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Chapter 1 : Development & Succession Planning: Solving Tomorrow's Talent Issues Today

Plan For Your Organization's Success Linkage's Best Practices for Succession Planning provides the ultimate guide for planning, developing, implementing, and sustaining succession planning in any organization.

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Chapter 2 : The Strategy of Succession Planning

Bring up the subject of succession planning and most HR executives shudder. These highly intelligent, capable people often labor under the impression that succession planning is such a difficult, multi-step process, that they're already too far behind to even begin.

Actively pursuing succession planning ensures that employees are constantly developed to fill each needed role. According to a Canadian Federation of Independent Business survey, [5] slightly more than one third of owners of independent businesses plan to exit their business within the next 5 years - and within the next 10 years two-thirds of owners plan to exit their business. The survey also found that Small and medium-sized enterprises SMEs are not adequately prepared for their business succession: A CIBC survey suggests that succession planning is increasingly becoming a critical issue. Studies indicate that companies that report the greatest gains from succession planning feature high ownership by the CEO and high degrees of engagement among the larger leadership team. Research indicates that clear objectives are critical to establishing effective succession planning. Identify those with the potential to assume greater responsibility in the organization Provide critical development experiences to those that can move into key roles Engage the leadership in supporting the development of high-potential leaders Build a database that can be used to make better staffing decisions for key jobs In other companies these additional objectives may be embedded in the succession process: Improve employee commitment and retention Meet the career development expectations of existing employees Counter the increasing difficulty and costs of recruiting employees externally Process and practices[edit] Companies devise elaborate models to characterize their succession and development practices. Most reflect a cyclical series of activities that include these fundamentals: Identify key roles for succession or replacement planning Define the competencies and motivational profile required to undertake those roles Assess people against these criteria - with a future orientation Identify pools of talent that could potentially fill and perform highly in key roles Develop employees to be ready for advancement into key roles - primarily through the right set of experiences. In many companies, over the past several years,[when? PepsiCo , IBM and Nike provide current examples of the so-called "game-planning" approach to succession and talent management. In these and other companies annual reviews are supplemented with an ongoing series of discussions among senior leaders about who is ready to assume larger roles. Vacancies are anticipated and slates of names are prepared based on highest potential and readiness for job moves. Organization realignments are viewed as critical windows-of-opportunity to utilize development moves that will serve the greater good of the enterprise. Assessment is a key practice in effective succession-planning. There is no widely accepted formula for evaluating the future potential of leaders, but many tools and approaches continue to be used today, ranging from personality and cognitive testing to team-based interviewing and simulations and other Assessment centre methods. Elliott Jaques and others have argued for the importance of focusing assessments narrowly on critical differentiators of future performance. Companies struggle to find practices that are effective and practical. It is clear that leaders who rely on instinct and gut to make promotion decisions are often not effective. Best practice is a slippery concept in this field. There are many thought-pieces on the subject that readers may[original research? Research-based writing is more difficult to find. Over the years,[when? What used to be a rigid, confidential process of hand-picking executives to be company successors is now becoming a more fluid, transparent practice that identifies high-potential leaders and incorporates development programs preparing them for top positions. The first book that addressed the topic fully was "Executive Continuity" by Walter Mahler. Mahler was responsible in the s for helping to shape the General Electric succession process which became the gold standard of corporate practice. Mahler, who was heavily influenced by Peter Drucker , wrote three other books on the subject of succession, all of which are out of print. Resourcing of the work varies widely - from numbers of highly dedicated internal consultants to limited professional support embedded in the roles of human-resources generalists. Often these staff

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resources are separate from external staffing or recruiting functions. As of [update] some companies seek to integrate internal and external staffing. Others are more inclined to integrate succession management with the performance management process in order to simplify the work for line managers. Succession advisors[edit] A prior preparation needs to be done for the replacement of a CEO in family firms. This process is relatively long if the successors want to be accepted by all employees. They need to take higher managing positions gradually to be respected. During this process, the successors are asked to develop different skills such as leadership. This is where the role of advisors fully exemplifies its importance. It is when the managing position is shared between the first-generation leader, the second and the advisors. An advisor helps with communication because emotional factors between family members can badly affect the company. The advisors help manage everything during a predetermined period of time and make the succession process less painful and eventful for everybody. In these cases, an interim leadership is usually what is best for the company. The employees can get accustomed to changes while getting to know the future CEO. When the owner of a business becomes incapacitated or passes away, it is often necessary to shut down an otherwise healthy business. Or in many instances, successors inherit a healthy business, which is forced into bankruptcy because of lack of available liquidity to pay inheritance taxes and other taxes. Proper planning helps avoid many of the problems associated with succession and transfer of ownership. Business Exit Planning is a body of knowledge which began developing in the United States towards the end of the 20th century[citation needed], and is now spreading globally. A Business Exit Planning exercise begins with the shareholders of a company defining their objectives with respect to an eventual exit, and then executing their plan, as the following definition suggests: Business Exit Planning is the process of explicitly defining exit-related objectives for the owners of a business, followed by the design of a comprehensive strategy and road map that take into account all personal, business, financial, legal, and taxation aspects of achieving those objectives, usually in the context of planning the leadership succession and continuity of a business. Objectives may include maximizing or setting a goal for proceeds, minimizing risk, closing a Transaction quickly, or selecting an investor that will ensure that the business prospers. The strategy should also take into account contingencies such as illness or death. This is also a good time to plan an efficient transfer from the point of view of possibly applicable estate taxes, capital gains taxes, or other taxes. Sale of a business is not the only form of exit. Forms of exit may also include Initial Public Offering , Management Buyout, passing on the firm to next-of-kin, or even bankruptcy. Bringing on board financial strategic or financial partners may also be considered a form of exit, to the extent that it may help ensure succession and survival of the business. In developed countries, the so-called " baby boomer " demographic wave is now reaching the stage where serious consideration needs to be given to exit. Hence, the importance of Business Exit Planning is expected to further increase in the coming years. Family business[edit] Small business succession tends to focus on how a business will continue to operate once its founder or initial leadership team retires or otherwise leaves the business.

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Chapter 3 : Best Succession Planning Software | Reviews of the Most Popular Systems

The first step in effective succession planning is to simply set aside the time to focus on it. In my firm, we dedicate one day every year to talk about staff succession plans. Sitting down with your senior managers and the various leaders in your organization once a year can make a world of difference should someone exit the business.

In my company, for example, we have a department manager who is nearing retirement in the next 18 months, yet we have no one identified as his potential successor or anyone shadowing him to learn all that he knows, for that matter. To put it into context, SPOF is not limited to only those with decades of experience who may be retiring. Though we want to hold on to our employees, who is to say someone with specialized skills, knowledge or authority may just up and quit someday to pursue another career? As business leaders, we need to be prepared for such events to ensure the healthy continuity of our businesses and organizations. Fortunately, succession planning is not hard, nor does not have to be complicated; but it is extremely important. Here are the 7 steps to building a solid succession plan for your business: In my firm, we dedicate one day every year to talk about staff succession plans. Build succession planning meetings into your annual business operating cycle. Create a Success Planning Template To get the most out of your time with the team, create a simple template that you can use to organize thoughts and names of personnel. The key to a good succession planning template is that it should be simple, it should visually tell you where you have issues, and it should be something that you can easily draw up to help you should an employee depart your business. Outline Critical Roles, Skills and People The next step in the succession planning process is to outline critical roles, personnel and skills in your organization. Examples of SPOFs might include: Looking at the Future of Your Business When it comes to selecting people to list as possible successors, identify the names of other potential candidates for that position who are elsewhere in your company. The key here is to try to answer YES to the following three questions: Would this person be able to do this job, with the right preparation? Would this person want this job, with the right preparation? The list will give you an idea of who might be able to step into that role with the proper development. There is a key point here though that we must highlight: For instance, if an employee has little kids at home and does not want to travel, listing he or she as a successor to the Sales Manager who spends days a year on the road is not a good idea! We have also organized the names of potential successors according to when they might be ready to take that position. Look for Trends on Your Template Once you have gone through the succession planning exercise and have a list of names compiled, look for any trends or issues. Also, Bob, Wendy and Nicole show up more than once, suggesting they are high valued employees. Having sat through a number of succession planning events, you will find that certain names of high valued employees show up often because they are very capable. And you will find that there are certain roles in your business where there are very few potential successors who could be identified. One on One meetings are the best time for these discussions to take place. For example, if an employee expresses interest in taking a certain position at some point in the future, make note of it. Equally, if someone begins to express dissatisfaction with the direction your business is going, you may need to be on the lookout for someone to replace them should they leave. Having details and knowing the direction where you employees may be headed is crucial to setting up long-term succession plans. So while there may just be a single day set aside for the formal conversations each year, effective succession planning should really be an ongoing activity for you and your managers.

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Chapter 4 : Succession Planning in 7 Simple Steps (Free PDF Template)

"Linkage's Best Practices for Succession Planning offers the case studies, strategies, and proven tools needed to create a solid succession plan that will enable organizations to examine leadership competencies and determine the steps needed to close leadership gaps.

Too many think of succession planning as having application only in family owned companies or in large conglomerates. The reasons for this approach are fairly obvious: If there is no succession planning process, how will the company develop and nurture its human capital? How will you assure a continuing sequence of qualified people to move up and take over when the current generation of managers and key people retire or move on? How will you be able to plan for the future of the company without some assurance that the key posts will be filled with people able to carry on and excel? Succession planning is much more important than the time many companies devote to it would indicate. Succession Planning Process Succession planning is a part of the process of preparing for the future of your company. Does this mean you should only plan a succession path for your CEO? We suggest that virtually every key position and key person in your organization is a candidate for a succession plan. The important impact is that it is virtually impossible to successfully promote someone unless there is a trained person to take over the position being vacated. What is the long-term direction of your company? Do you have an effective strategic plan guiding your course and direction? What are the key areas which require continuity and development of the people resources within your company? Who are the key people you want to develop and nurture for the future? How does the concept of succession planning fit into your strategies? Are you concentrating your efforts in the areas where the returns will be highest? What are the career paths that your most talented people should be following? Is each path customized to fit the abilities and talents of the people involved? The point here is to be sure you do not do this by rote: Should you wait for openings to appear before promoting someone, or should you make opportunities for each individual as they grow and mature, so that you can keep them challenged and stimulated, and not lose them to other, possibly faster moving companies? Your plan should be proactive, with people moving into different areas for experience and training before they are needed in critical positions, rather than reactive - waiting for openings to occur, then scurrying around to find an appropriate candidate at the last second. There are different approaches which may be used, depending on the situation in each company. In some cases, a company may have to move some people along quickly, in order to expose them to a broad range of experiences, and possibly to fill vacancies. In others, a deeper involvement in selected departments or disciplines may be indicated. Some of this will depend on the culture and processes of the company. In virtually all situations, your ability to educate and promote will depend on the capabilities and strengths of the people who currently occupy the key positions, and where they will be going in the future - what are they being groomed for? It may not be vital to have a succession plan for every position in the company, but certainly there are some key areas of responsibility which must be considered. These will vary by company and industry, but as a part of your Simplified Strategic Planning process, one important strategic issue should be the need for succession planning for certain, defined key positions. This issue should be revisited at least once a year, and more often if circumstances dictate. Advantages of Succession Planning An ongoing supply of well trained, broadly experienced, well-motivated people who are ready and able to step into key positions as needed. A cadre of desirable candidates who are being integrated into the company with positive goals established for them individually. A flow of these capable people through various departments with the goals of educating them into the culture and processes of the company. Availability of appropriate resources within the company to conform with the future needs of the company. Positive goals for key personnel, which will help keep them with the company and will help assure the continuing supply of capable successors for each of the important positions included in the succession plan. Defined career paths, which will help the company recruit and retain better people. Very likely, the continuous input of ideas to improve

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the internal processes and procedures of the company, as well as the opportunities to improve the offerings and services of the company in the marketplace. Recognize that all companies do not have to follow the same path either in the overall situation or even for each individual. In addition, there should be enough time allowed to groom the successors. Time is the gift that good planning can bestow on the process. Also, the successor and potential back-ups should be designated early in the process. Not only will this help the individuals involved, it will clarify the communication and help eliminate disappointment and possible departures of key candidates if they become disillusioned because they have not been informed they are being groomed for higher positions or if they feel they are not moving upward rapidly enough.

Succession Planning Pitfalls

Lack of a formal written plan for each key person or position. A rigid, inflexible plan NOT tailored to the needs and abilities of the personnel involved. Too superficial an approach, with the corresponding lack of real understanding of the procedures, processes and requirements of each area the individual is exposed to during the process. Selection of unqualified or unmotivated people for inclusion in the succession plan. Quality of the individuals selected is paramount to the success of the process.

Succession Planning Benefits

With a well-thought-out succession planning process, your company earns a number of clear pluses: A well-trained, involved and potentially deep stream of capable people who are well versed in the breadth and depth of the company. A continuous stream of people who are constantly reviewing, questioning and refining procedures and processes, helping to improve the quality inside the company, as well as improving the offerings of the company out in the market place. An increasing reputation as a good, challenging, stimulating place to work, which could result in your ability to hire ever better people.

How should privately held corporations handle ownership considerations versus management and operating considerations? Situations in which ownership and operations or management responsibilities are vested in the same people can be devastating to a family or closely held corporation if not handled wisely. Private relationships which interfere with the effective operation of the company can only be harmful and non-productive. Nepotism can be either positive or negative, depending on the capabilities of the individuals involved. It is rarely neutral. Business considerations should take precedence over family considerations when it comes to the welfare of the company. Private, family matters should never interfere in or be a part of the business. Failure to adhere to this advice can often lead to unfortunate or even calamitous situations which can tear a closely held company apart. These may be difficult situations, and may require an impartial source to mediate. In any case, clear, objective, unambiguous guidelines and goals should be set in writing so that the junior members of the family firm may have specific expectations of where they might go, how they are expected to progress, and the standards by which they will be judged. Family considerations must be kept outside of the on-the-job evaluations, or the entire process can become quite unsettling and less than objective for the individuals involved. Where possible, outsiders to the family might be involved in the mentoring and development processes to help the development of the younger generations. This can bring a degree of objectivity that parents and children can often find difficult to maintain in situations where the younger generation works for and will eventually succeed the senior people. Settling this issue is potentially the key to the effectiveness and even survival of some privately held firms.

Succession Planning in Simplified Strategic Planning

As in the deployment and utilization of any strategic resource, the development of your key people must be considered as you plan for the future of your company. If you do not have a formal procedure for succession planning, you may want to create an Objective which mandates the development and installation of a Succession Planning process which fits the needs and preferences of your specific company. How long should succession planning take? Realistically, succession planning is never finished. On a regular basis, each company must look at its needs and resources to determine where it needs to have successors in place or in the process of learning the requisite disciplines. Each company needs to determine how long a candidate should be involved or exposed to the training needed. Each individual should have a concisely determined path toward the goal set for him or her. That path may be changed as needed and as events determine, so monitoring and updating should be a part of every succession plan. Over what time period should you plan? To be realistic, succession

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must be planned years in advance of expected needs. For example, if someone is expected to be a general manager, the number of departments, the types and ranges of technologies and processes, and the level of knowledge about the company procedures and policies, markets and customers, suppliers, employees, contractors, etc. Additional factors, such as past experience and current knowledge that the individual brings to the process, will also affect the succession time frame. Skillfully done, succession planning will bring the peace of mind that senior management should have, based on the understanding and expectations of its future leadership. Outline for Succession Planning I have developed an Outline for Succession Planning which you will find to be a very useful process. Please submit the following form to receive your complimentary copy.

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Chapter 5 : Top Five Succession-Planning Steps

Tweet This! 1. Establish measurable goals to guide the succession planning program. Closely align the measurable goals of your succession planning program to the organization's measurable strategic goals.

Share HR departments across nearly all industries are constantly trying to improve systems and processes to help increase employee engagement, recruit and retain talent, and operate on a more efficient and cost-effective basis each day. Performance management software is one of the smartest solutions for these persistent issues. With the help of performance management software, companies have the ability to simplify and accelerate the performance review and appraisal process while giving some power back to the employees. However, not every performance management solution is created equal. Instant feedback

One of the inherent benefits of a performance management solution is its ability to offer performance-related feedback anywhere, anytime. This always-on feature gives employers and employees greater access to the data they need to make informed decisions and effect changes when issues arise. Instant and accurate feedback also helps in the annual appraisal process when it is kept within a single performance management software solution. Performance vault

The right performance management software will also include a vault of sorts, capable of storing feedback, career development progress, check-ins with management, and peer recognition in a single location. Artifacts of performance are beneficial in performing accurate appraisals over time, and they lead to insightful employee performance analysis that can link back to training and education needs, or promotion potential. Dynamic goals

Having the ability to create dynamic goals within a performance management software is a must. This feature gives employees the power to update career objectives over time, and employers can modify specific job needs as changes take place in the company or with the workforce. Clear measurements

All performance management software solutions should include clear, easy to interpret measurements of objectives. Complex metrics or unclear initiatives make it difficult to understand performance management objectives and outcomes between employee and employer. Social Recognition

Strong performance management software also includes the ability to recognize achievements of employees on a social level. The benefits of social recognition are far-reaching in terms of employee engagement and talent retention, and giving both employees and employers the opportunity to do so in a connected system is a powerful advantage. Job-based reviews

Employers should have the ability to create and customize assessments for their teams or employees that are job-specific. This valuable features for a performance management software can include competencies, ratings, descriptions, and indicators to maximize ease of use. Customizable reporting

Performance management software should also include a customizable reporting feature, giving employers the ability to generate various reports based on performance evaluation needs. Completion status reports should also be available, all based on the employees, their managers, and other components of the performance review program. Article Continues Below

8. Integration

With countless HR technology tools available today, companies may find it challenging to find systems and platforms that work well with one another. A performance management software solution should integrate into other technology components of the business, offering data sharing of relevant information when it is needed. Succession planning

Performance management solutions that work best for employers must also have features relating to succession planning for the organization. Succession planning in this sense means that employees moving to the next phase of their career within the company are set-up for success based on competencies and skills. Both coaching and career development tools should be included in the performance management solution to ensure succession planning is seamless and proactive. Actionable insights

Finally, a performance management software must present employers with actionable insights that can be used in several aspects of employee evaluations. Valuable information necessary to make management and employee-specific decisions needs to be available each day through an easy-to-navigate dashboard to reporting tool.

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Chapter 6 : Microsoft's Coming CEO Transition And 7 Step Succession Planning | HuffPost

With Saba TalentSpace Succession, you get best-practice talent pool-based succession planning that ensures every section, department, and division in your organization have a large pool of employees ready to step into new roles.

Chapter 7 : Succession planning - Wikipedia

Considering the answers to questions like these is an imperative step in developing a succession strategy. #2: Define the key positions After formulating a clear understanding of the organization's strategy, leadership needs to determine which positions will be fed by the succession management pool.

Chapter 8 : Succession planning

Connect your succession program with coaching and internal talent development. To fill the pipeline with executive talent requires filling the knowledge and experience gaps in your potential leaders so they can be set to fill the void when needed.

Chapter 9 : State of California Workforce Planning Model

Here are seven suggestions to kick-start your succession planning, whether you have a small, family-owned business or an multinational corporation: 1. Be proactive with succession planning.