. AT EHR we encourage our clients to think of Succession Planning as a dynamic and continual process linking business strategy and executive transitions in a meaningful and planful manner. Give EHR a call today to learn how we can assist you and your organization in preparing for your future.