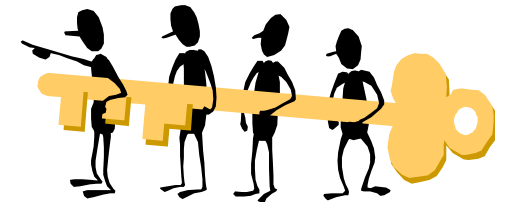

Why Do Succession Planning? Organizational Implications

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Why Do Succession?

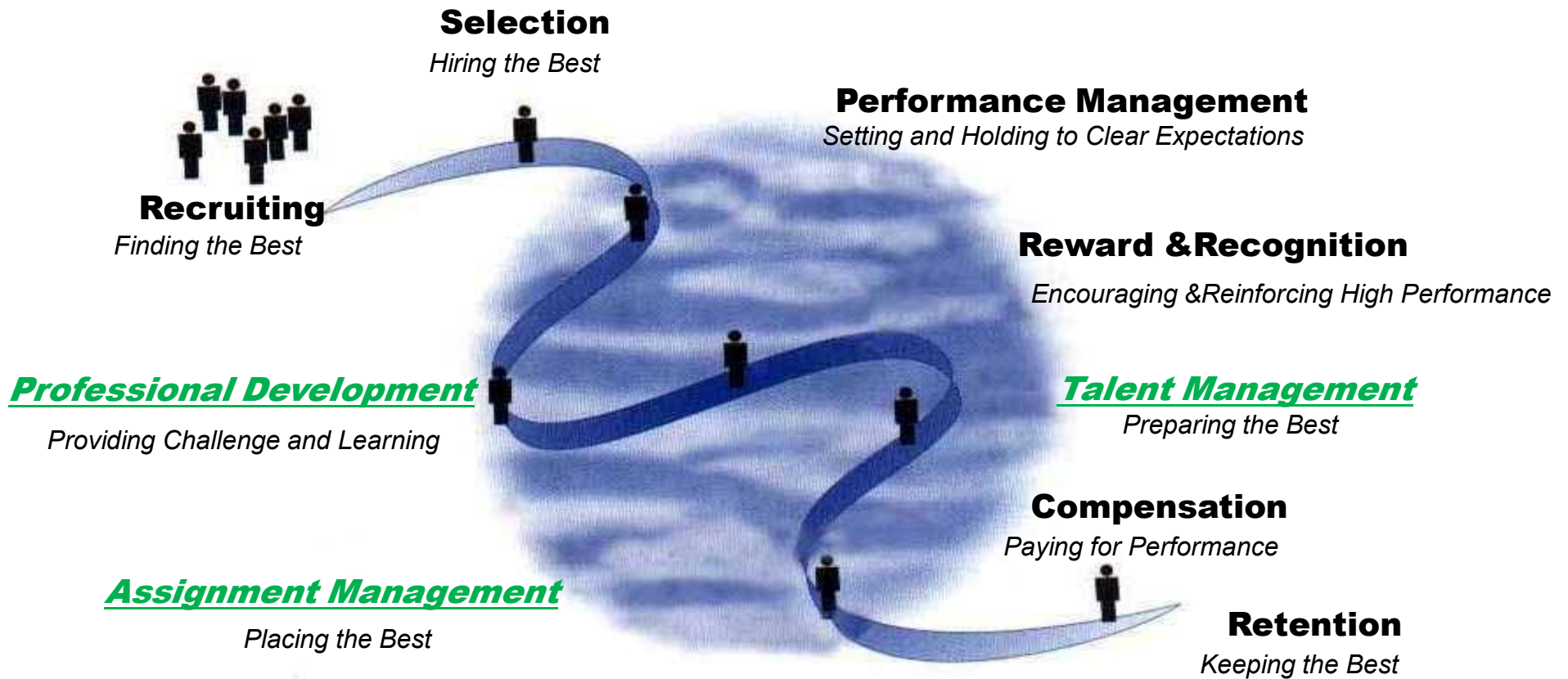
Ah \$*&#, One of My Key People Just Left!



- There is often a list of potential successors identified by an incumbent
 - But ò typically many of the same names appear on everyone else's list!
 - Development might occur, but usually does not
- Can be useful for emergency situations (unexpected turn-over)
 - *Must* distinguish between replacements and long term successors

Talent Management Systems:

Architect & align HR systems to drive strategy & performance



Benefits of Succession Planning

- Execute on business strategy & vision
- Better prepare individual leaders for future needs
- Attract, retain, & develop top talent
- Improved productivity
- Reduced turnover, labor costs, & employee issues
- Make your organization a great place to work

What to Do and Where to Start If Succession is the Problem to be Solved ...

Focus on three things:

1. Define Your Terms: Succession or Development
2. Determine Your Rationale/Approach
3. Create/Follow a Succession Planning Model



Clarify What You Mean ã

Succession k Development

But it is a critical succession process

Distinctions

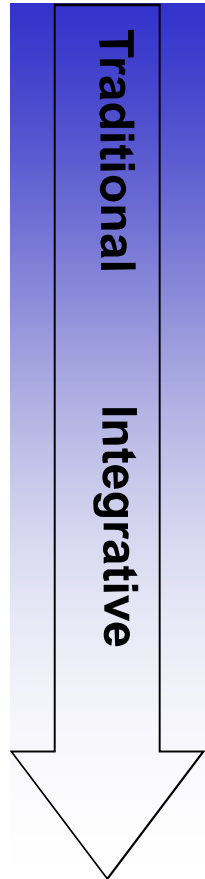
	Succession	Development
Purpose	Management Continuity & for of selected Individual Contributor roles	Employees have necessary knowledge & skills to perform effectively, & to prepare them for future assignments
Focus	“Ready Now” candidates when the need arises	Develop knowledge & skills to be successful in their job today
Ownership & Accountability	CEO & Board, & Line Management; HR supports with processes	Line Management & HR (until focus is succession, then add CEO and Board)
Time Horizon	Several years out Based on organization direction & strategy	Usually the present & near future
In Service Of ...	The organization -- assess individuals/key roles	Individuals

***IF* Development is the *LEADING* Framework for Succession...**

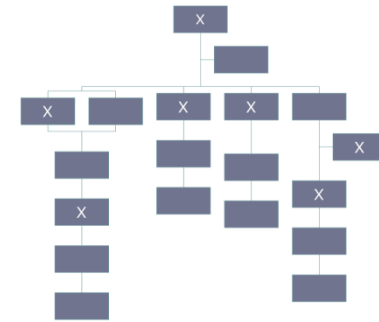
Possible Implications:

- Focus is on the individual
- External recruitment excluded
- Reinforces silo solutions
- HR seen as owner
- Process/Systems/Tools to support talent strategy & succession implementation generally an afterthought

Succession Process Journey:

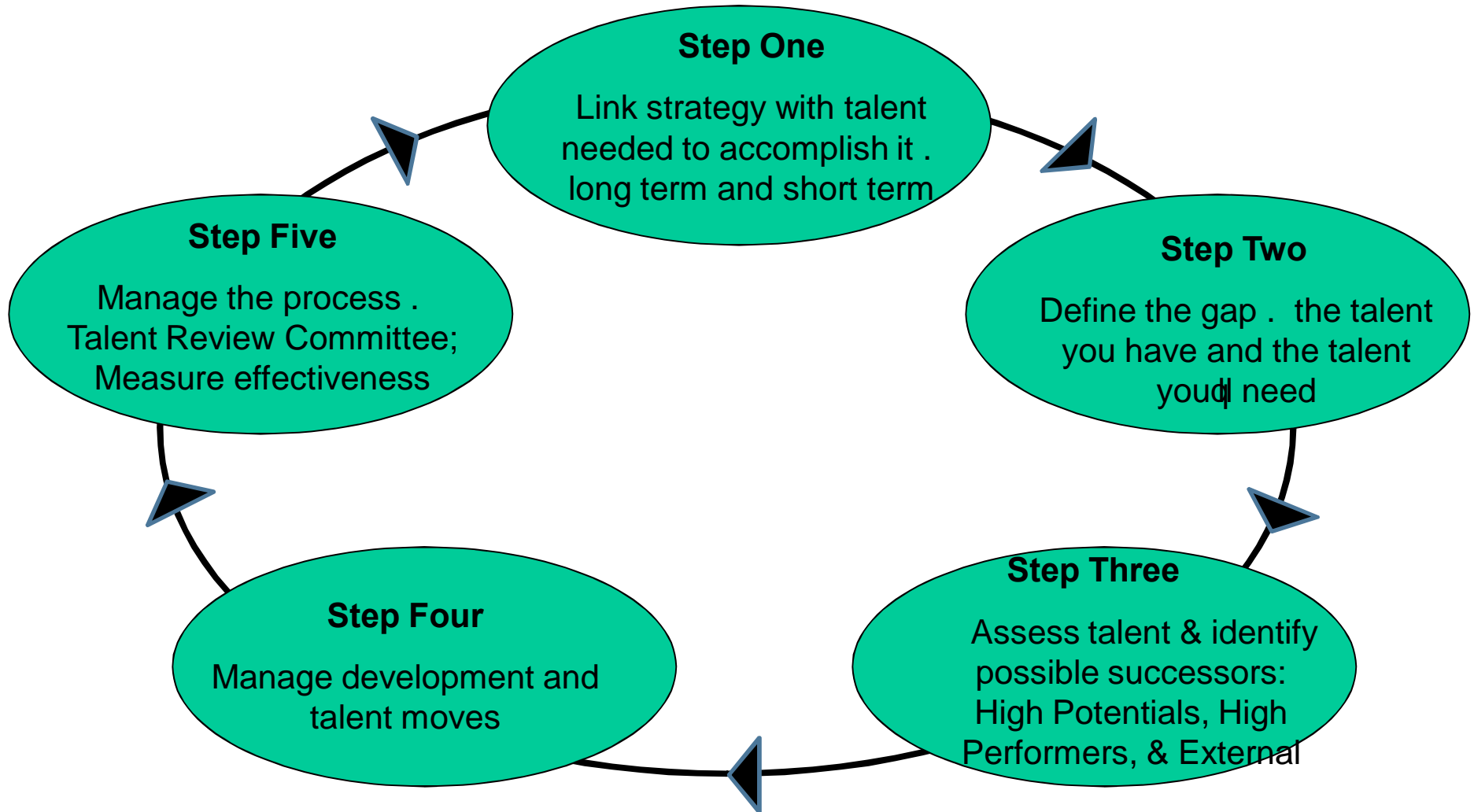


- Replacement planning
 - Focus is current direction of the company
 - Generally, only one individual earmarked to replace each manager
- Succession management
 - Translate organizational strategy into required leadership competencies
 - Create talent pool of future leaders from internal talent
- Talent management
 - Identify potential external candidates & develop internal talent
 - Address key risks: 1) Vacancy, 2) Readiness, 3) Transition / On-boarding, & 4) Strategic Priorities



Succession Management Process^(*)

(succession planning + leadership development)

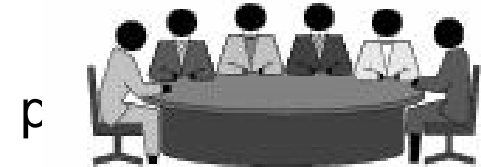


Talent Review Process



Best Practices and Lessons Learned

1. Manage implementation & the succession Talent Review Committee
2. Build support with key internal and external stakeholders
3. Encourage candor & risk-taking to grow talent
4. Focus on Key Roles/Positions for future success
5. Succession planning is NOT a list, promotion promises, or performance management



Summary

- Succession is a strategic process
 - More than individual development
 - More than replacement planning
- Each succession approach has implications for action