

# Succession Planning: Four Imperatives for Success

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The basic concept of succession planning is nothing new. Throughout history, every organization in the world has engaged in some type of planning for future talent needs, either actively or passively. Every entity who needs people to operate must replace people when they are gone. We see this in our daily lives and in the media—it was well-known that Jay Leno was to be the successor for Johnny Carson and now Conan O'Brian will fill Jay's shoes. Whether a company pays attention to it or not, the succession of people is often the difference in an organization's sustainable success.

## Succession Planning vs. Replacement Planning

When asked if their organization has a succession plan, most HR professionals will say "yes." However, some organizations are engaged in a process closer to replacement planning than true succession planning. The goal of *Replacement Planning* is to identify a "back up" to fill the job when it is vacant. The focus is on past performance and demonstrating skills to fill a particular role. By contrast, the goal of *Succession Planning* is to identify a "talent pool" that can be developed in preparation for future responsibilities and considers not only past performance but the future potential of the individual. Additionally succession planning anticipates changing business needs and prepares the talent pool to meet these future needs rather than replicating what the organization has right now. Simply stated succession planning is "future focused."

As an organization evolves from Replacement Planning to Succession Planning, here are four important imperatives for success.

### 1. Align Competency Models to Business Strategy

Define the target. What competencies (knowledge, skills, abilities and personal characteristics) must people exhibit

to move the business forward today and in the foreseeable future?

- When developing competencies, begin with the business strategy. As a company, what must we accomplish to be successful? What must our people accomplish?
- Limit your models to 8-10 competencies per job family or level. To be useful, competency models should focus on "success factors" that distinguish top performance. Rid models of "nice to haves" or "minimum qualifiers" that add little value and take up space.
- Use competencies to differentiate levels. Competencies needed for your sales professionals should be substantively different than competencies for your sales managers.
- Use modeling processes that are agile and efficient. Do not waste 6-12 months defining competencies that can't adapt with the changes in your business.

### 2. Focus on Critical Positions

Succession planning is not only for the top levels in the organization. Nor is it for every position in the organization. In defining your succession planning strategy, identify your most important positions – some of which may not be the most obvious.

- First, determine the importance of the role on the organization. What value does it have to the organization's success? What is the business impact of having a top performer? What is the cost of mistakes?
- Next, determine the ease of replaceability. How easy is this role to fill? Is there an abundance of external talent? Can you easily train someone to fill the role?
- In your succession planning efforts, focus on positions that are both High Importance and Difficult to Replace.

### 3. Take Stock of Current Talent

Understanding the makeup of your current talent pool is essential. Do you

have unrealized potential within the organization? Talent gaps? The goal is to evaluate the target group on a performance vs. potential matrix to pinpoint your talent pool. While categorizing performance is typically more straightforward, the greater challenge is evaluating a person's potential, as you cannot observe it.

- To make sound evaluations, distinguish between current performance and potential for future roles.
- Incorporate multiple data points, such competency-based interviews, simulations, relevant observed behaviors as well as validated assessments that evaluate a person's innate tendencies.
- Especially in situations where the person has not been given the opportunity to display a competency—for example, an individual contributor who is evaluated for a managerial role in which they must manage and create a vision—assessments can evaluate a person's potential for exhibiting the competency behaviors, as well as highlight potential gaps that may need to be developed.

### 4. Target Individual Development Needs

Many organizations create a succession plan, yet fail to develop, grow or retain the talent they have targeted.

- Communicate critical competencies for current and future roles
- Provide growth opportunities such as job rotation, mentoring, education or skill-building activities. Identify opportunities for the person to practice skills they will need in future roles. (Remember, Jay Leno was given multiple opportunities to guest host for Johnny Carson).
- Engage managers as accountable for the growth of their people.
- Create targeted retention programs for your identified successor pool.

Taking a pro-active approach to succession planning that incorporates these four imperatives is vital to an organization's enduring success. ■