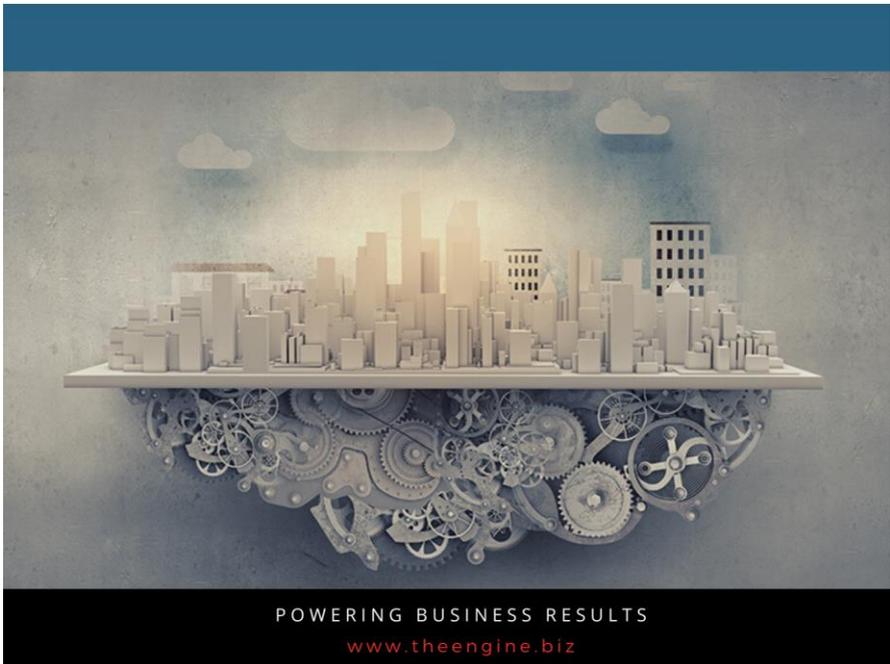
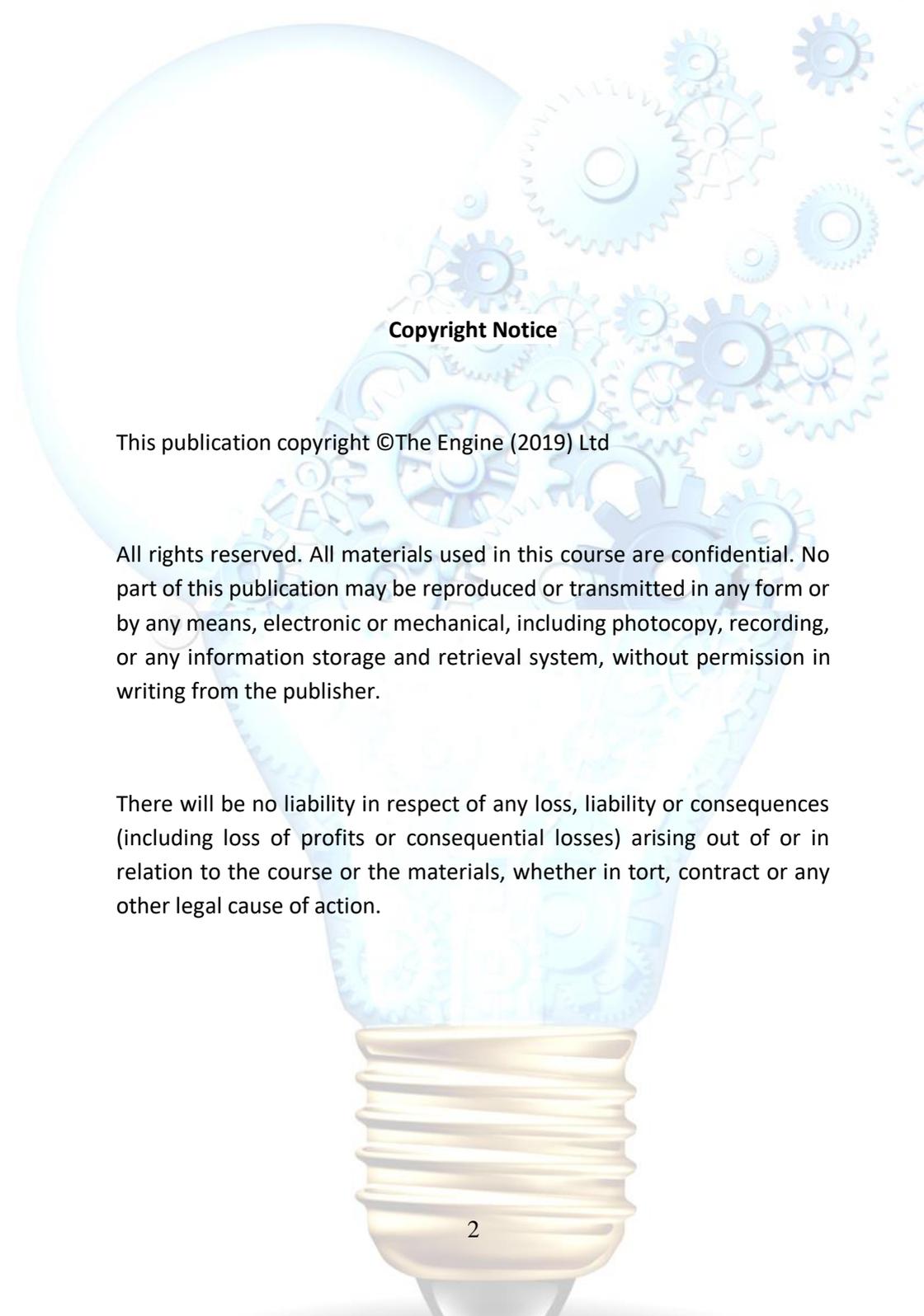


# Business Succession Planning



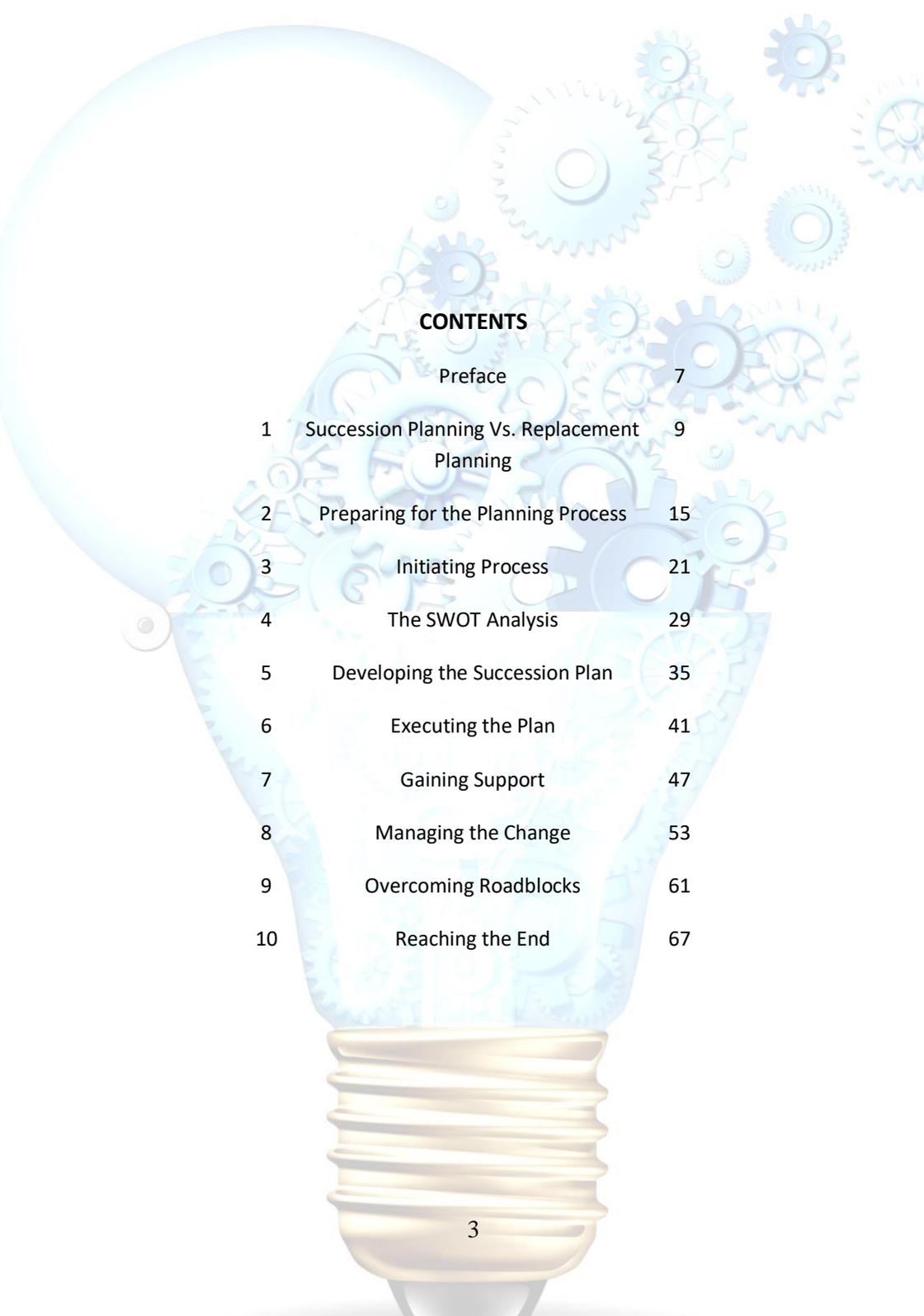


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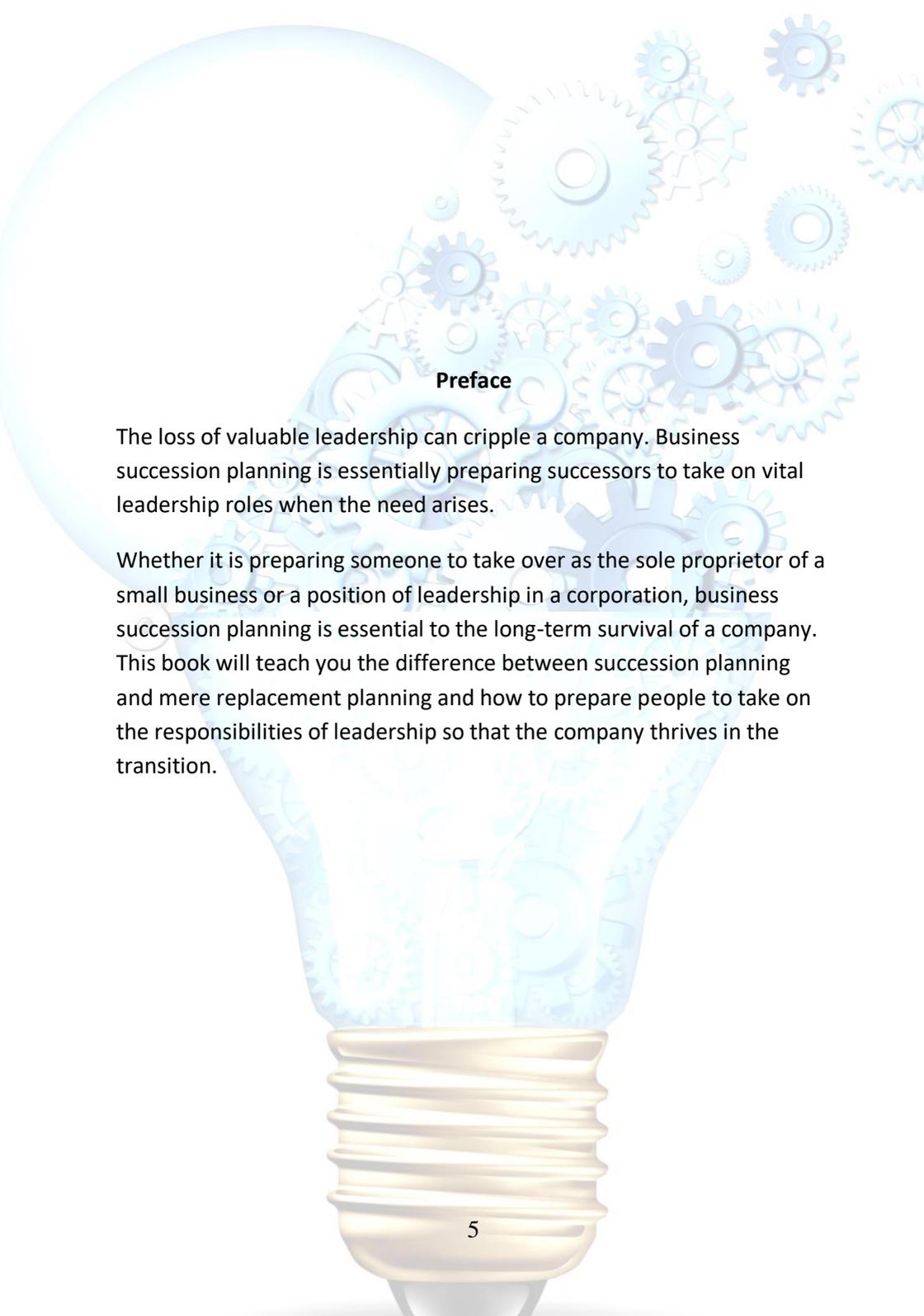
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*High expectations are the key to everything.*

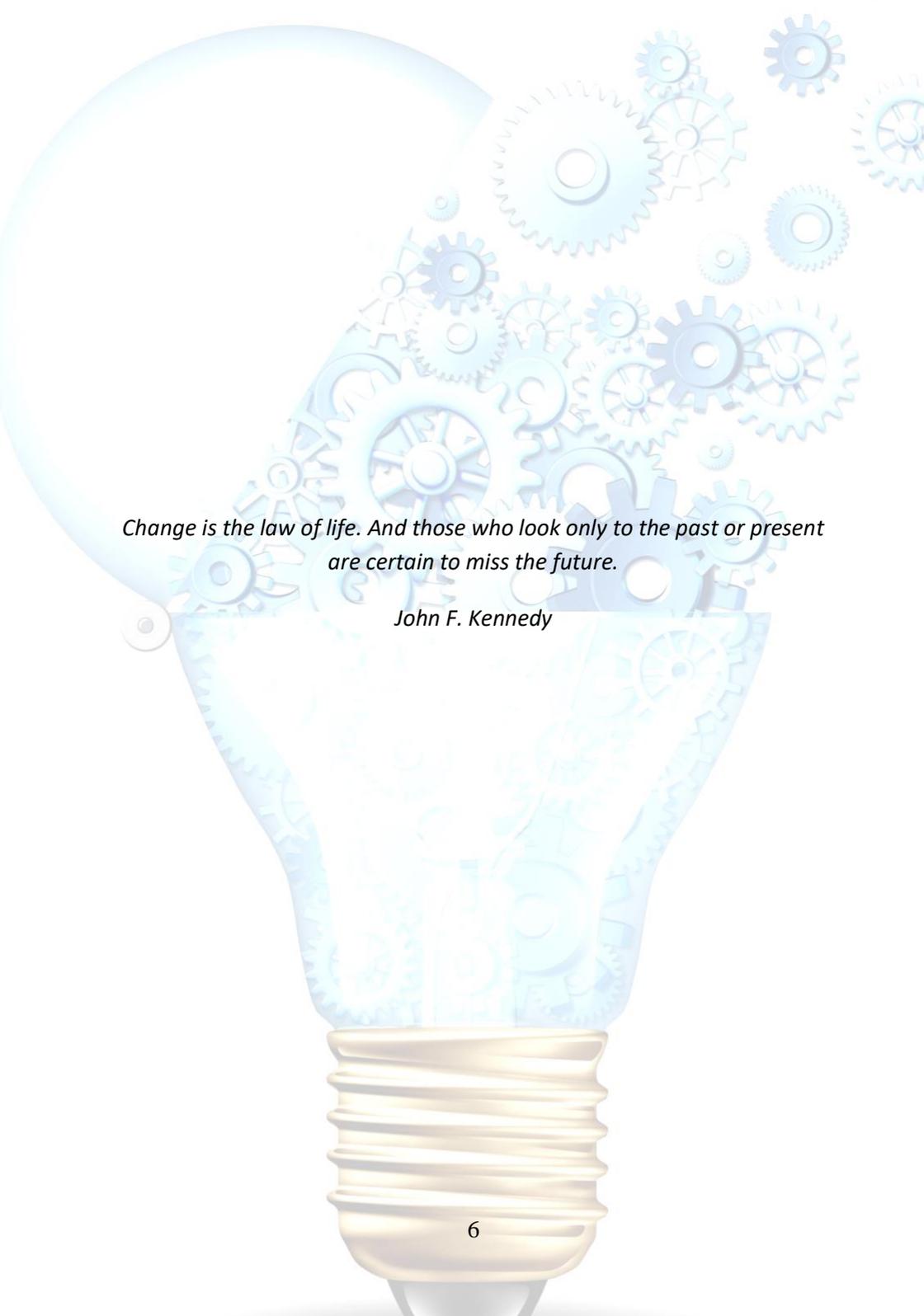
*Sam Walton*



## Preface

The loss of valuable leadership can cripple a company. Business succession planning is essentially preparing successors to take on vital leadership roles when the need arises.

Whether it is preparing someone to take over as the sole proprietor of a small business or a position of leadership in a corporation, business succession planning is essential to the long-term survival of a company. This book will teach you the difference between succession planning and mere replacement planning and how to prepare people to take on the responsibilities of leadership so that the company thrives in the transition.

A conceptual illustration of a glowing lightbulb. The bulb is filled with a complex, interconnected system of various-sized blue gears, symbolizing thought, innovation, and the mechanics of change. The gears are rendered with soft shadows and highlights, giving them a three-dimensional appearance. The lightbulb's base is a standard screw-in base, colored in a warm, golden-yellow hue. The overall composition is set against a plain white background, emphasizing the intricate gear mechanism within the bulb.

*Change is the law of life. And those who look only to the past or present  
are certain to miss the future.*

*John F. Kennedy*

## **Chapter One: Succession Planning Vs. Replacement Planning**

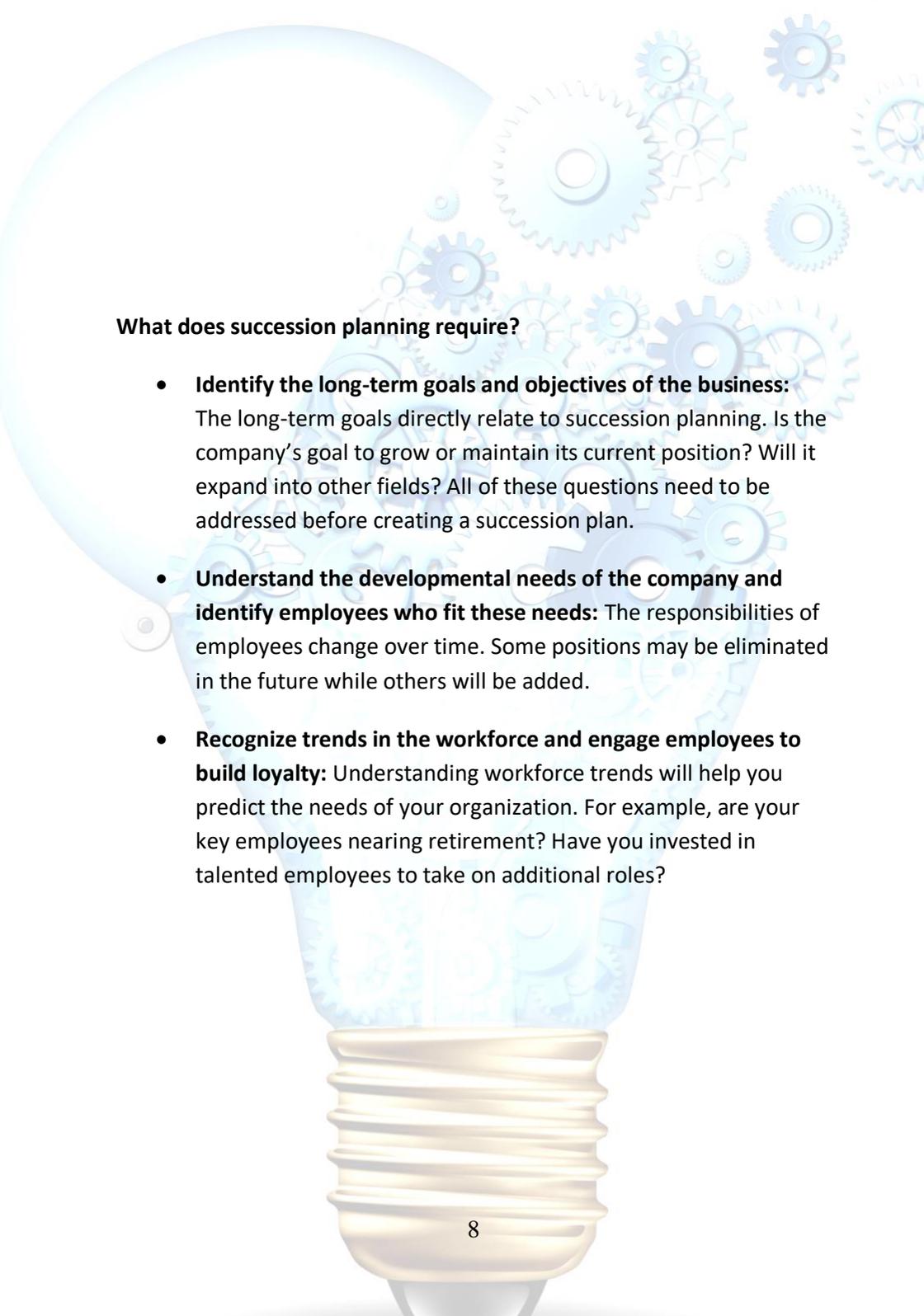
Succession planning and replacement planning are two different things. Replacement planning is focused on identifying immediate understudies, while succession planning is focused on developing talent to move forward.

### **What is Business Succession Planning?**

Successful succession planning is related to leadership development. It develops a pool of talent so that there are numerous qualified candidates throughout the organization to fill vacancies in leadership. Succession planning used to concentrate on developing leadership at the top level, but now it is building a strong talent base, which helps to increase employee loyalty and ensure the longevity of the company. This strategy requires recruiting qualified talent, creating a talent pool, and instilling loyalty.

### **Benefits of succession planning:**

- Decreased turnover
- Increased employee satisfaction
- Improved commitment to company goals
- Enhanced image of the organization



## What does succession planning require?

- **Identify the long-term goals and objectives of the business:** The long-term goals directly relate to succession planning. Is the company's goal to grow or maintain its current position? Will it expand into other fields? All of these questions need to be addressed before creating a succession plan.
- **Understand the developmental needs of the company and identify employees who fit these needs:** The responsibilities of employees change over time. Some positions may be eliminated in the future while others will be added.
- **Recognize trends in the workforce and engage employees to build loyalty:** Understanding workforce trends will help you predict the needs of your organization. For example, are your key employees nearing retirement? Have you invested in talented employees to take on additional roles?

## **What Is Replacement Planning?**

Replacement planning works under the assumption that the structure of the organization will not change. This is easier to apply in small family businesses that do not have any goals to expand or grow in the future. There are typically two or three “replacements” identified in the organization chart. Each backup is listed with his or her ability to replace an existing leader. The employees are not necessarily developed to understand the new working environment or smoothly transition into his or her new responsibilities.

## **Differences Between**

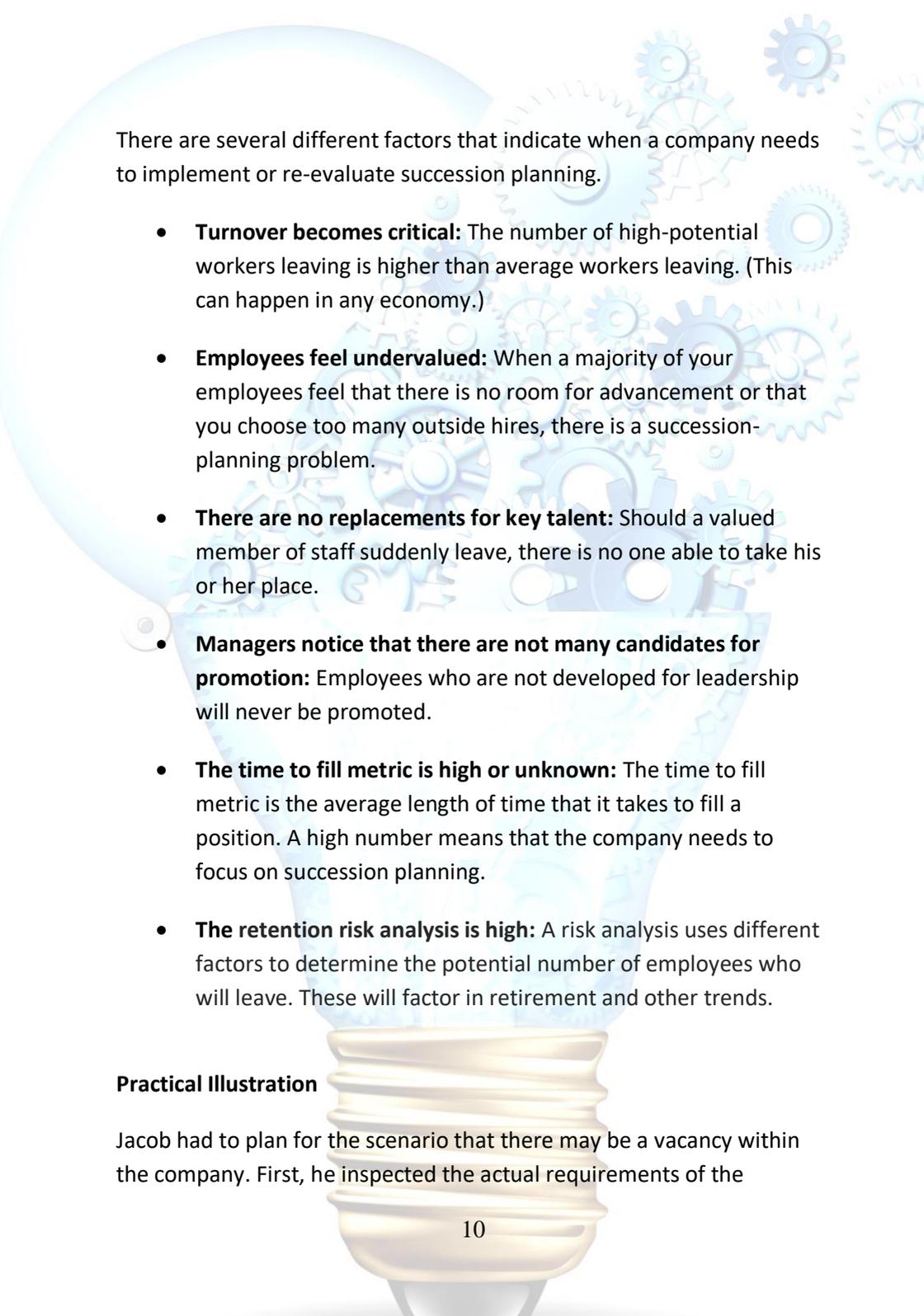
Many executives believe that they are engaging in succession planning, but in reality they are still using replacement planning.

The Main Differences:

- Replacement planning focuses on finding suitable replacements only for top executives.
- Succession planning means that the company is easily able to fill vacancies throughout the business because employees are being empowered and developed.
- There is a short list of candidates in replacement planning.
- Succession planning builds a large talent pool.

Succession planning takes a little more time and effort from those in leadership, but it yields a high return on such an investment.

## **Deciding What You Need**

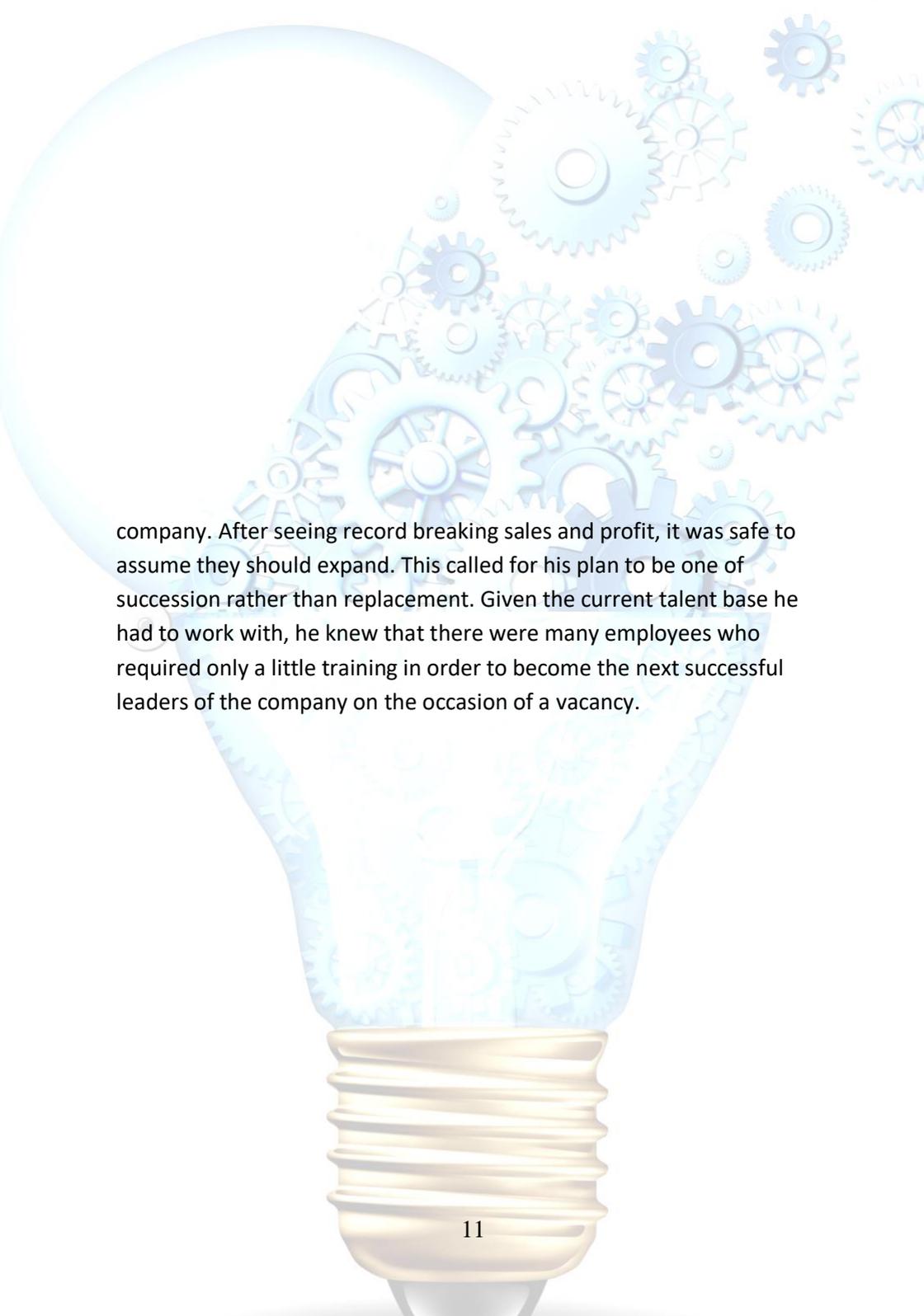


There are several different factors that indicate when a company needs to implement or re-evaluate succession planning.

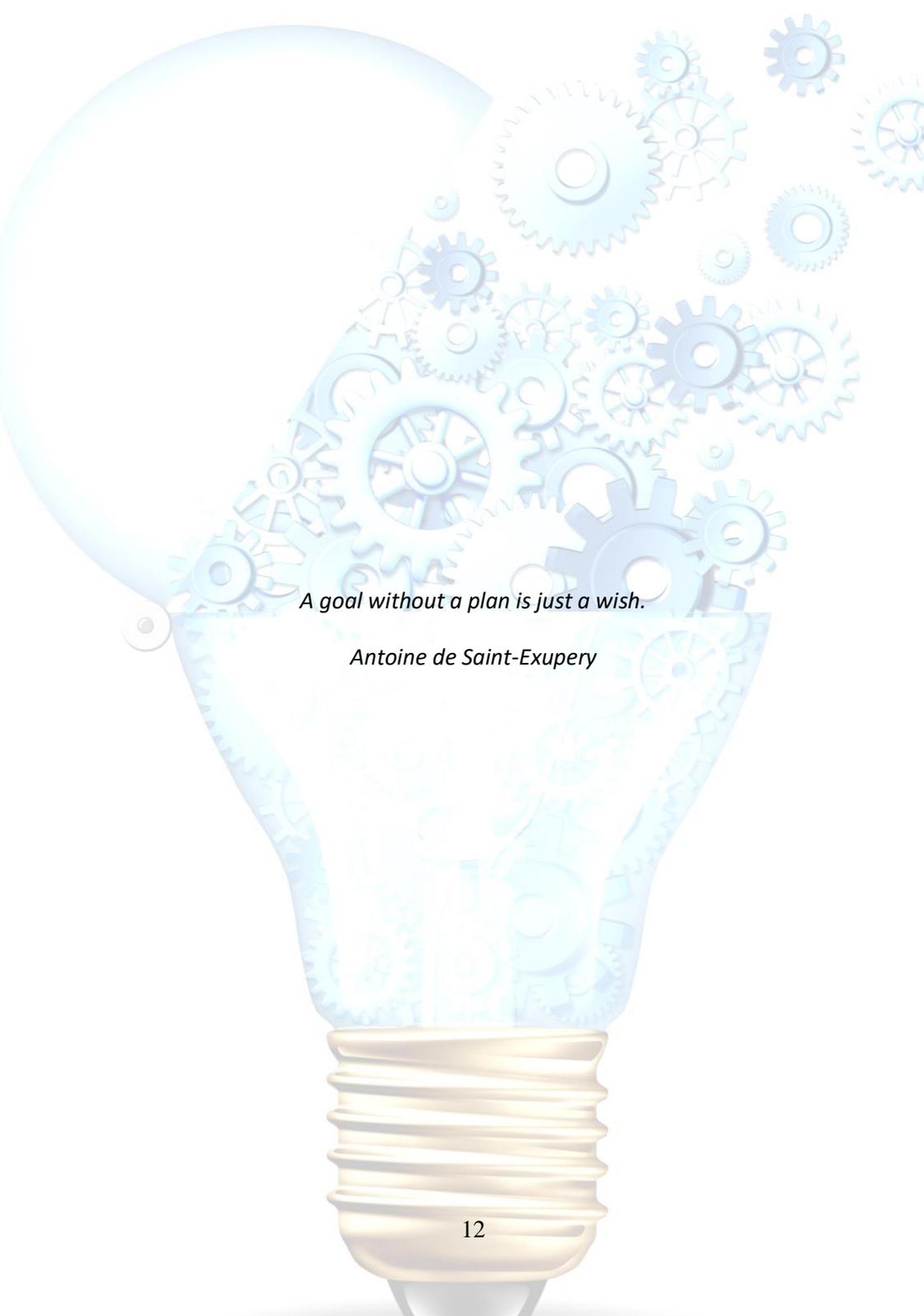
- **Turnover becomes critical:** The number of high-potential workers leaving is higher than average workers leaving. (This can happen in any economy.)
- **Employees feel undervalued:** When a majority of your employees feel that there is no room for advancement or that you choose too many outside hires, there is a succession-planning problem.
- **There are no replacements for key talent:** Should a valued member of staff suddenly leave, there is no one able to take his or her place.
- **Managers notice that there are not many candidates for promotion:** Employees who are not developed for leadership will never be promoted.
- **The time to fill metric is high or unknown:** The time to fill metric is the average length of time that it takes to fill a position. A high number means that the company needs to focus on succession planning.
- **The retention risk analysis is high:** A risk analysis uses different factors to determine the potential number of employees who will leave. These will factor in retirement and other trends.

### **Practical Illustration**

Jacob had to plan for the scenario that there may be a vacancy within the company. First, he inspected the actual requirements of the

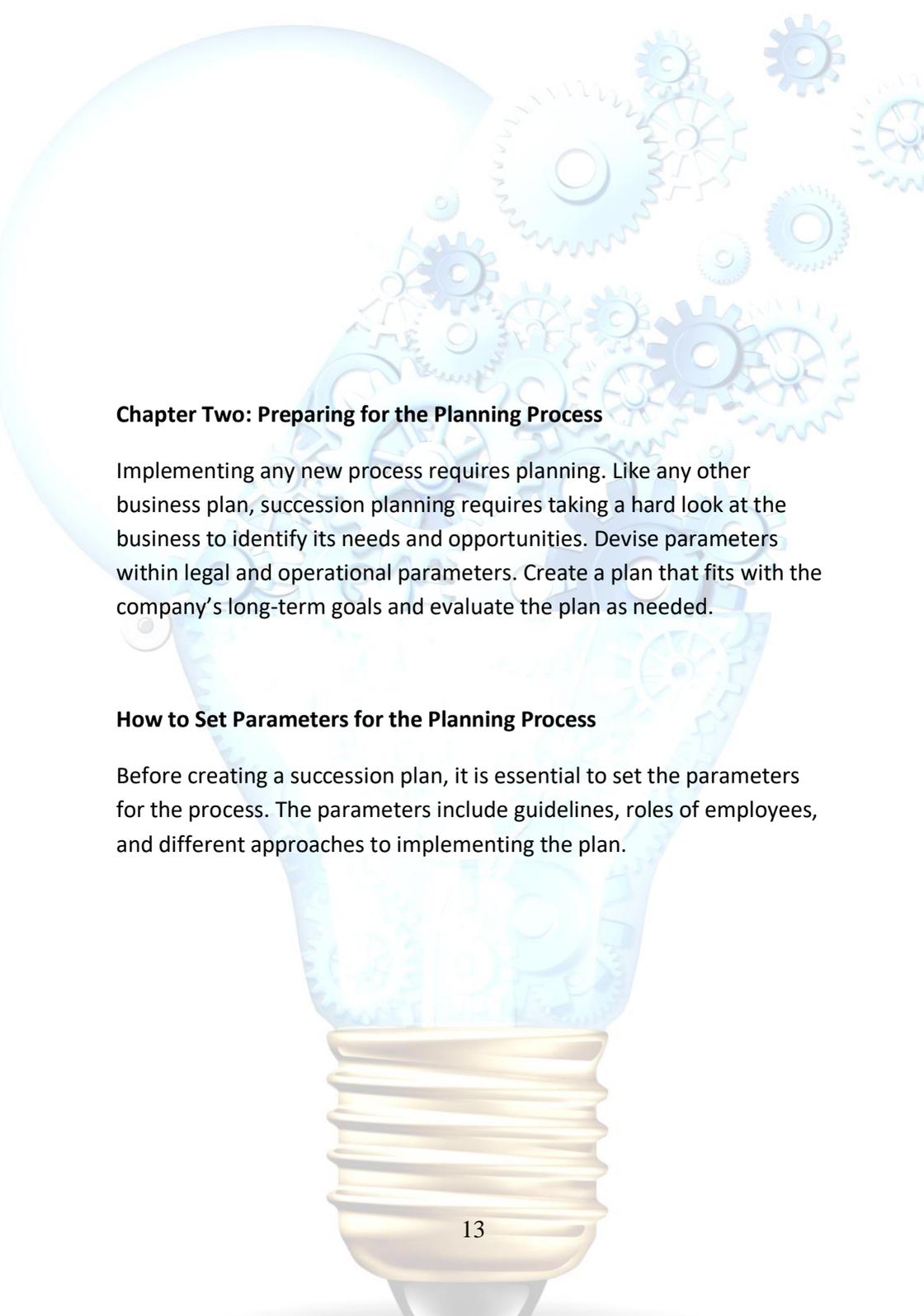


company. After seeing record breaking sales and profit, it was safe to assume they should expand. This called for his plan to be one of succession rather than replacement. Given the current talent base he had to work with, he knew that there were many employees who required only a little training in order to become the next successful leaders of the company on the occasion of a vacancy.



*A goal without a plan is just a wish.*

*Antoine de Saint-Exupery*

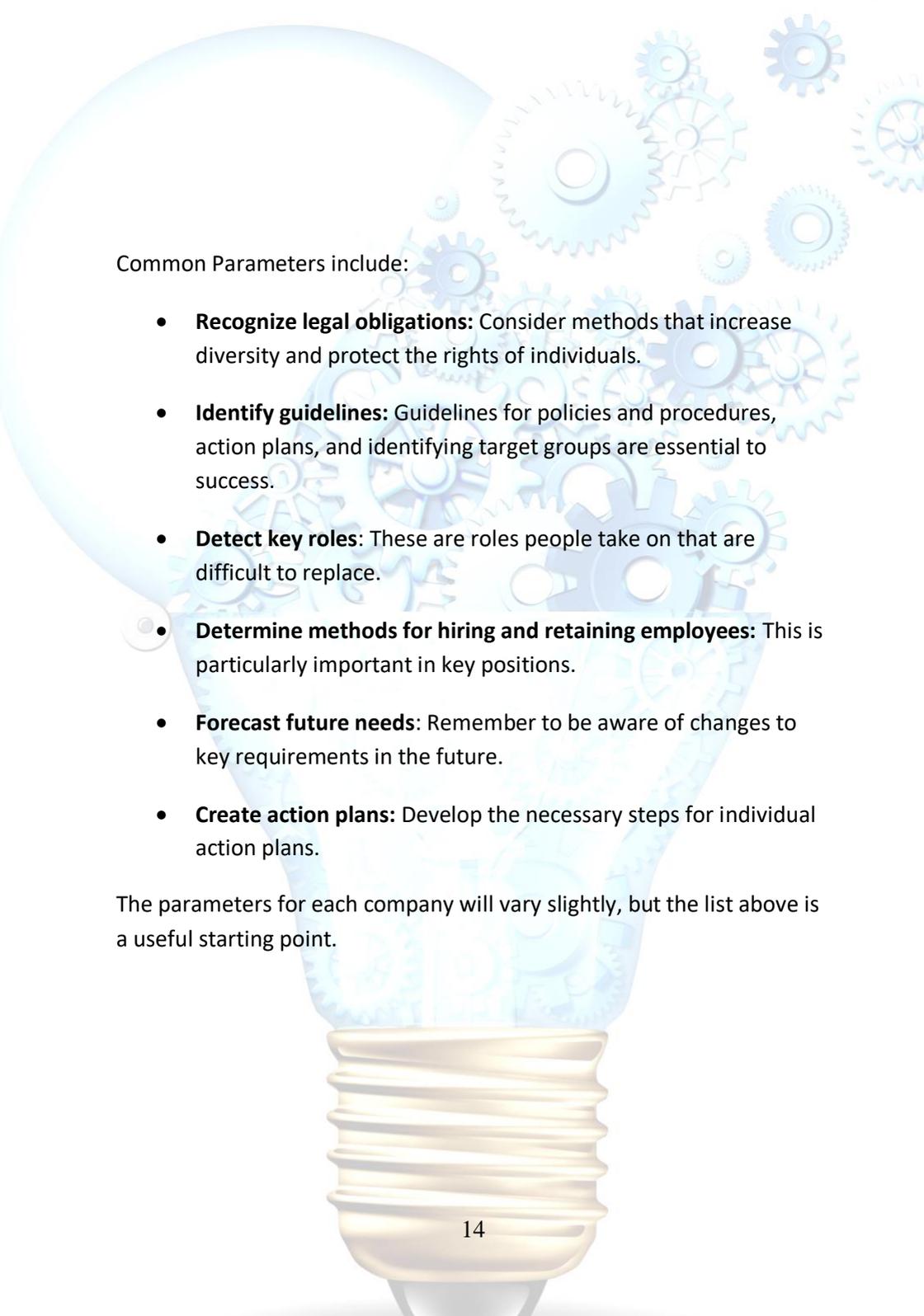


## **Chapter Two: Preparing for the Planning Process**

Implementing any new process requires planning. Like any other business plan, succession planning requires taking a hard look at the business to identify its needs and opportunities. Devise parameters within legal and operational parameters. Create a plan that fits with the company's long-term goals and evaluate the plan as needed.

### **How to Set Parameters for the Planning Process**

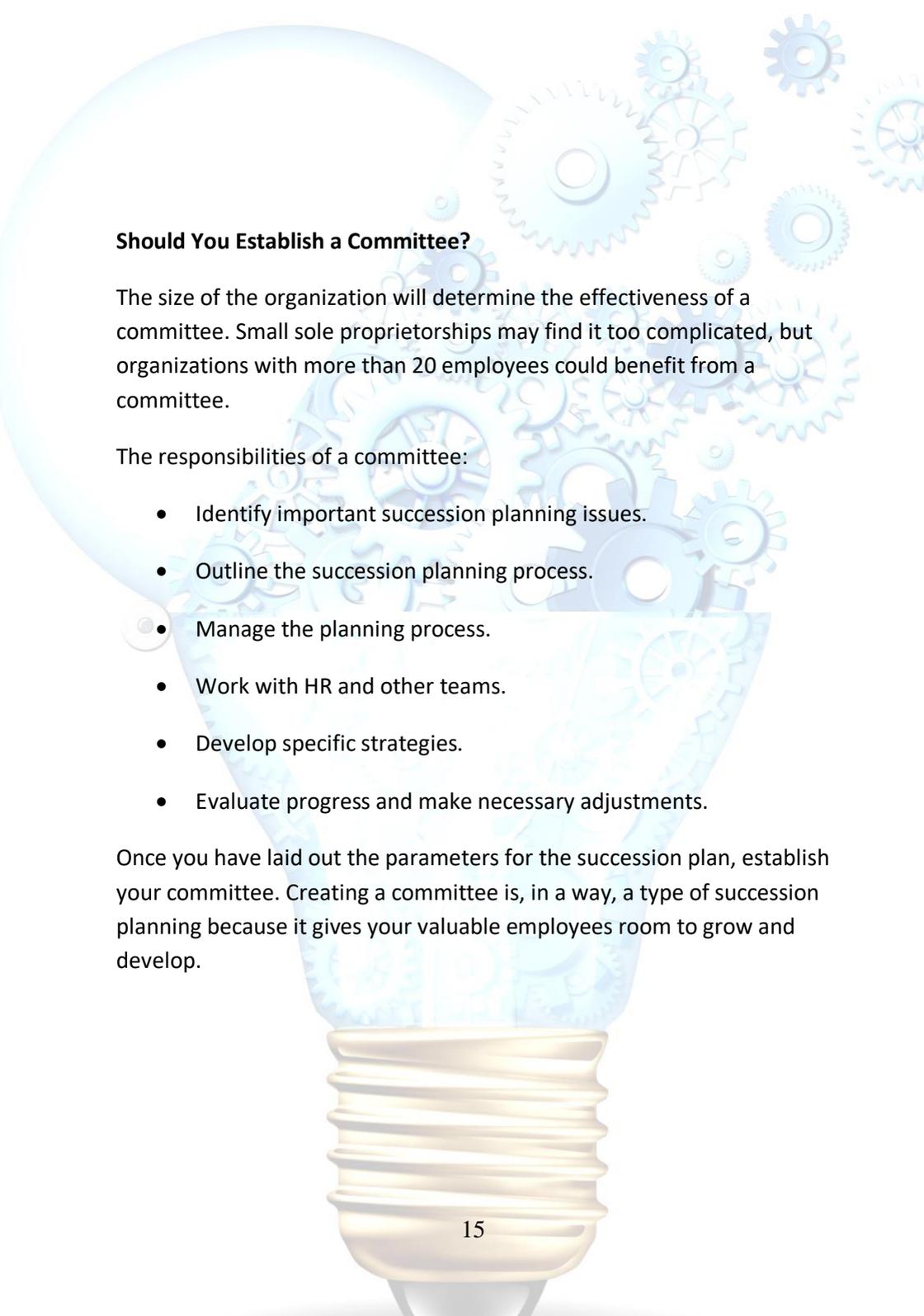
Before creating a succession plan, it is essential to set the parameters for the process. The parameters include guidelines, roles of employees, and different approaches to implementing the plan.



Common Parameters include:

- **Recognize legal obligations:** Consider methods that increase diversity and protect the rights of individuals.
- **Identify guidelines:** Guidelines for policies and procedures, action plans, and identifying target groups are essential to success.
- **Detect key roles:** These are roles people take on that are difficult to replace.
- **Determine methods for hiring and retaining employees:** This is particularly important in key positions.
- **Forecast future needs:** Remember to be aware of changes to key requirements in the future.
- **Create action plans:** Develop the necessary steps for individual action plans.

The parameters for each company will vary slightly, but the list above is a useful starting point.



## Should You Establish a Committee?

The size of the organization will determine the effectiveness of a committee. Small sole proprietorships may find it too complicated, but organizations with more than 20 employees could benefit from a committee.

The responsibilities of a committee:

- Identify important succession planning issues.
- Outline the succession planning process.
- Manage the planning process.
- Work with HR and other teams.
- Develop specific strategies.
- Evaluate progress and make necessary adjustments.

Once you have laid out the parameters for the succession plan, establish your committee. Creating a committee is, in a way, a type of succession planning because it gives your valuable employees room to grow and develop.

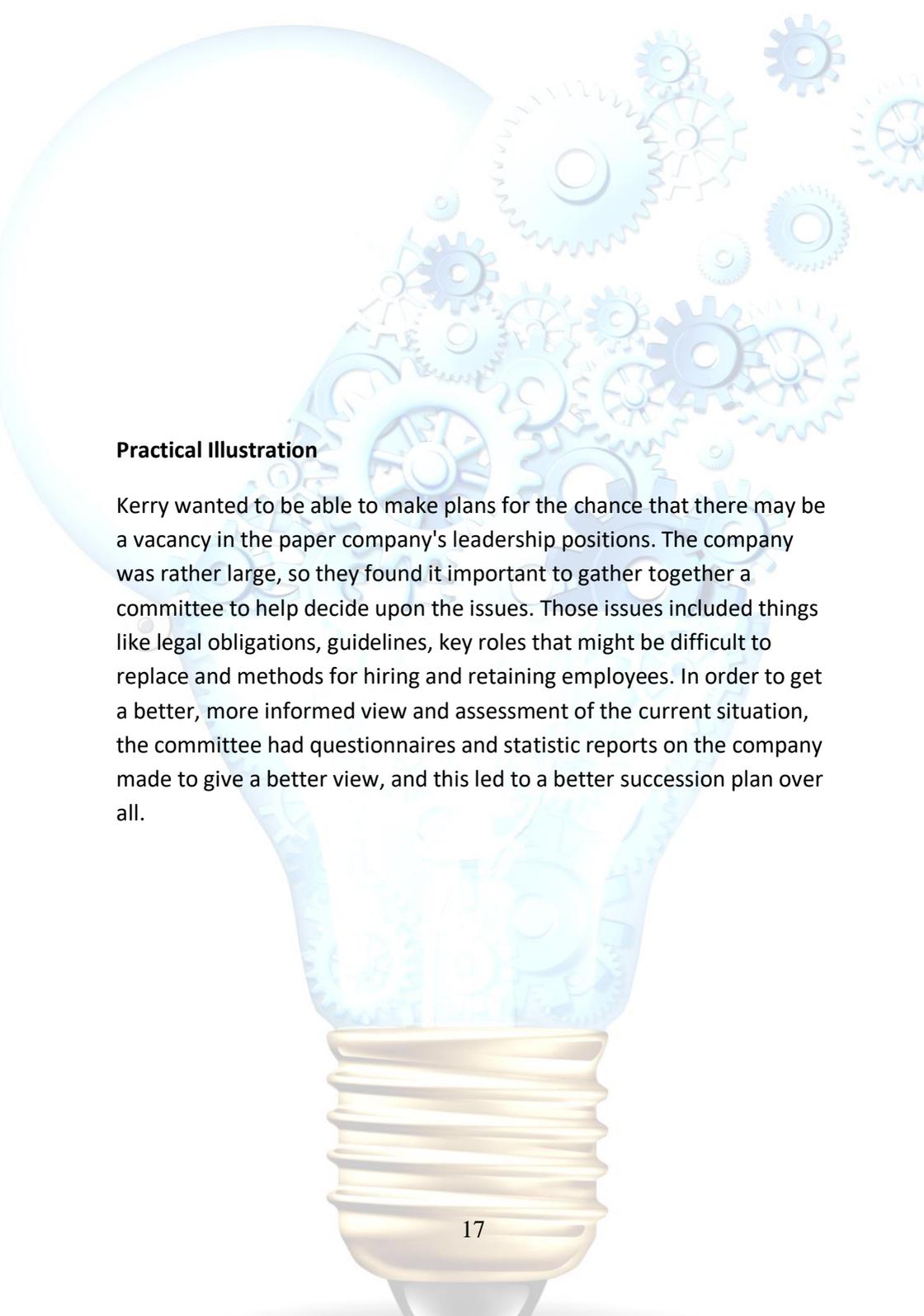


## How to Gather Operational Data

Preparing for the business plan process requires data. Gathering some data is easy, while other things are a little tricky. Finances can assess productivity, sales, cost, and labour. However, things such as training and operational data demand a bit more work.

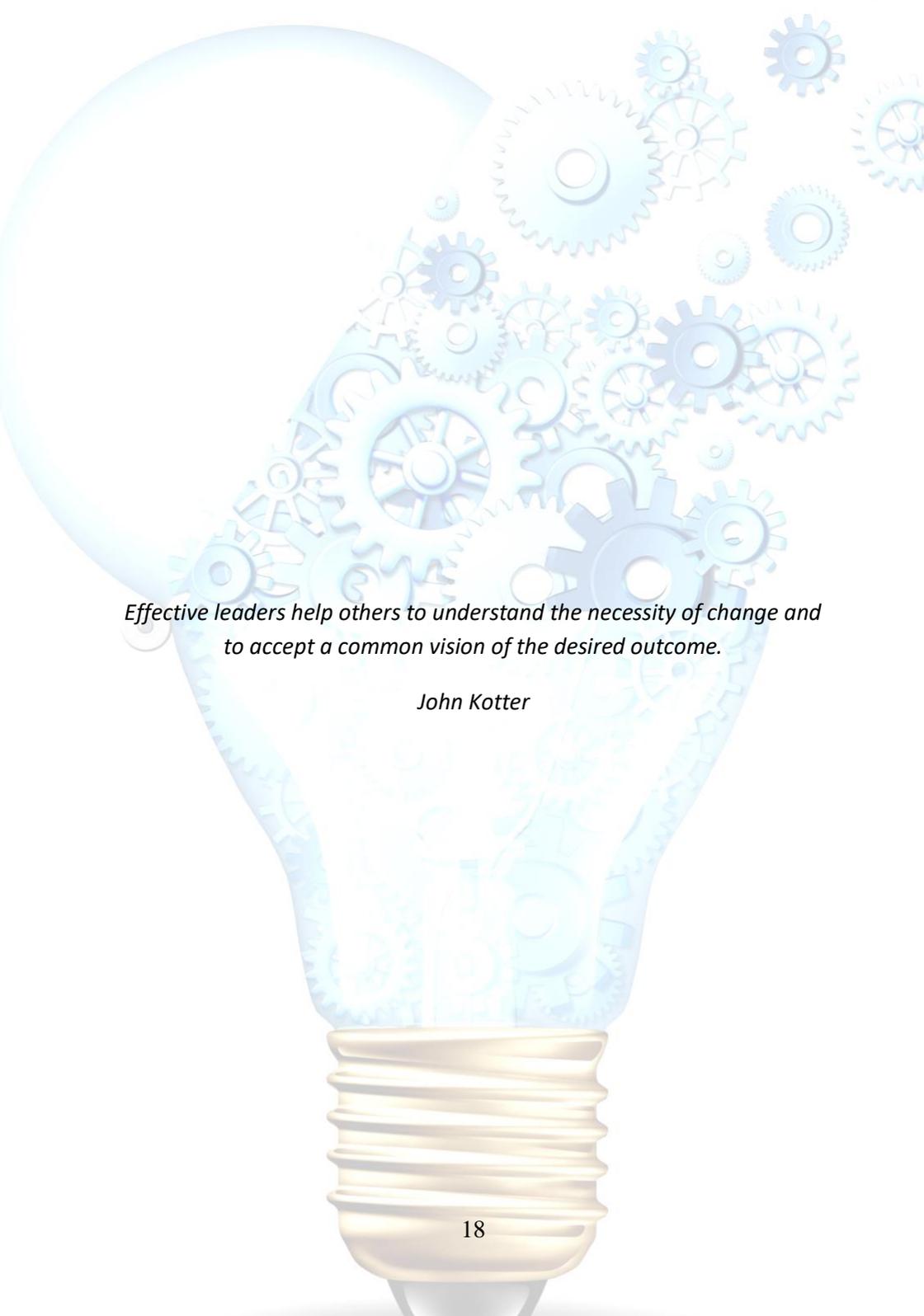
Ways to gather data:

- **Questionnaires and Surveys:** People are more likely to answer anonymous questionnaires honestly.
- **Financial Reports:** Keeping a tab on financial reports will show you the effectiveness of new policies.
- **Meetings with different departments:** Have different departments meet to discuss needs and opportunities. Create cross-functional teams if necessary.
- **Conduct at-risk metrics:** Determine employee trends.

A large, glowing lightbulb is the central focus of the page. Inside the bulb, numerous gears of various sizes are visible, some appearing to be in motion. The gears are rendered in a light blue, semi-transparent style, creating a sense of depth and complexity. The lightbulb itself has a warm, golden-yellow glow at the base, which fades into a soft, ethereal light as it goes up. The background is a plain, light color, making the lightbulb and gears stand out prominently.

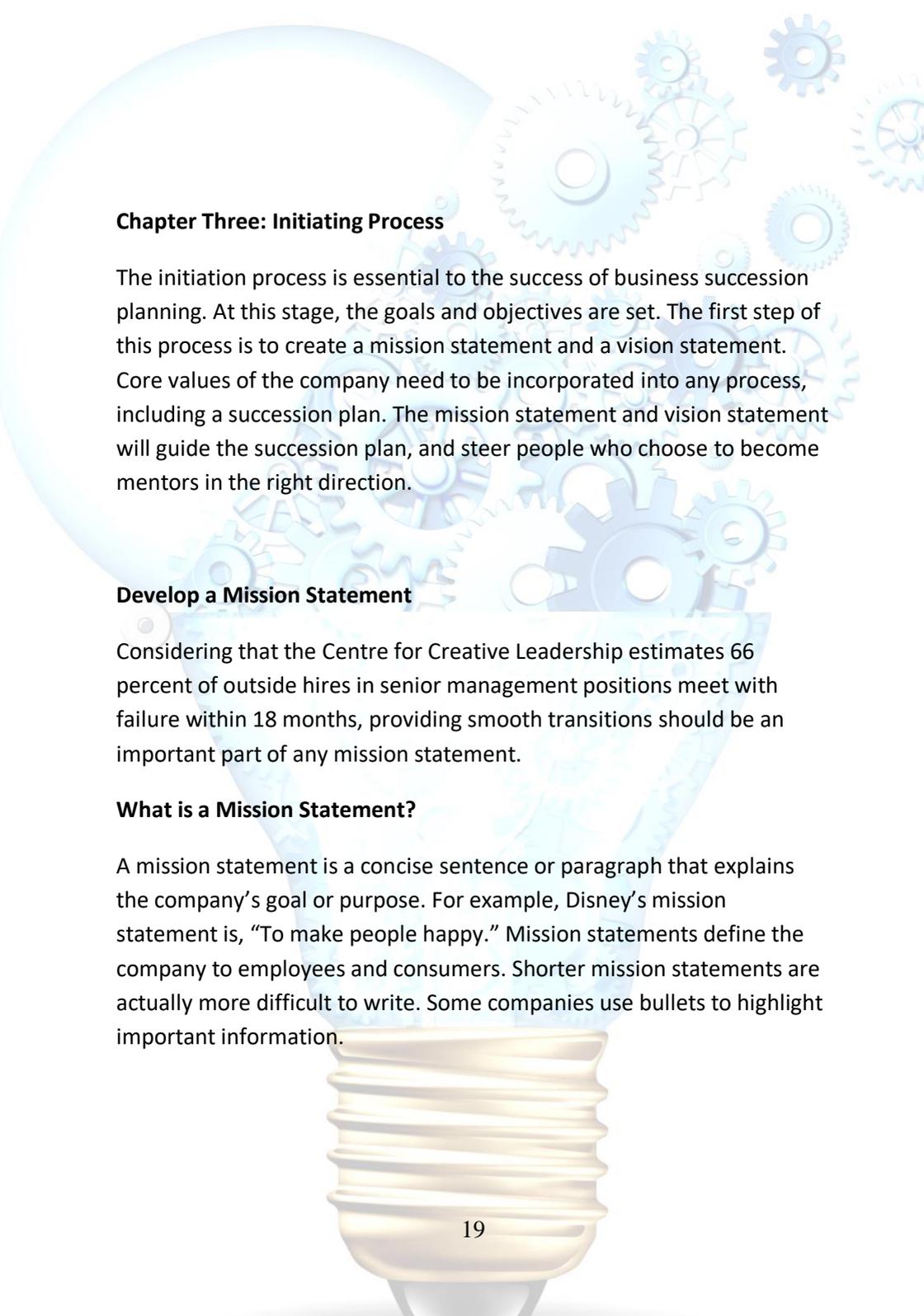
### **Practical Illustration**

Kerry wanted to be able to make plans for the chance that there may be a vacancy in the paper company's leadership positions. The company was rather large, so they found it important to gather together a committee to help decide upon the issues. Those issues included things like legal obligations, guidelines, key roles that might be difficult to replace and methods for hiring and retaining employees. In order to get a better, more informed view and assessment of the current situation, the committee had questionnaires and statistic reports on the company made to give a better view, and this led to a better succession plan over all.

A large, glowing lightbulb is the central focus. The interior of the bulb is filled with numerous blue gears of various sizes, some overlapping and some floating. The gears are rendered with a slight 3D effect, showing their teeth and central hubs. The lightbulb's base is a standard screw-in base, colored in a warm, golden-yellow hue. The overall background is a soft, light blue gradient, suggesting a clear sky or a clean, bright environment. The composition is centered, with the lightbulb occupying most of the frame.

*Effective leaders help others to understand the necessity of change and to accept a common vision of the desired outcome.*

*John Kotter*



## **Chapter Three: Initiating Process**

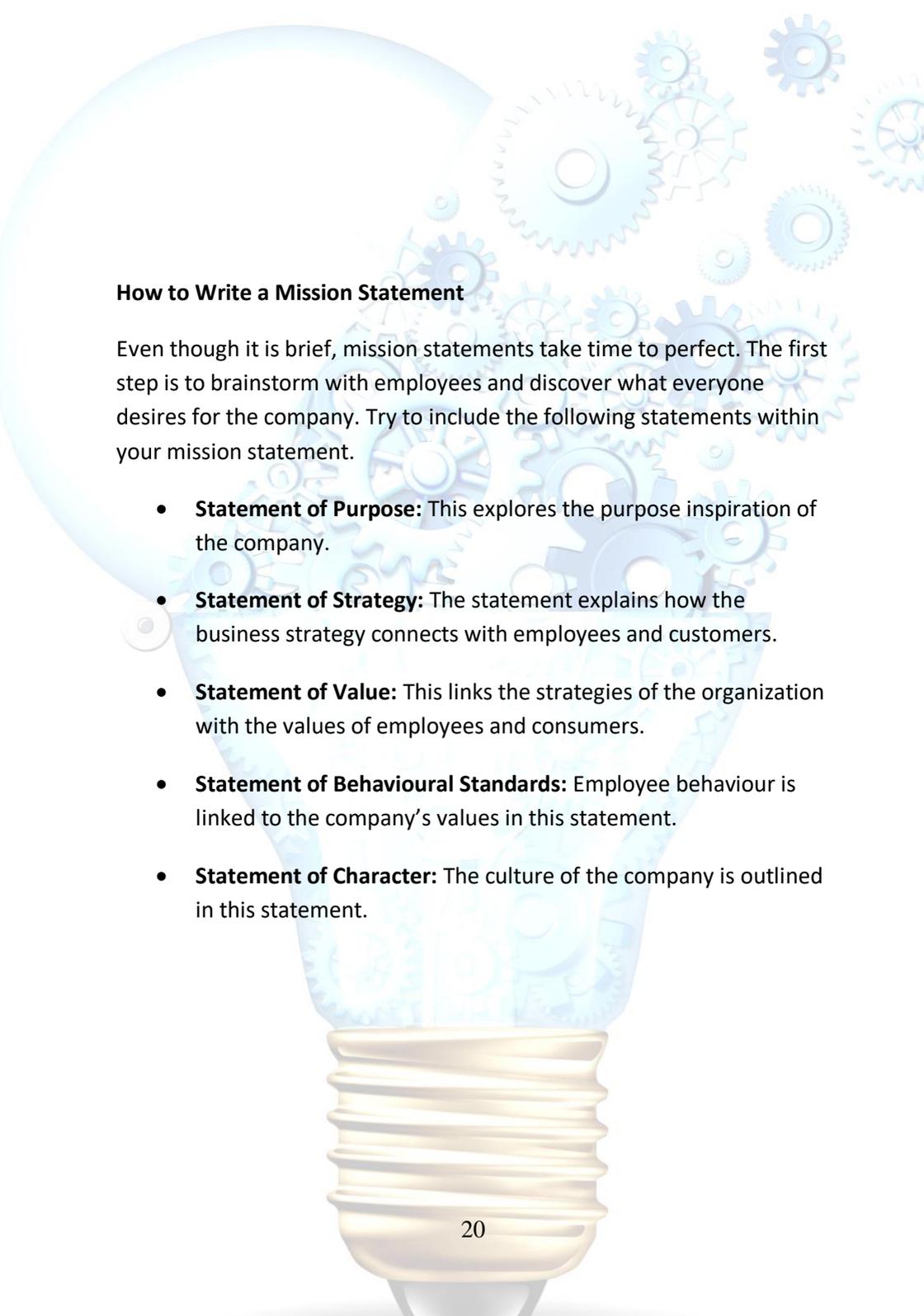
The initiation process is essential to the success of business succession planning. At this stage, the goals and objectives are set. The first step of this process is to create a mission statement and a vision statement. Core values of the company need to be incorporated into any process, including a succession plan. The mission statement and vision statement will guide the succession plan, and steer people who choose to become mentors in the right direction.

### **Develop a Mission Statement**

Considering that the Centre for Creative Leadership estimates 66 percent of outside hires in senior management positions meet with failure within 18 months, providing smooth transitions should be an important part of any mission statement.

### **What is a Mission Statement?**

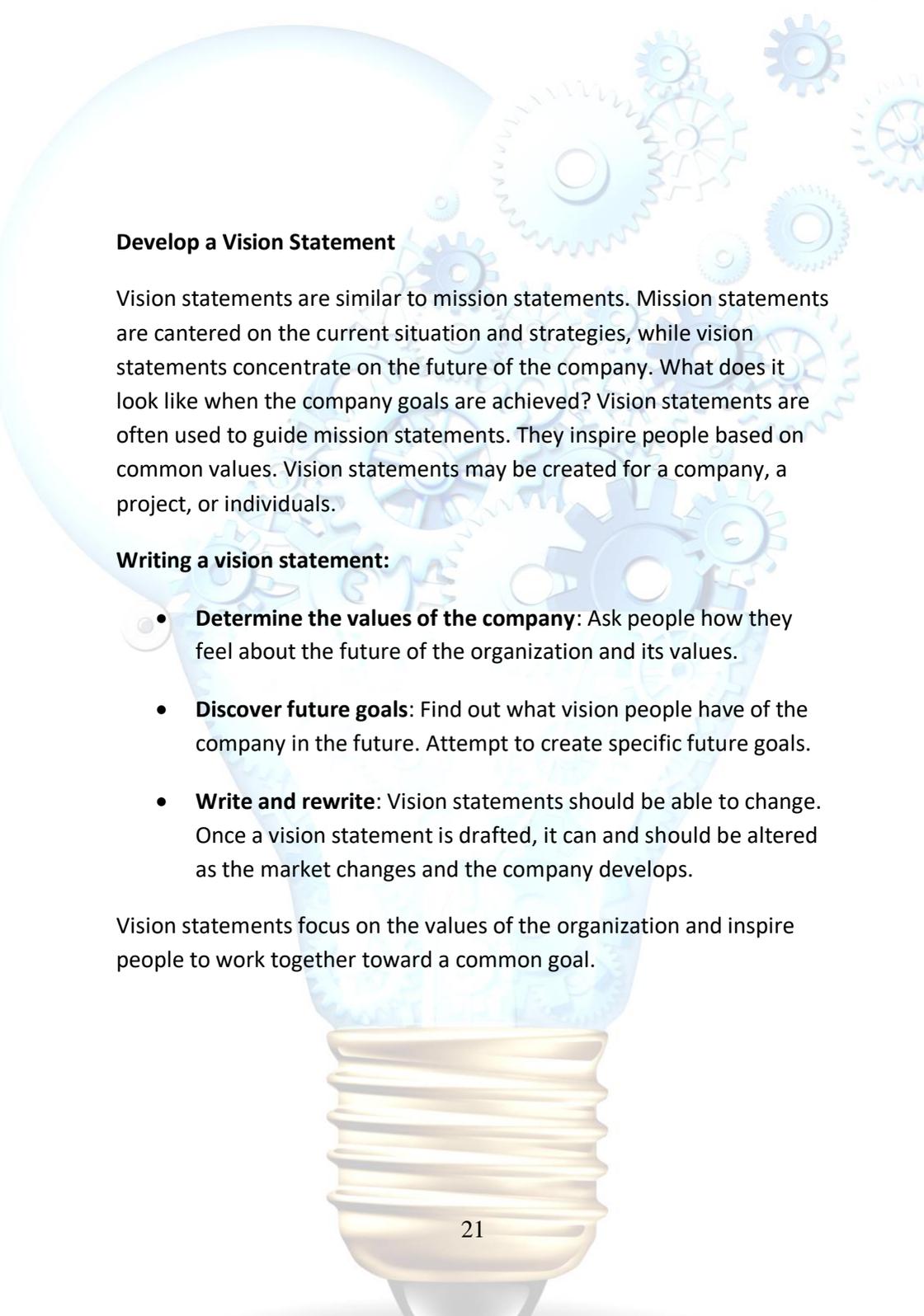
A mission statement is a concise sentence or paragraph that explains the company's goal or purpose. For example, Disney's mission statement is, "To make people happy." Mission statements define the company to employees and consumers. Shorter mission statements are actually more difficult to write. Some companies use bullets to highlight important information.



## How to Write a Mission Statement

Even though it is brief, mission statements take time to perfect. The first step is to brainstorm with employees and discover what everyone desires for the company. Try to include the following statements within your mission statement.

- **Statement of Purpose:** This explores the purpose inspiration of the company.
- **Statement of Strategy:** The statement explains how the business strategy connects with employees and customers.
- **Statement of Value:** This links the strategies of the organization with the values of employees and consumers.
- **Statement of Behavioural Standards:** Employee behaviour is linked to the company's values in this statement.
- **Statement of Character:** The culture of the company is outlined in this statement.



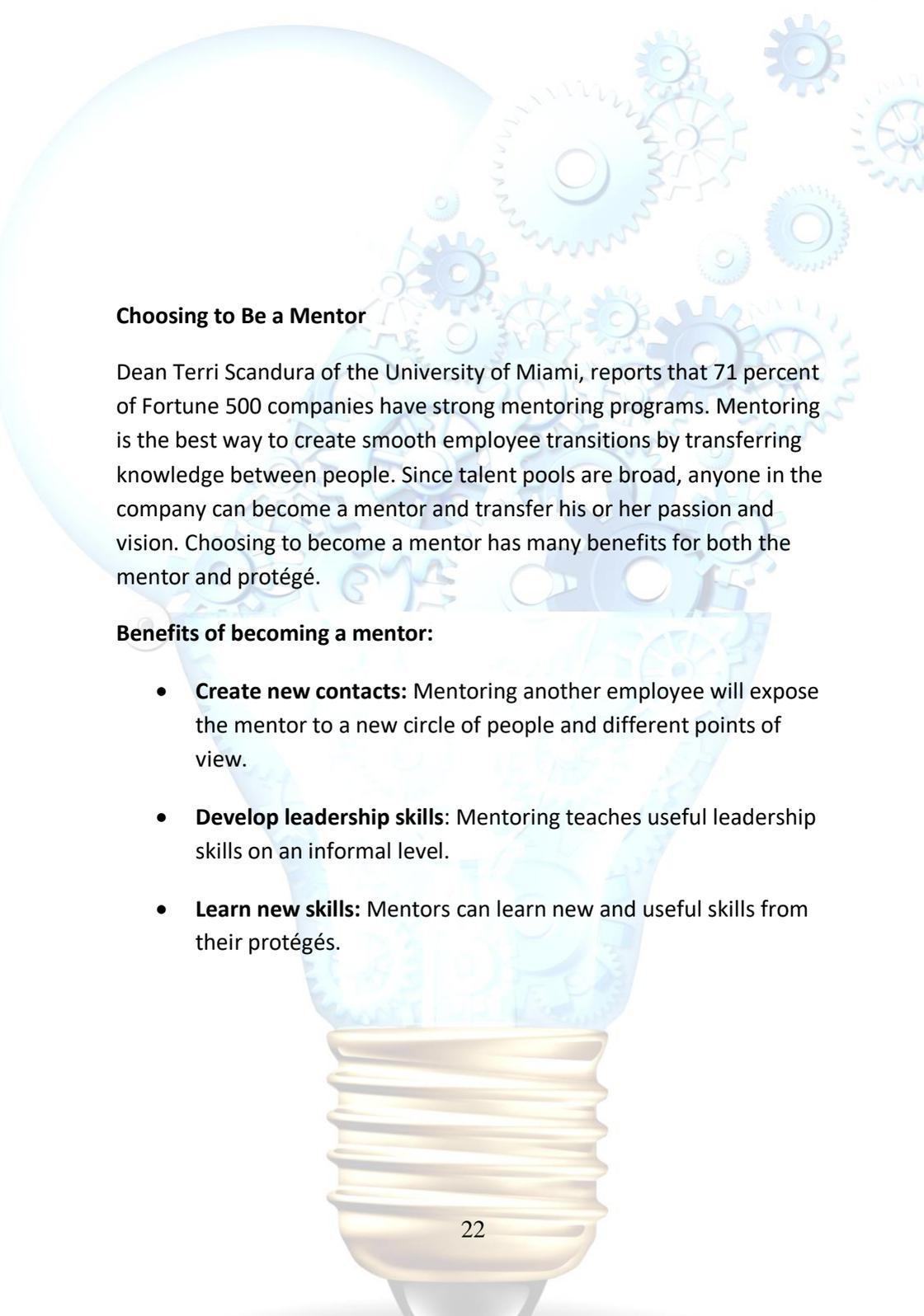
## Develop a Vision Statement

Vision statements are similar to mission statements. Mission statements are centered on the current situation and strategies, while vision statements concentrate on the future of the company. What does it look like when the company goals are achieved? Vision statements are often used to guide mission statements. They inspire people based on common values. Vision statements may be created for a company, a project, or individuals.

### Writing a vision statement:

- **Determine the values of the company:** Ask people how they feel about the future of the organization and its values.
- **Discover future goals:** Find out what vision people have of the company in the future. Attempt to create specific future goals.
- **Write and rewrite:** Vision statements should be able to change. Once a vision statement is drafted, it can and should be altered as the market changes and the company develops.

Vision statements focus on the values of the organization and inspire people to work together toward a common goal.

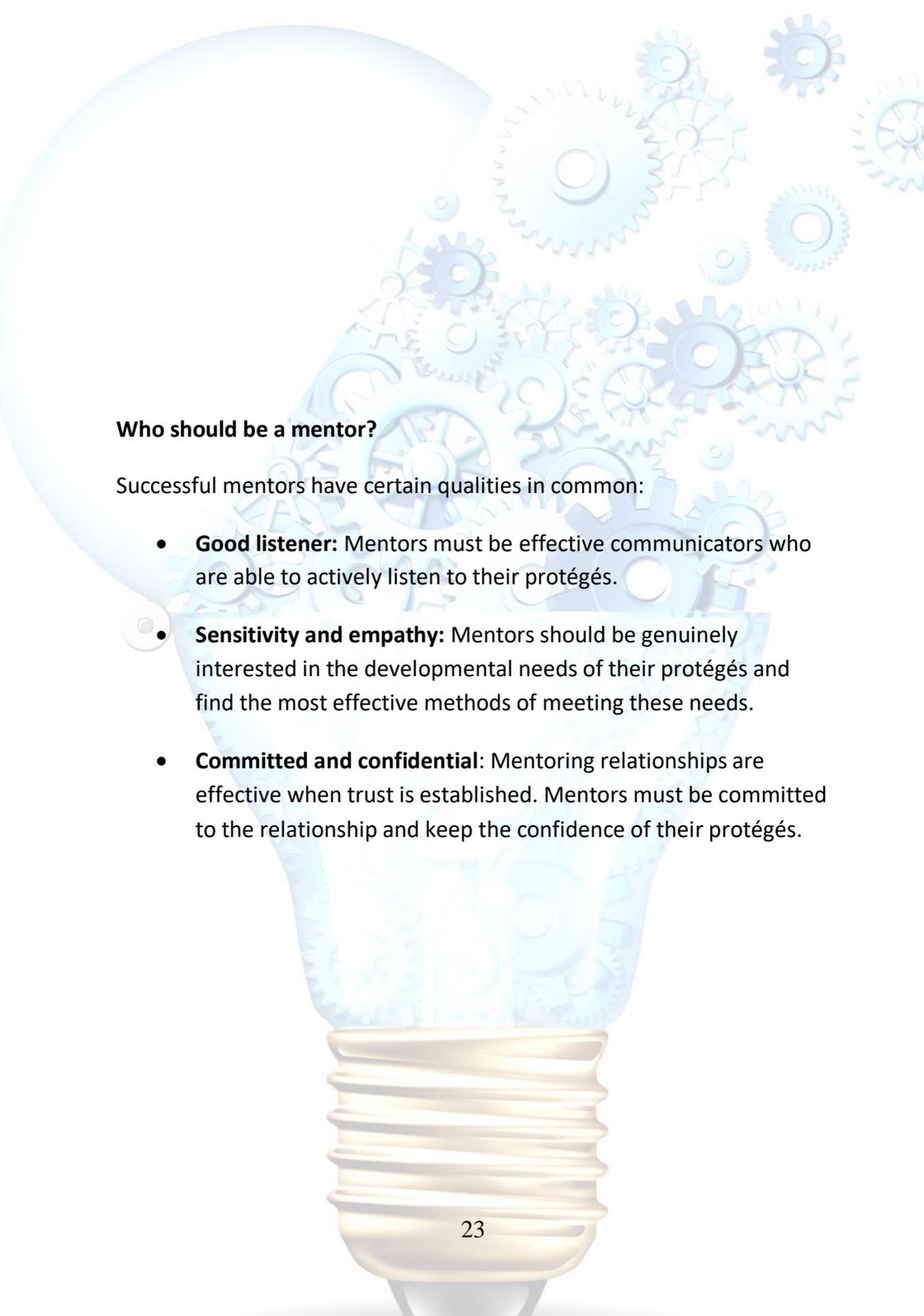


## Choosing to Be a Mentor

Dean Terri Scandura of the University of Miami, reports that 71 percent of Fortune 500 companies have strong mentoring programs. Mentoring is the best way to create smooth employee transitions by transferring knowledge between people. Since talent pools are broad, anyone in the company can become a mentor and transfer his or her passion and vision. Choosing to become a mentor has many benefits for both the mentor and protégé.

### Benefits of becoming a mentor:

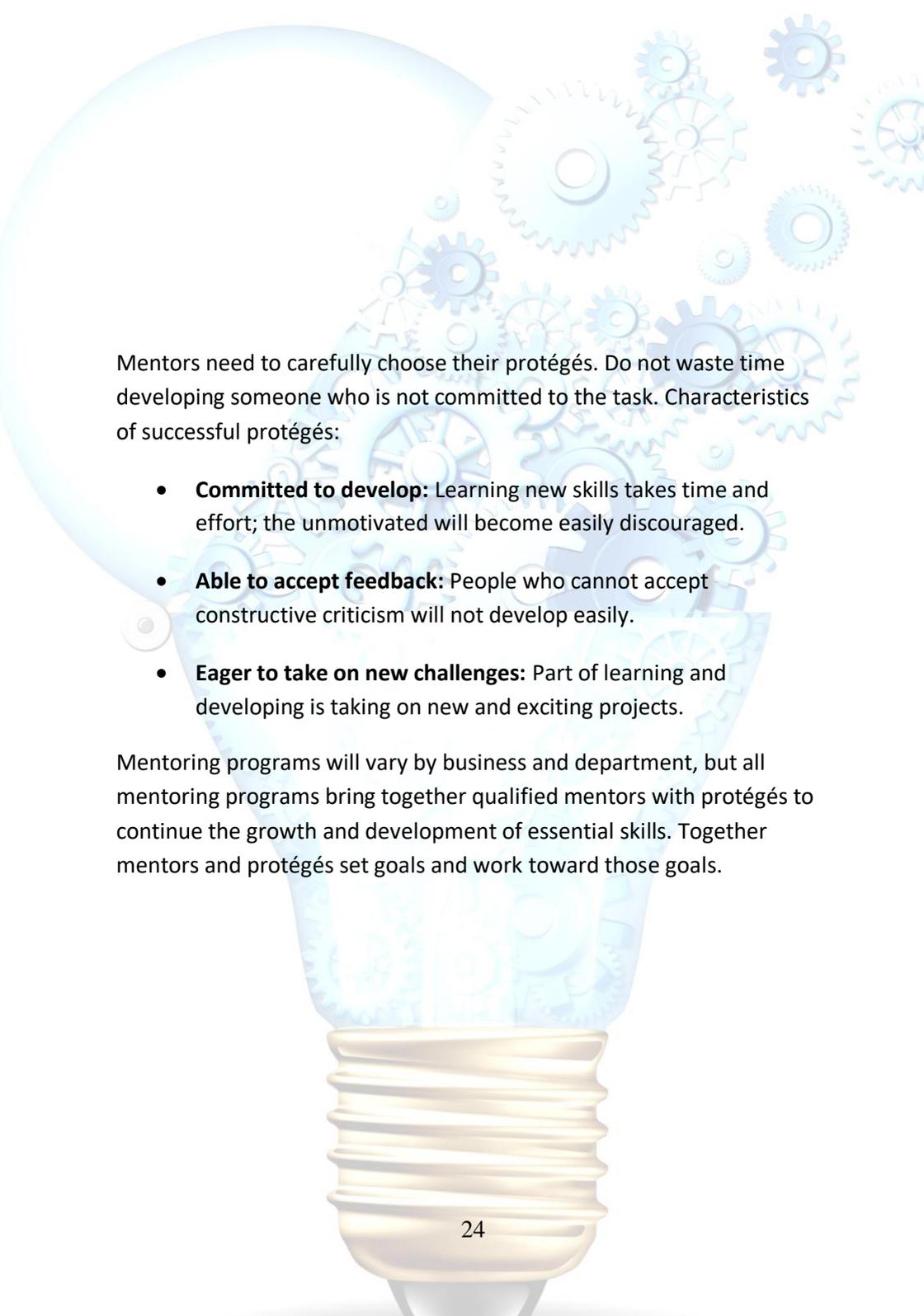
- **Create new contacts:** Mentoring another employee will expose the mentor to a new circle of people and different points of view.
- **Develop leadership skills:** Mentoring teaches useful leadership skills on an informal level.
- **Learn new skills:** Mentors can learn new and useful skills from their protégés.



## Who should be a mentor?

Successful mentors have certain qualities in common:

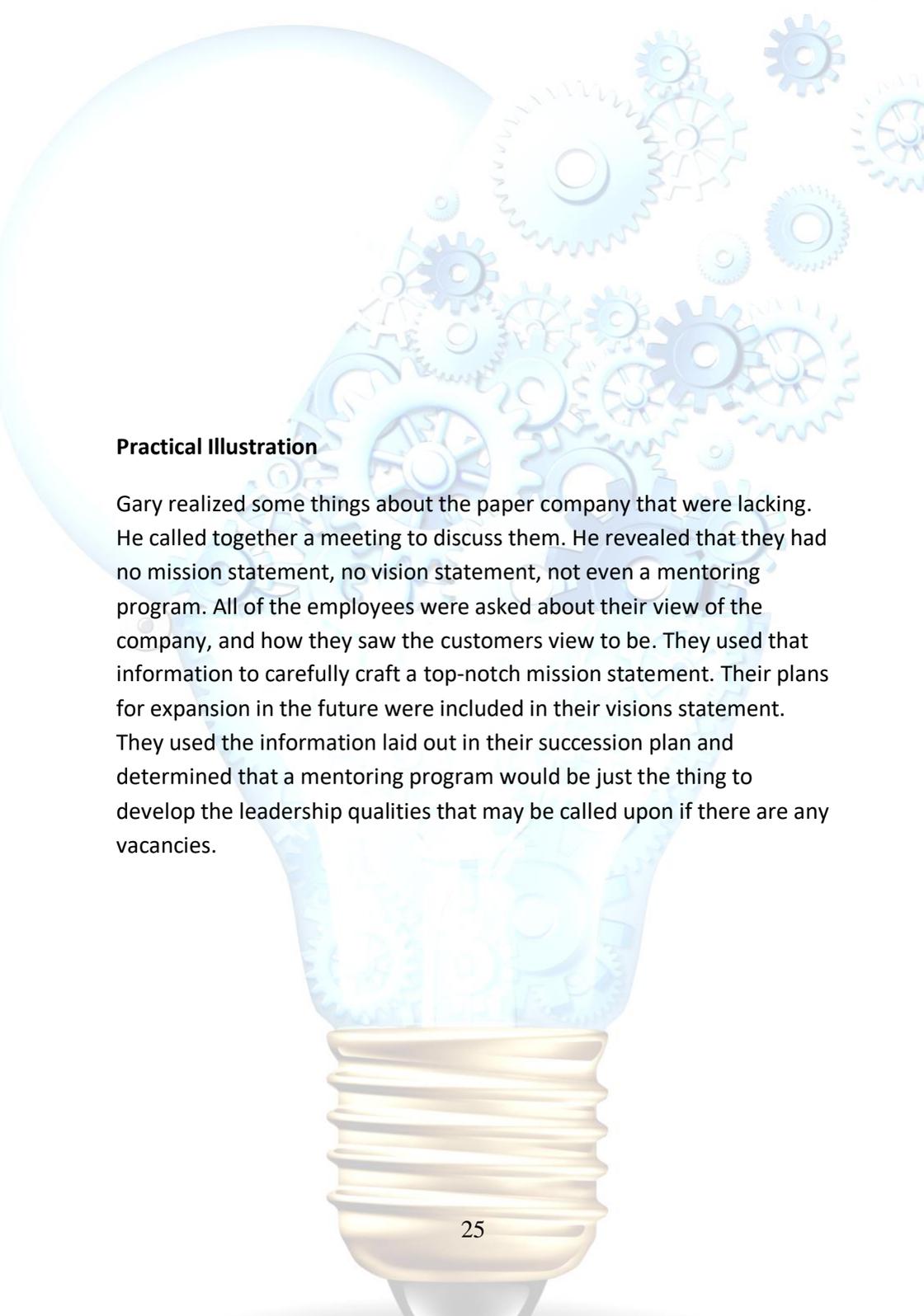
- **Good listener:** Mentors must be effective communicators who are able to actively listen to their protégés.
- **Sensitivity and empathy:** Mentors should be genuinely interested in the developmental needs of their protégés and find the most effective methods of meeting these needs.
- **Committed and confidential:** Mentoring relationships are effective when trust is established. Mentors must be committed to the relationship and keep the confidence of their protégés.



Mentors need to carefully choose their protégés. Do not waste time developing someone who is not committed to the task. Characteristics of successful protégés:

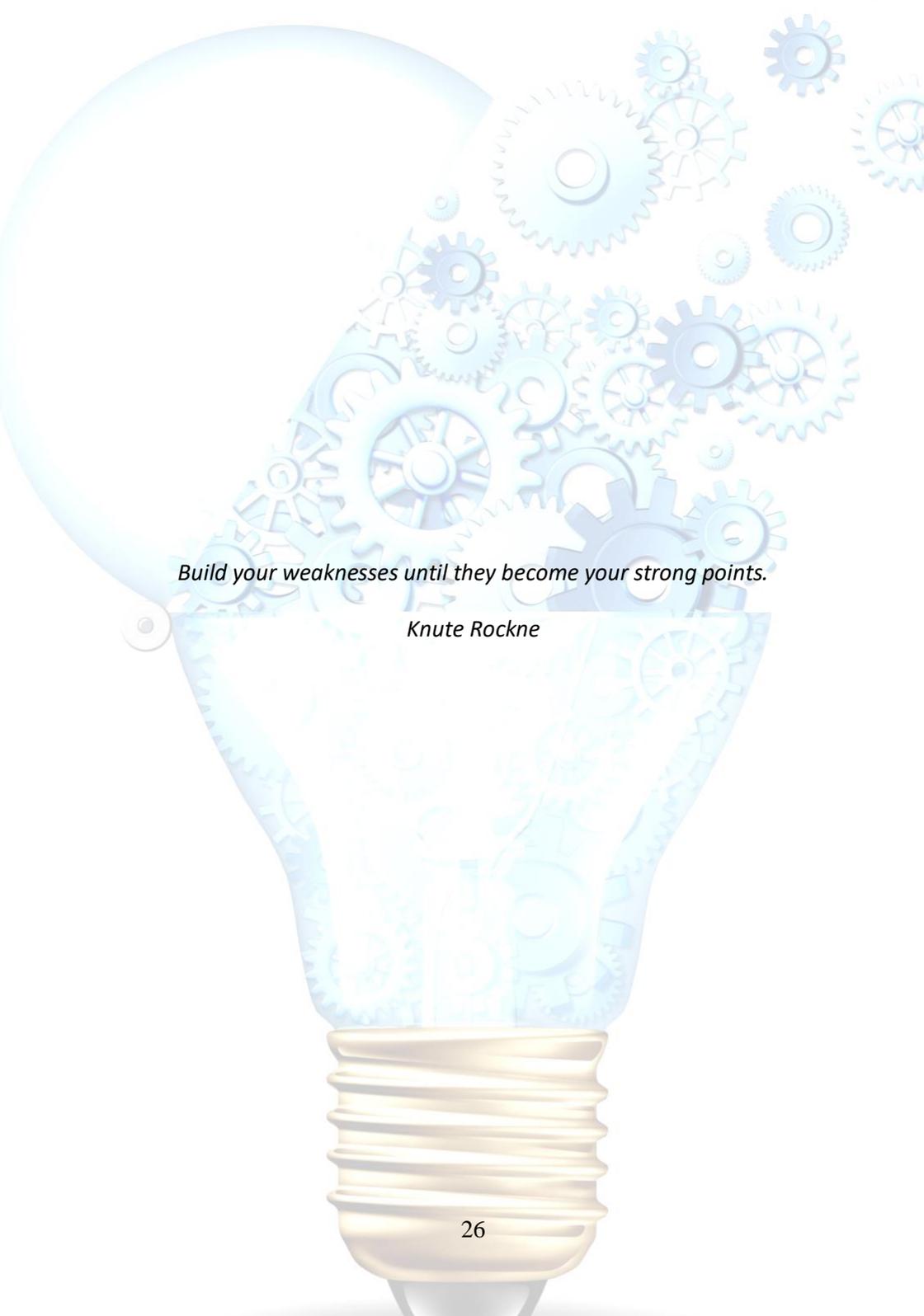
- **Committed to develop:** Learning new skills takes time and effort; the unmotivated will become easily discouraged.
- **Able to accept feedback:** People who cannot accept constructive criticism will not develop easily.
- **Eager to take on new challenges:** Part of learning and developing is taking on new and exciting projects.

Mentoring programs will vary by business and department, but all mentoring programs bring together qualified mentors with protégés to continue the growth and development of essential skills. Together mentors and protégés set goals and work toward those goals.

A large, glowing lightbulb is the central focus of the page. Inside the bulb, numerous gears of various sizes are visible, some appearing to be in motion. The gears are rendered in a light blue, semi-transparent style, creating a sense of depth and complexity. The lightbulb itself has a warm, golden-yellow glow emanating from its base, which is detailed with horizontal ridges. The overall composition suggests a connection between mechanical industry and creative thought.

### **Practical Illustration**

Gary realized some things about the paper company that were lacking. He called together a meeting to discuss them. He revealed that they had no mission statement, no vision statement, not even a mentoring program. All of the employees were asked about their view of the company, and how they saw the customers view to be. They used that information to carefully craft a top-notch mission statement. Their plans for expansion in the future were included in their visions statement. They used the information laid out in their succession plan and determined that a mentoring program would be just the thing to develop the leadership qualities that may be called upon if there are any vacancies.

A large, glowing lightbulb is the central focus. The interior of the bulb is filled with a complex arrangement of various-sized gears, some overlapping and some floating. The gears are rendered in a light blue, semi-transparent style, giving them a mechanical and ethereal appearance. The lightbulb's base is a standard screw-in base, colored in a warm, golden-yellow hue. The overall background is a soft, light blue gradient, suggesting a clear sky or a clean, bright environment. The composition is centered, with the lightbulb occupying most of the frame.

*Build your weaknesses until they become your strong points.*

*Knute Rockne*

## **Chapter Four: The SWOT Analysis**

SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. SWOT analyses have been used since the 1960's to create business strategies based on the information from the analysis. Strengths and weaknesses are internal factors, and opportunities and threats are external factors. Conducting a SWOT analysis is an important step to take before creating any business plan. A SWOT analysis should be measured against competitors, and used to determine what needs to be involved in a succession plan.

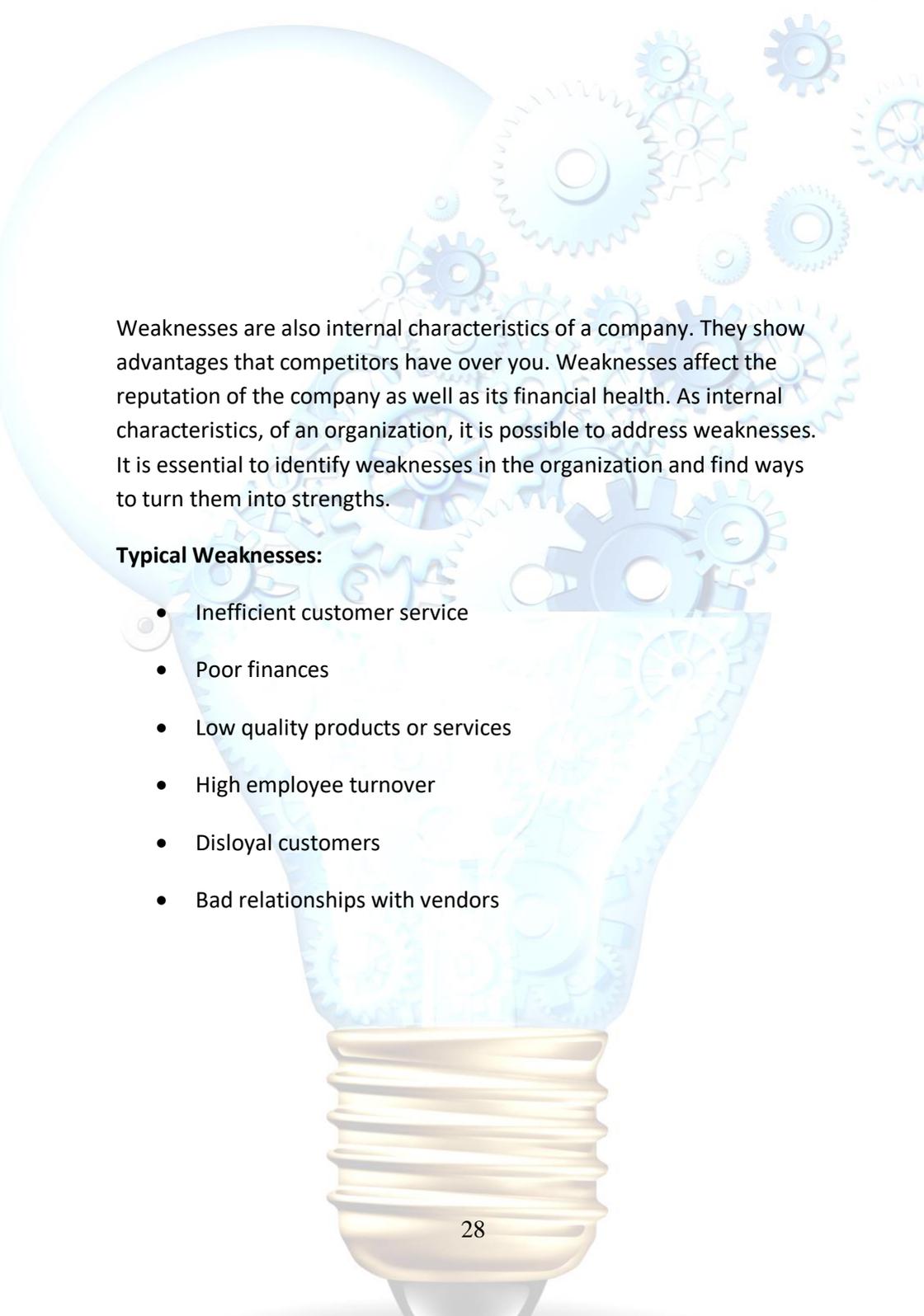
### **Identifying Strengths**

The strengths of an organization are any internal characteristics that provide a competitive advantage. Strengths that are not easily imitated or matched by competitors are known as core competencies. The strengths of any business or department will vary.

### **Typical Company Strengths**

- Customer loyalty
- Products
- Customer service
- Financial gains
- Employee loyalty
- Research and development

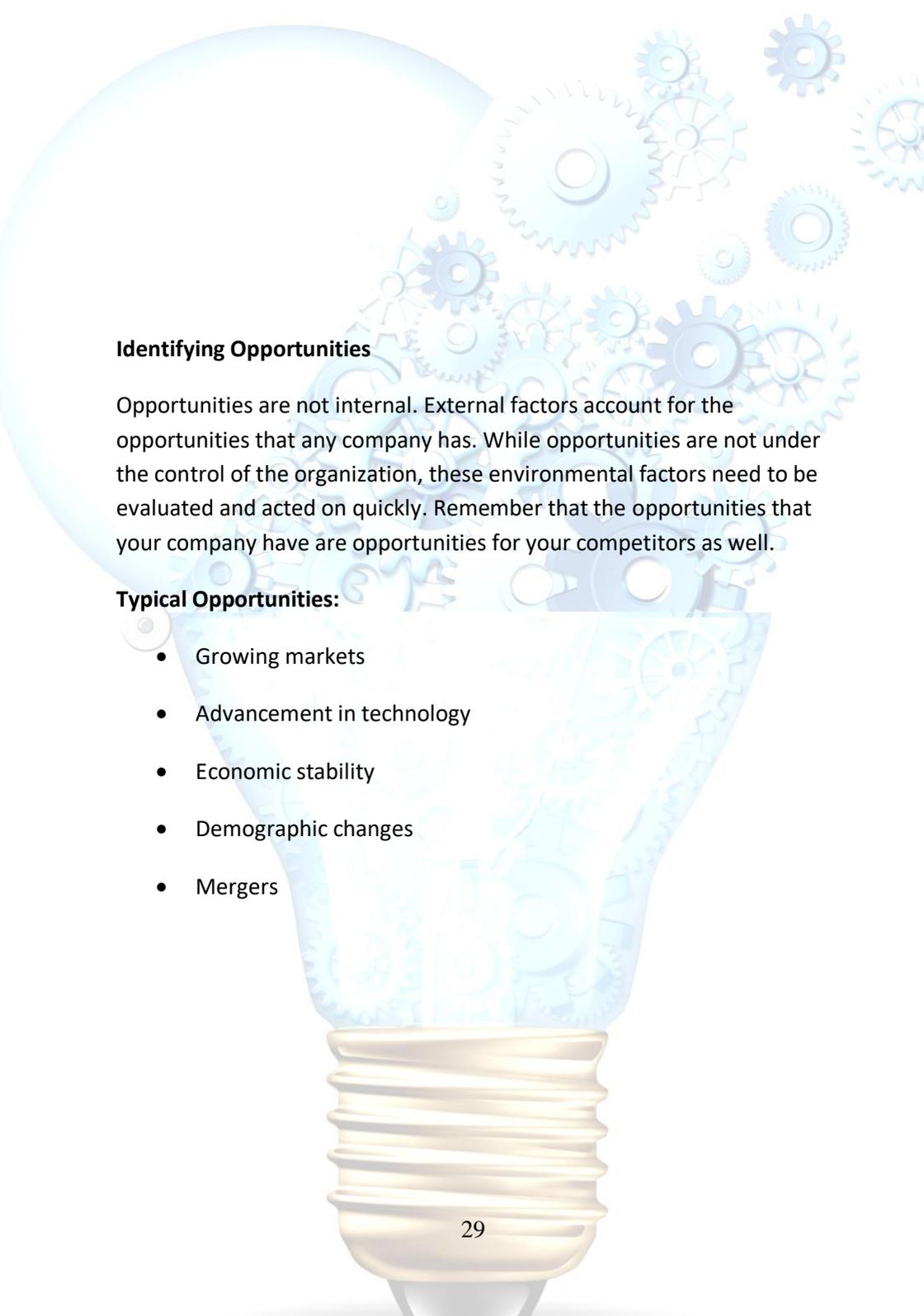
### **Identifying Weaknesses**



Weaknesses are also internal characteristics of a company. They show advantages that competitors have over you. Weaknesses affect the reputation of the company as well as its financial health. As internal characteristics, of an organization, it is possible to address weaknesses. It is essential to identify weaknesses in the organization and find ways to turn them into strengths.

**Typical Weaknesses:**

- Inefficient customer service
- Poor finances
- Low quality products or services
- High employee turnover
- Disloyal customers
- Bad relationships with vendors

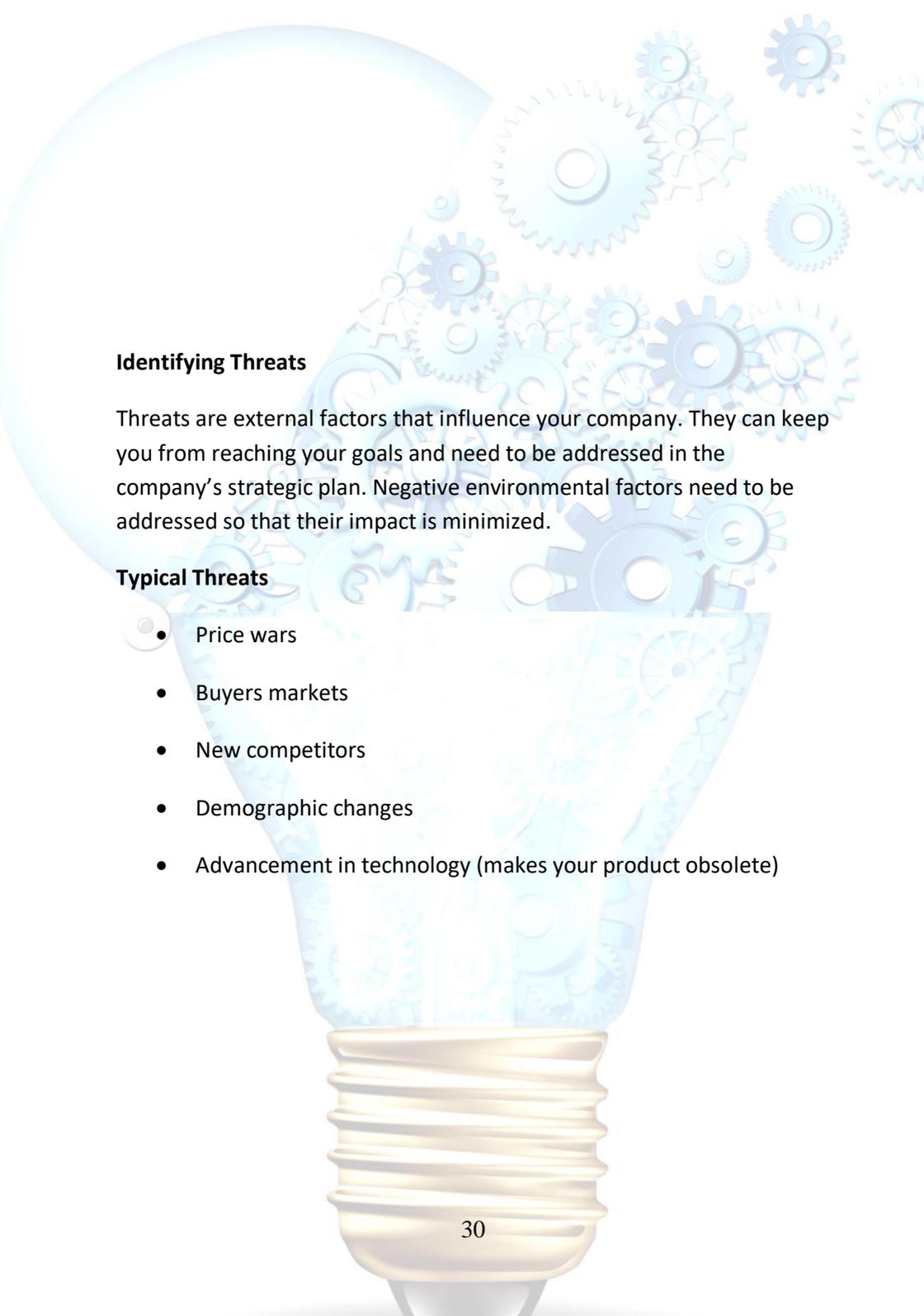


## **Identifying Opportunities**

Opportunities are not internal. External factors account for the opportunities that any company has. While opportunities are not under the control of the organization, these environmental factors need to be evaluated and acted on quickly. Remember that the opportunities that your company have are opportunities for your competitors as well.

### **Typical Opportunities:**

- Growing markets
- Advancement in technology
- Economic stability
- Demographic changes
- Mergers

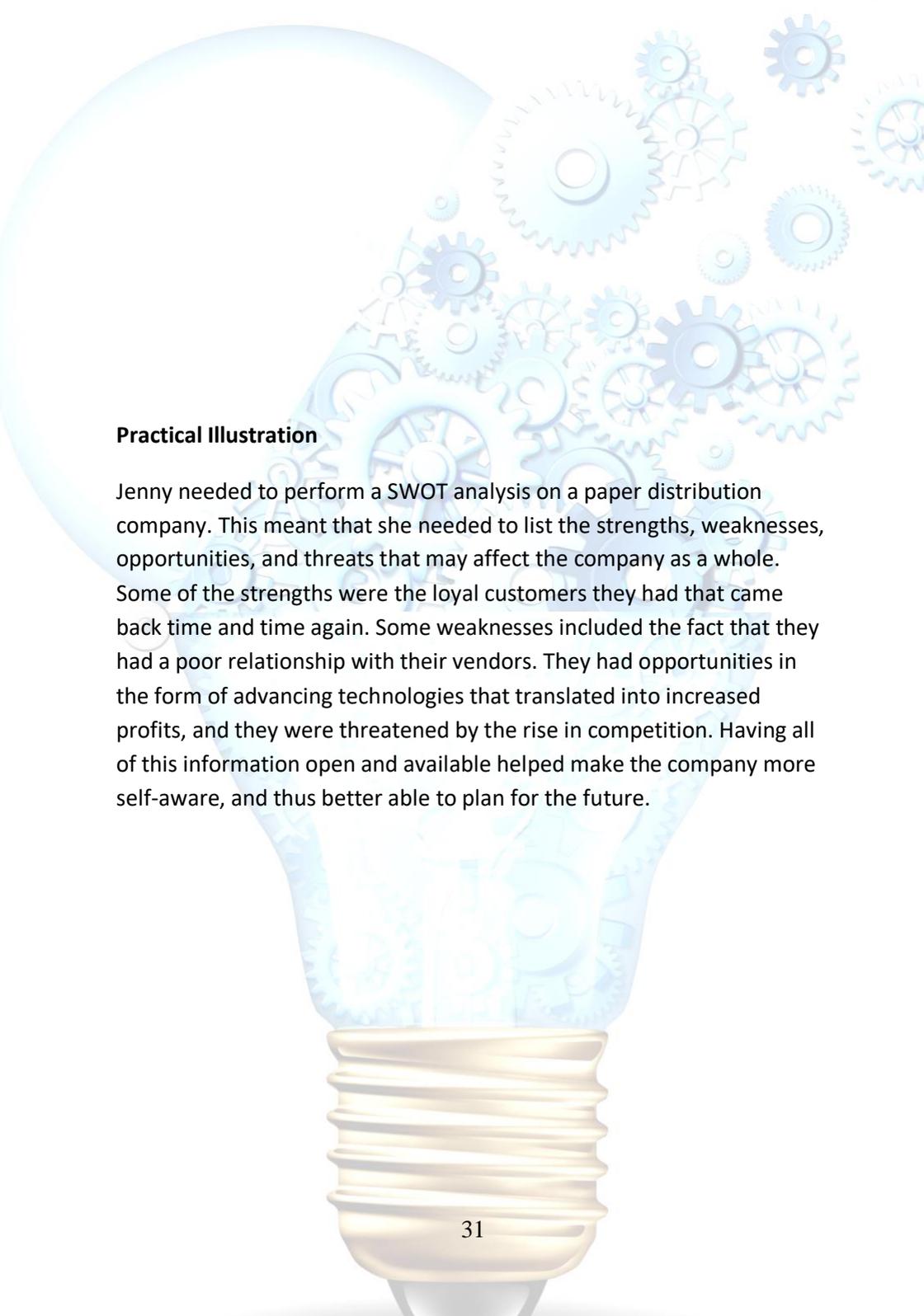


## Identifying Threats

Threats are external factors that influence your company. They can keep you from reaching your goals and need to be addressed in the company's strategic plan. Negative environmental factors need to be addressed so that their impact is minimized.

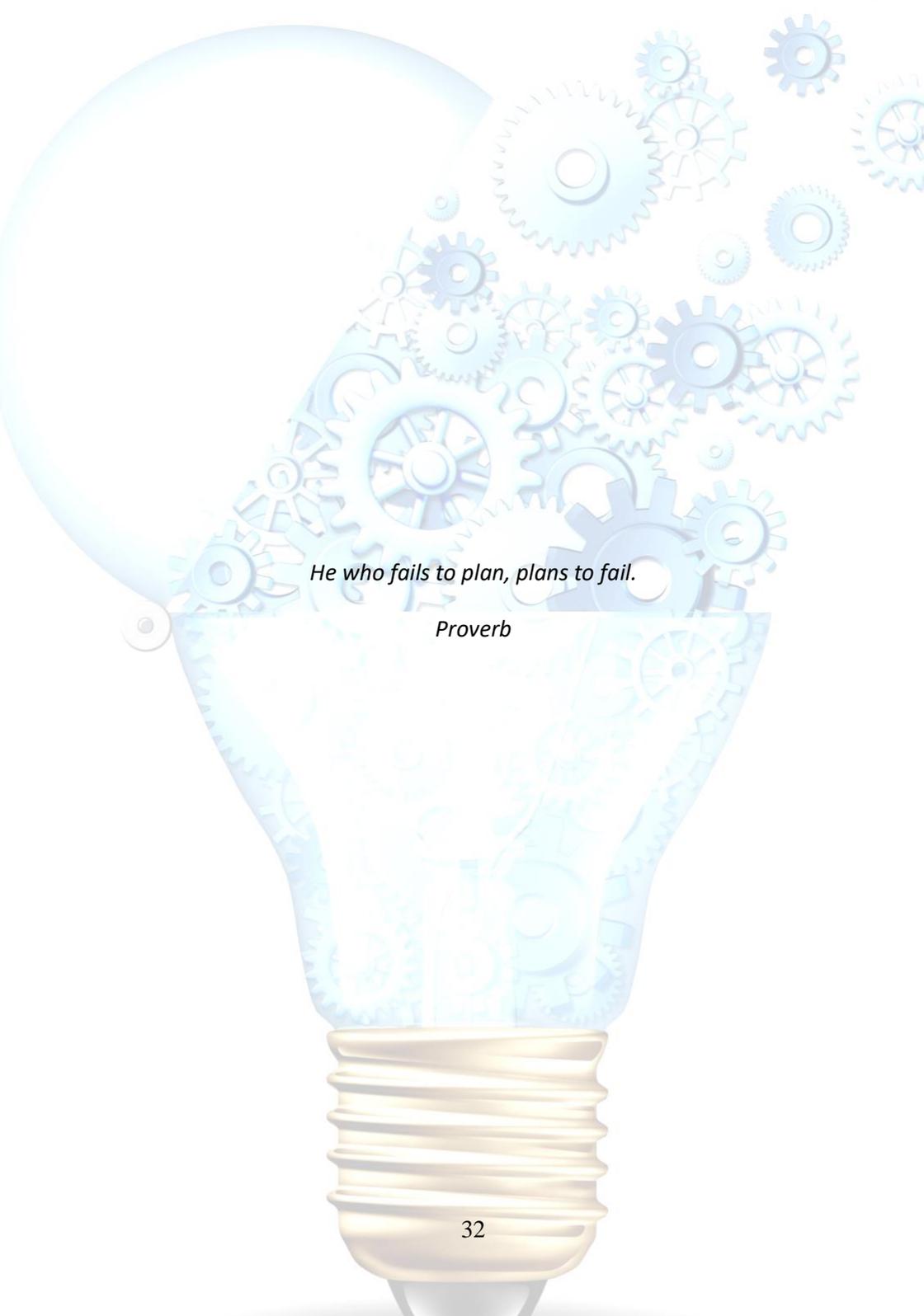
### Typical Threats

- Price wars
- Buyers markets
- New competitors
- Demographic changes
- Advancement in technology (makes your product obsolete)

A large, glowing lightbulb is the central focus, with its base at the bottom. Inside the bulb, numerous gears of various sizes are visible, some appearing to be in motion. The gears are rendered in a light blue, semi-transparent style, creating a sense of depth and complexity. The background is a soft, light blue gradient, and the overall image conveys a message of innovation, engineering, and strategic thinking.

### **Practical Illustration**

Jenny needed to perform a SWOT analysis on a paper distribution company. This meant that she needed to list the strengths, weaknesses, opportunities, and threats that may affect the company as a whole. Some of the strengths were the loyal customers they had that came back time and time again. Some weaknesses included the fact that they had a poor relationship with their vendors. They had opportunities in the form of advancing technologies that translated into increased profits, and they were threatened by the rise in competition. Having all of this information open and available helped make the company more self-aware, and thus better able to plan for the future.



*He who fails to plan, plans to fail.*

*Proverb*

## **Chapter Five: Developing the Succession Plan**

Once you have a grasp of your business and know the direction you want to take, it is time to develop a succession plan. To do this determine your priorities, use the priorities to set goals and objectives, and develop a strategy to achieve these goals. When this process is complete begin drafting the succession plan that fits your needs.

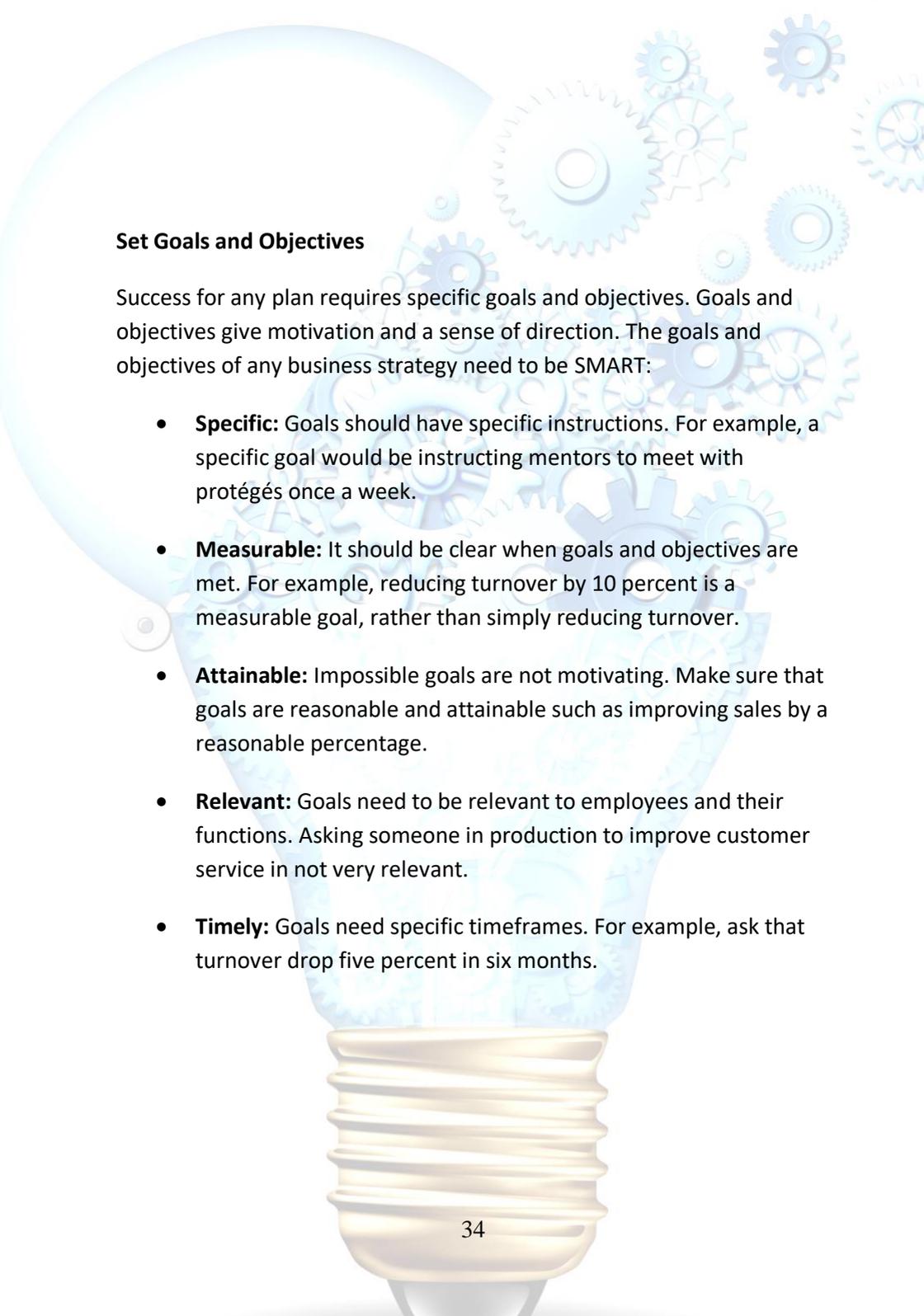
### **Prioritize What the Succession Plan Will Address**

The priorities of each company will be unique. Do you need to focus on training people for executive management positions? What are the strengths you wish to achieve? Use the SWOT analysis to help guide you.

#### **Common Business Priorities:**

- Profit increase
- Customer service
- Employee loyalty
- Inventory control
- Customer loyalty

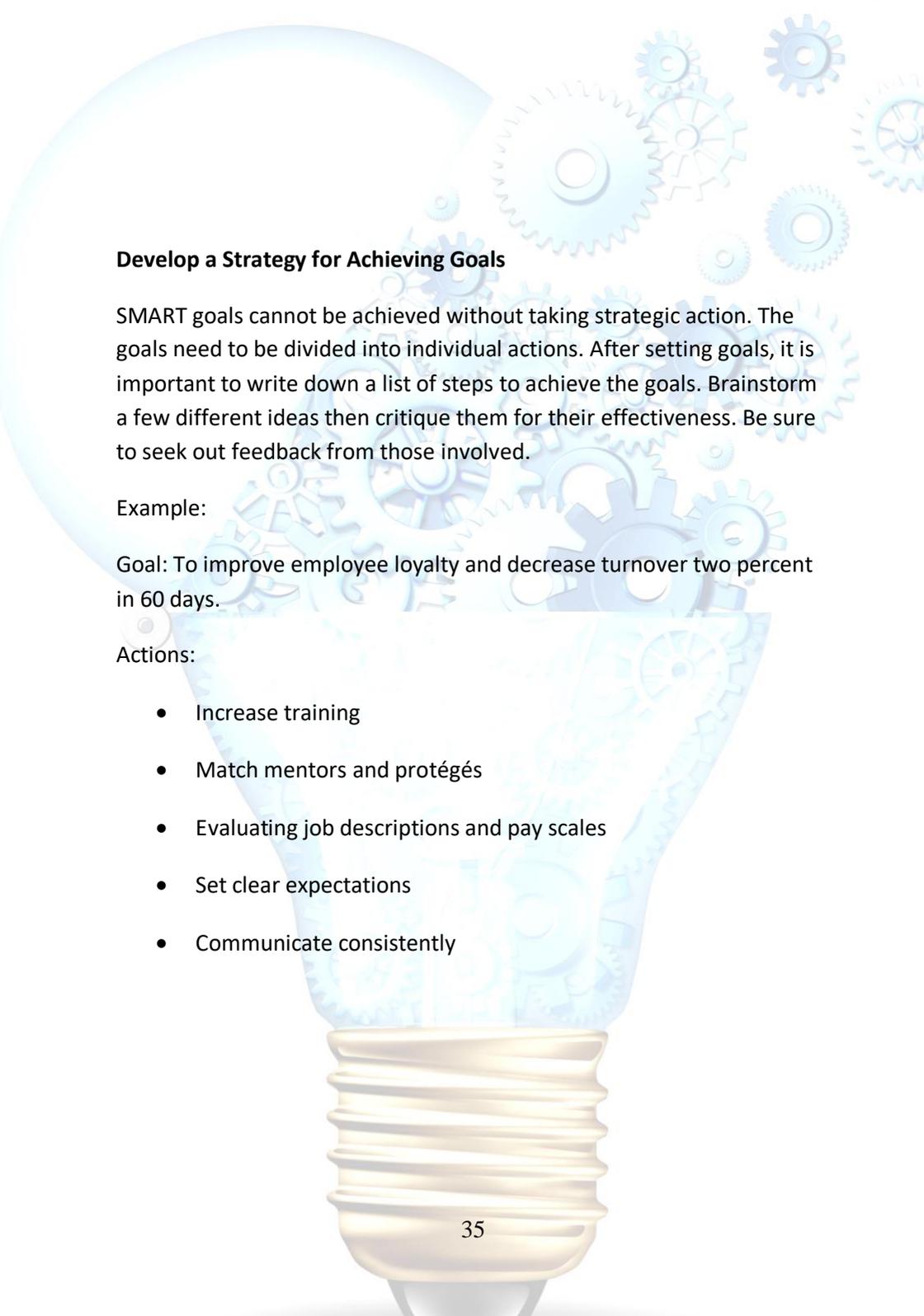
Clearly defining the company's priorities will decide what type of knowledge transfer will be covered in the succession plan.



## Set Goals and Objectives

Success for any plan requires specific goals and objectives. Goals and objectives give motivation and a sense of direction. The goals and objectives of any business strategy need to be SMART:

- **Specific:** Goals should have specific instructions. For example, a specific goal would be instructing mentors to meet with protégés once a week.
- **Measurable:** It should be clear when goals and objectives are met. For example, reducing turnover by 10 percent is a measurable goal, rather than simply reducing turnover.
- **Attainable:** Impossible goals are not motivating. Make sure that goals are reasonable and attainable such as improving sales by a reasonable percentage.
- **Relevant:** Goals need to be relevant to employees and their functions. Asking someone in production to improve customer service is not very relevant.
- **Timely:** Goals need specific timeframes. For example, ask that turnover drop five percent in six months.



## **Develop a Strategy for Achieving Goals**

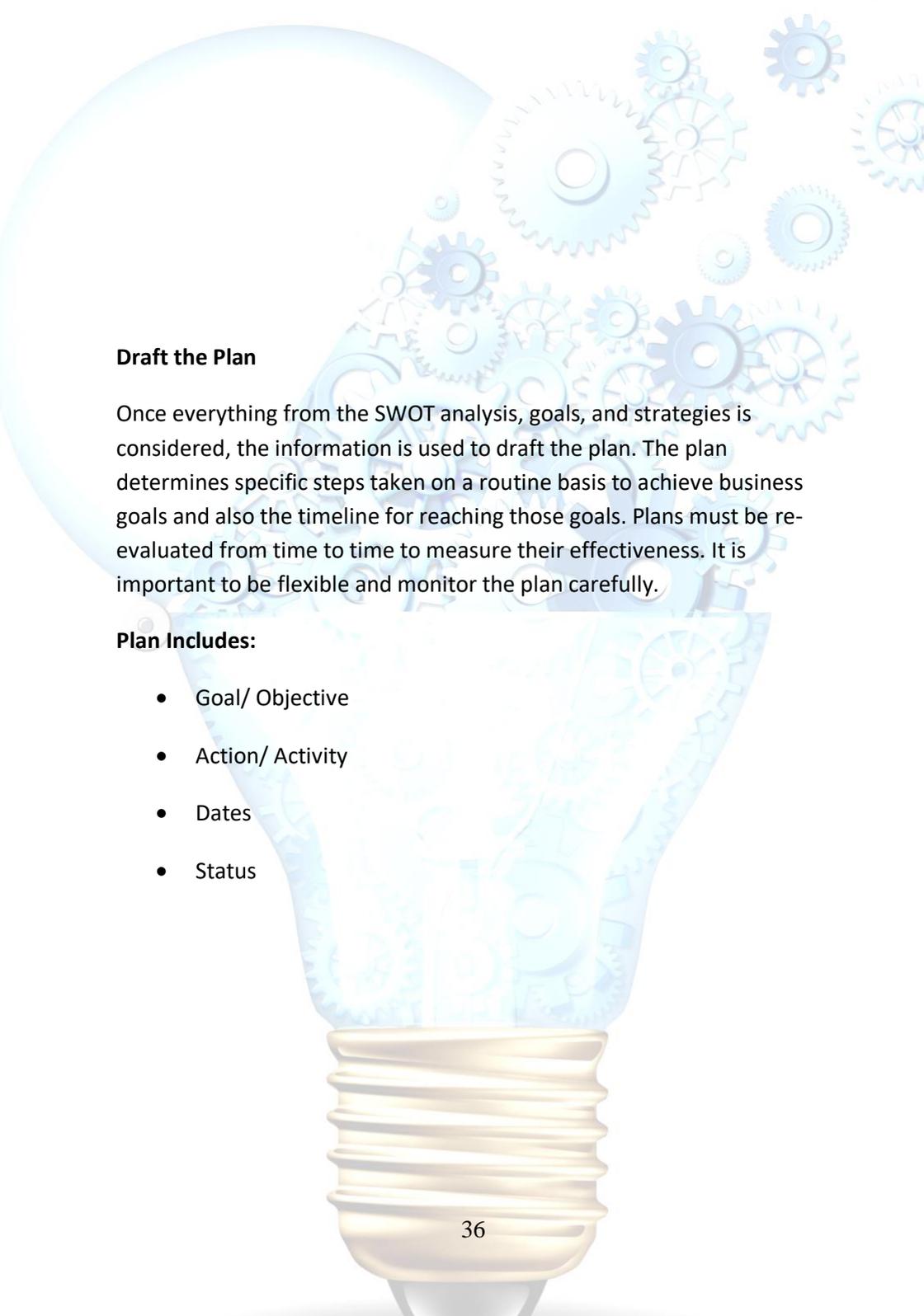
SMART goals cannot be achieved without taking strategic action. The goals need to be divided into individual actions. After setting goals, it is important to write down a list of steps to achieve the goals. Brainstorm a few different ideas then critique them for their effectiveness. Be sure to seek out feedback from those involved.

Example:

Goal: To improve employee loyalty and decrease turnover two percent in 60 days.

Actions:

- Increase training
- Match mentors and protégés
- Evaluating job descriptions and pay scales
- Set clear expectations
- Communicate consistently

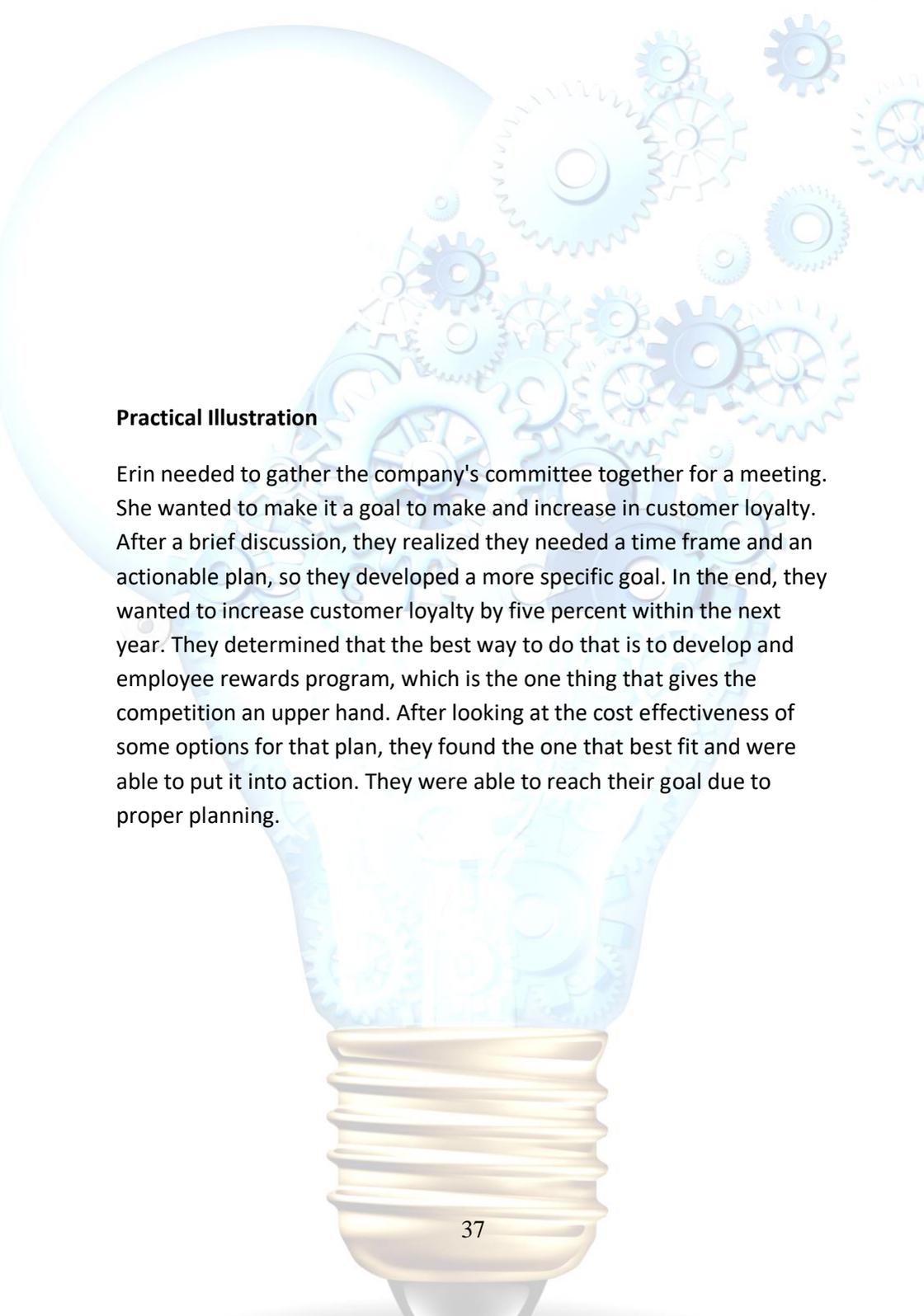


## **Draft the Plan**

Once everything from the SWOT analysis, goals, and strategies is considered, the information is used to draft the plan. The plan determines specific steps taken on a routine basis to achieve business goals and also the timeline for reaching those goals. Plans must be re-evaluated from time to time to measure their effectiveness. It is important to be flexible and monitor the plan carefully.

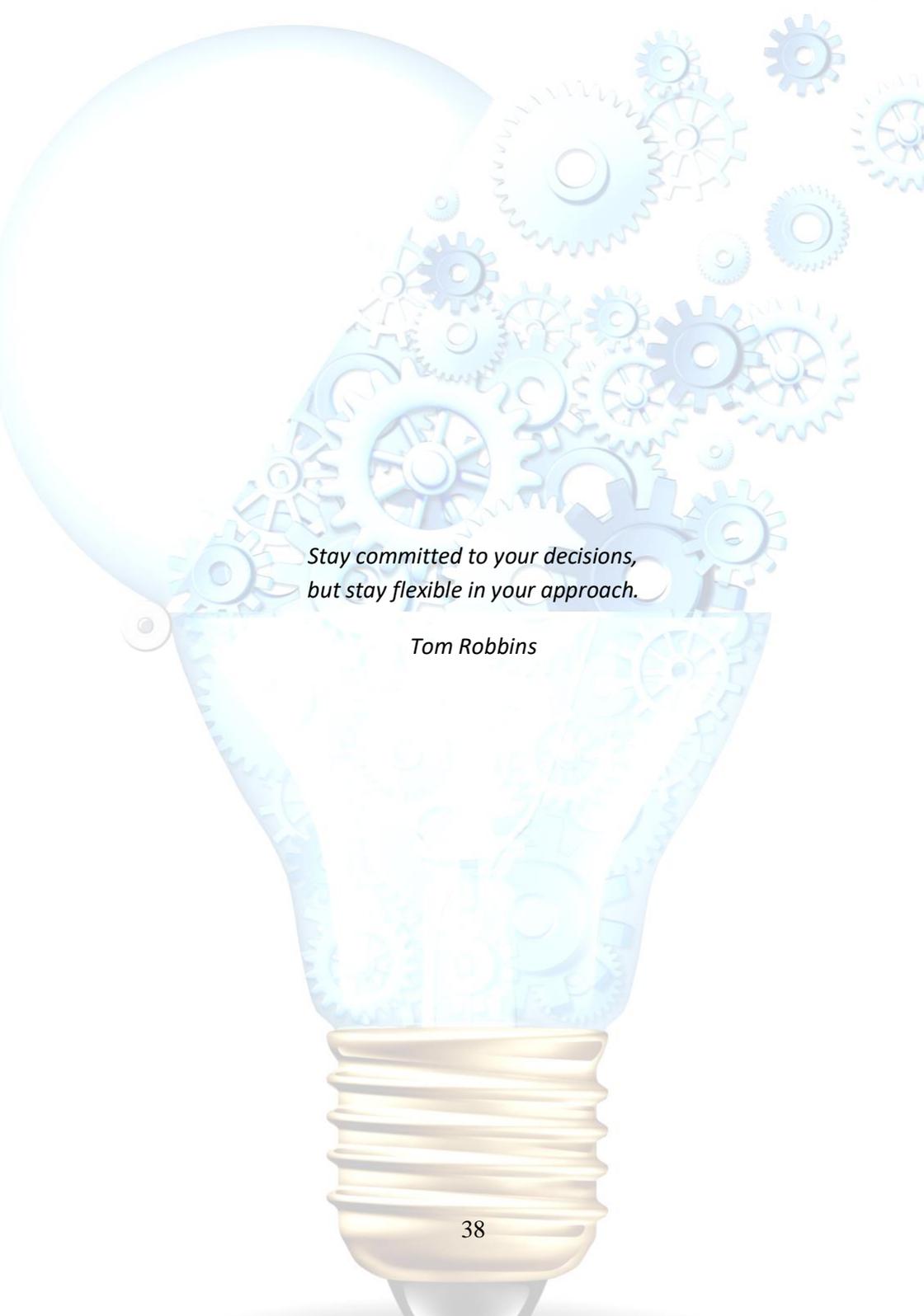
### **Plan Includes:**

- Goal/ Objective
- Action/ Activity
- Dates
- Status



### **Practical Illustration**

Erin needed to gather the company's committee together for a meeting. She wanted to make it a goal to make and increase in customer loyalty. After a brief discussion, they realized they needed a time frame and an actionable plan, so they developed a more specific goal. In the end, they wanted to increase customer loyalty by five percent within the next year. They determined that the best way to do that is to develop and employee rewards program, which is the one thing that gives the competition an upper hand. After looking at the cost effectiveness of some options for that plan, they found the one that best fit and were able to put it into action. They were able to reach their goal due to proper planning.



*Stay committed to your decisions,  
but stay flexible in your approach.*

*Tom Robbins*

## **Chapter Six: Executing the Plan**

Executing a successful succession plan requires assigning the roles and responsibilities of the plan as well as monitoring the progress of the plan. Doing so will help guide the succession plan in the future. Over time, the way in which the succession plan is approached will change. For any plan to have long-term success, it must be flexible.

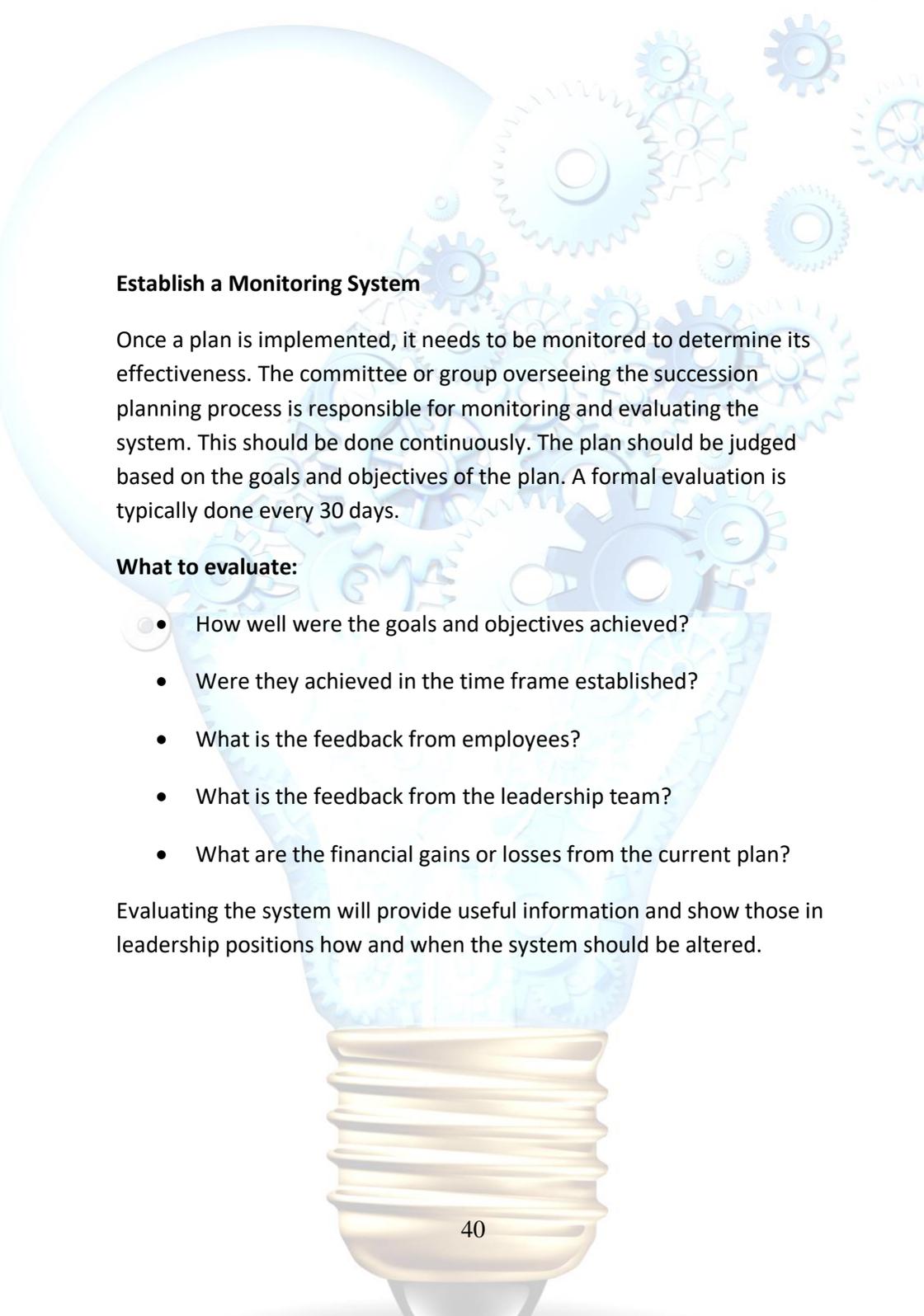
### **Assign Responsibility and Authority**

Before a succession plan can be executed, the responsibilities of those involved need to be established. This requires identifying the positions that will be directly affected and requires the support of HR and the senior leadership team. A committee or a small team of employees may be chosen to oversee the process. It is important that the skills of those in charge match the job description and that the ground rules are clearly established.

### **Identifying Project Leaders:**

- Personal values align with company values
- Have a history of following through with projects
- Have the appropriate qualifications
- Communicate well

The goals and objectives of each plan will determine what to look for in project leaders. Once leaders are chosen, it is important to establish a clear chain of command and provide the team with necessary materials, support, and guidance.



## **Establish a Monitoring System**

Once a plan is implemented, it needs to be monitored to determine its effectiveness. The committee or group overseeing the succession planning process is responsible for monitoring and evaluating the system. This should be done continuously. The plan should be judged based on the goals and objectives of the plan. A formal evaluation is typically done every 30 days.

### **What to evaluate:**

- How well were the goals and objectives achieved?
- Were they achieved in the time frame established?
- What is the feedback from employees?
- What is the feedback from the leadership team?
- What are the financial gains or losses from the current plan?

Evaluating the system will provide useful information and show those in leadership positions how and when the system should be altered.

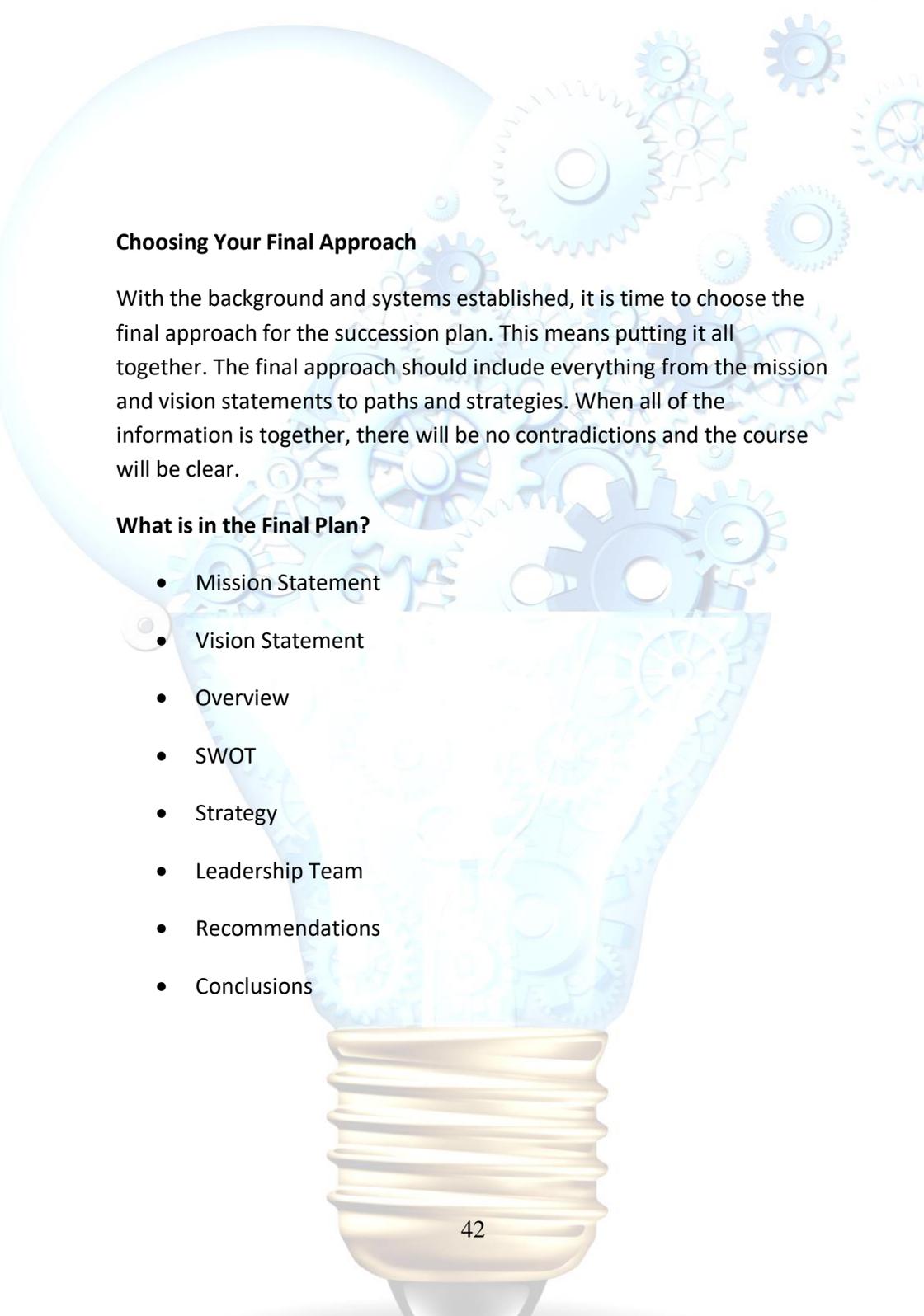
## Identifying Paths

The critical paths of a project determine the order of each activity in the succession plan. It also shows the time and resources necessary to complete a project. It is similar to a recipe.

Basic Path Analysis (Baking Cookies):

Activity	Preceded by	Time
Measure ingredients	C	3 minutes
Mix ingredients	A	2 minutes
Preheat oven	Nothing	1 minute
Prepare cookie sheet	A, B	5 minutes
Cook time	B, C, E	20 minutes

A path analysis will help determine what changes need to occur in a succession plan in order to make it more effective.

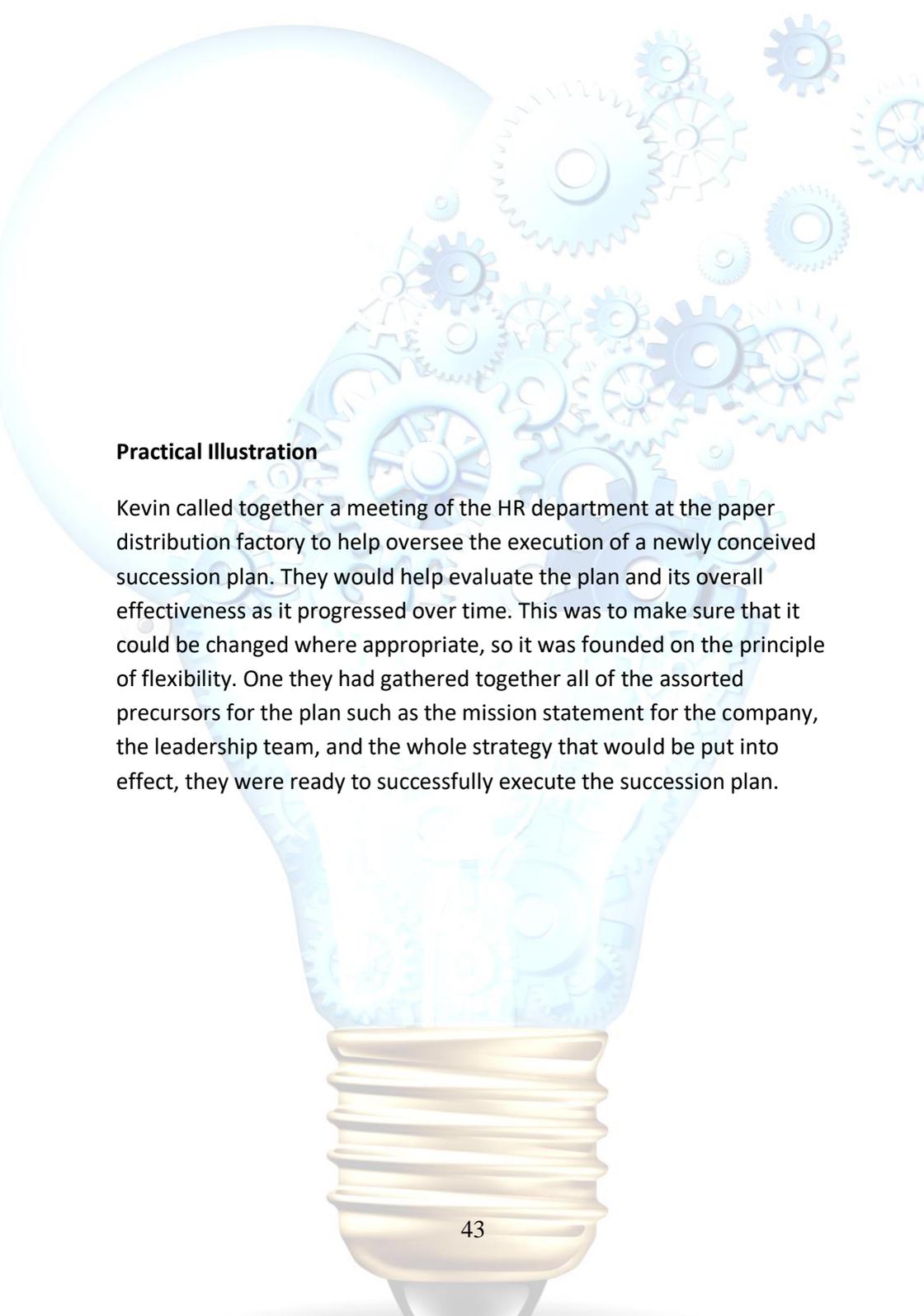


## **Choosing Your Final Approach**

With the background and systems established, it is time to choose the final approach for the succession plan. This means putting it all together. The final approach should include everything from the mission and vision statements to paths and strategies. When all of the information is together, there will be no contradictions and the course will be clear.

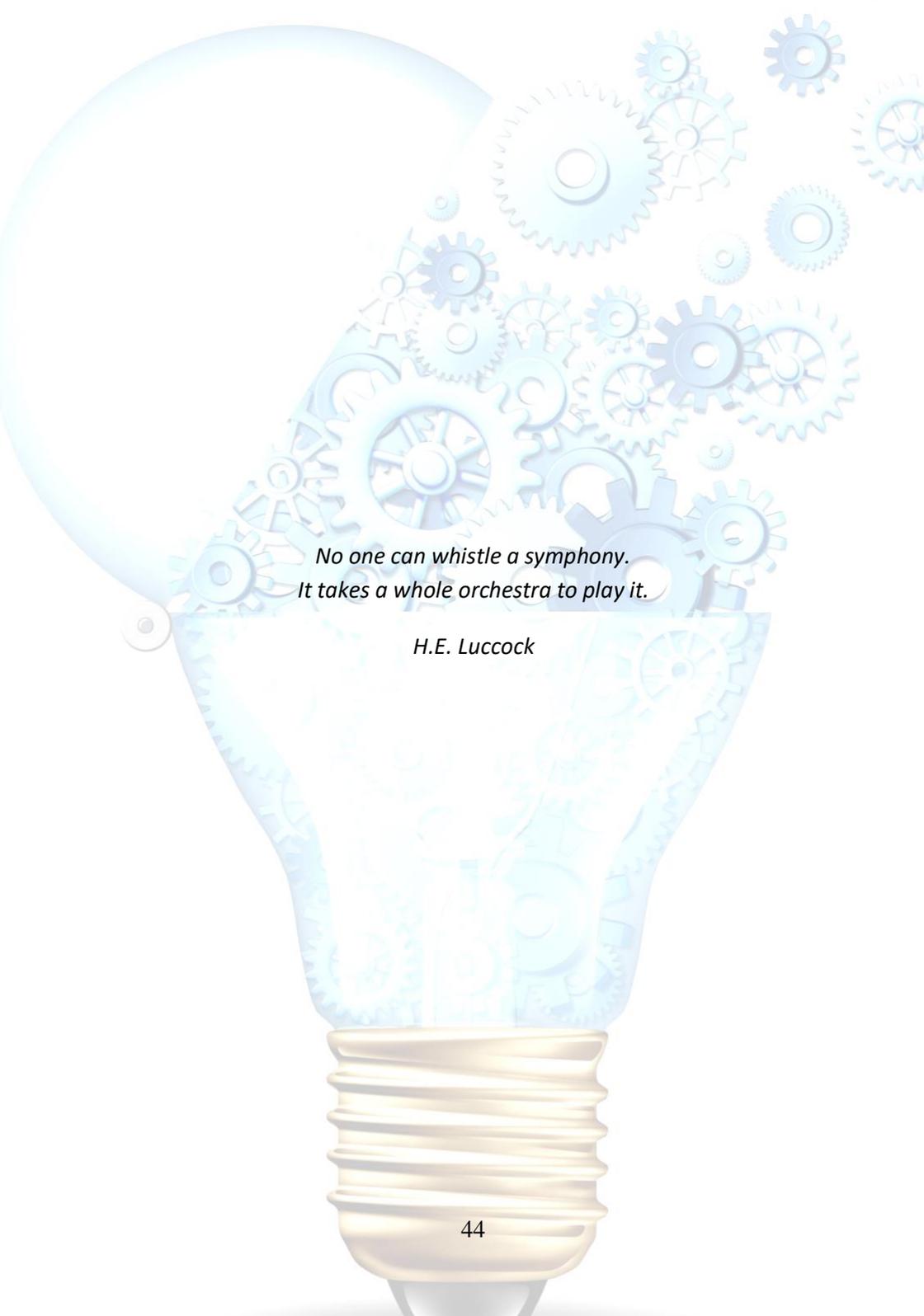
### **What is in the Final Plan?**

- Mission Statement
- Vision Statement
- Overview
- SWOT
- Strategy
- Leadership Team
- Recommendations
- Conclusions

A large, glowing lightbulb is the central focus. Inside the bulb, numerous blue gears of various sizes are arranged in a complex, interconnected pattern, suggesting a process of thought or a mechanical system. The background is a soft, light blue gradient.

### **Practical Illustration**

Kevin called together a meeting of the HR department at the paper distribution factory to help oversee the execution of a newly conceived succession plan. They would help evaluate the plan and its overall effectiveness as it progressed over time. This was to make sure that it could be changed where appropriate, so it was founded on the principle of flexibility. One they had gathered together all of the assorted precursors for the plan such as the mission statement for the company, the leadership team, and the whole strategy that would be put into effect, they were ready to successfully execute the succession plan.

A large, glowing lightbulb is the central focus. The interior of the bulb is filled with a complex arrangement of various-sized, light blue gears of different designs, some with teeth and some without. The gears are layered, creating a sense of depth and movement. The lightbulb's base is a standard screw-in base, rendered in a golden-yellow color with realistic shading and highlights. The background is a plain, light cream color.

*No one can whistle a symphony.  
It takes a whole orchestra to play it.*

*H.E. Luccock*

## Chapter Seven: Gaining Support

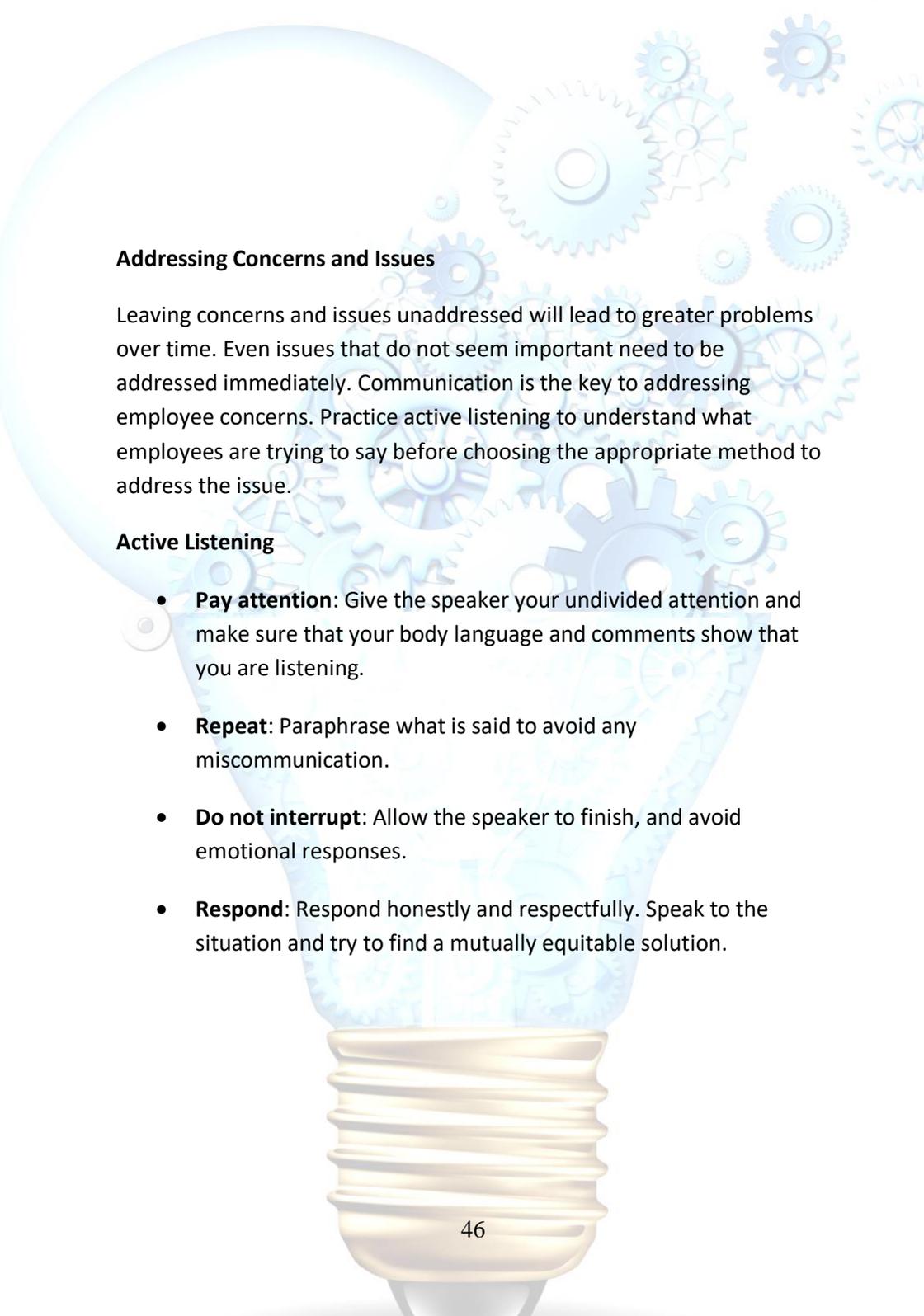
A successful business succession plan requires the support of all the employees involved. People naturally resist change, even beneficial change. It is important to closely monitor any new plans and immediately address any and all employee concerns. This is the only way to develop the support that is necessary for a succession plan to reach its full potential.

### Gathering Data

Gathering data once a succession plan is in place is similar to gathering data before creating or changing a succession plan. In fact, data should be gathered on a regular basis. At this stage, it is important to facilitate open and honest communication so that employees feel free to share their concerns with those in leadership positions.

### Techniques

- **Meetings:** Large meetings are not very effective, but smaller intimate meetings will provide more insight.
- **Surveys:** Employee surveys are useful at every stage of the process. Most people are more comfortable with anonymous surveys.
- **Metrics:** Different key metrics will show the effectiveness of the succession plan.

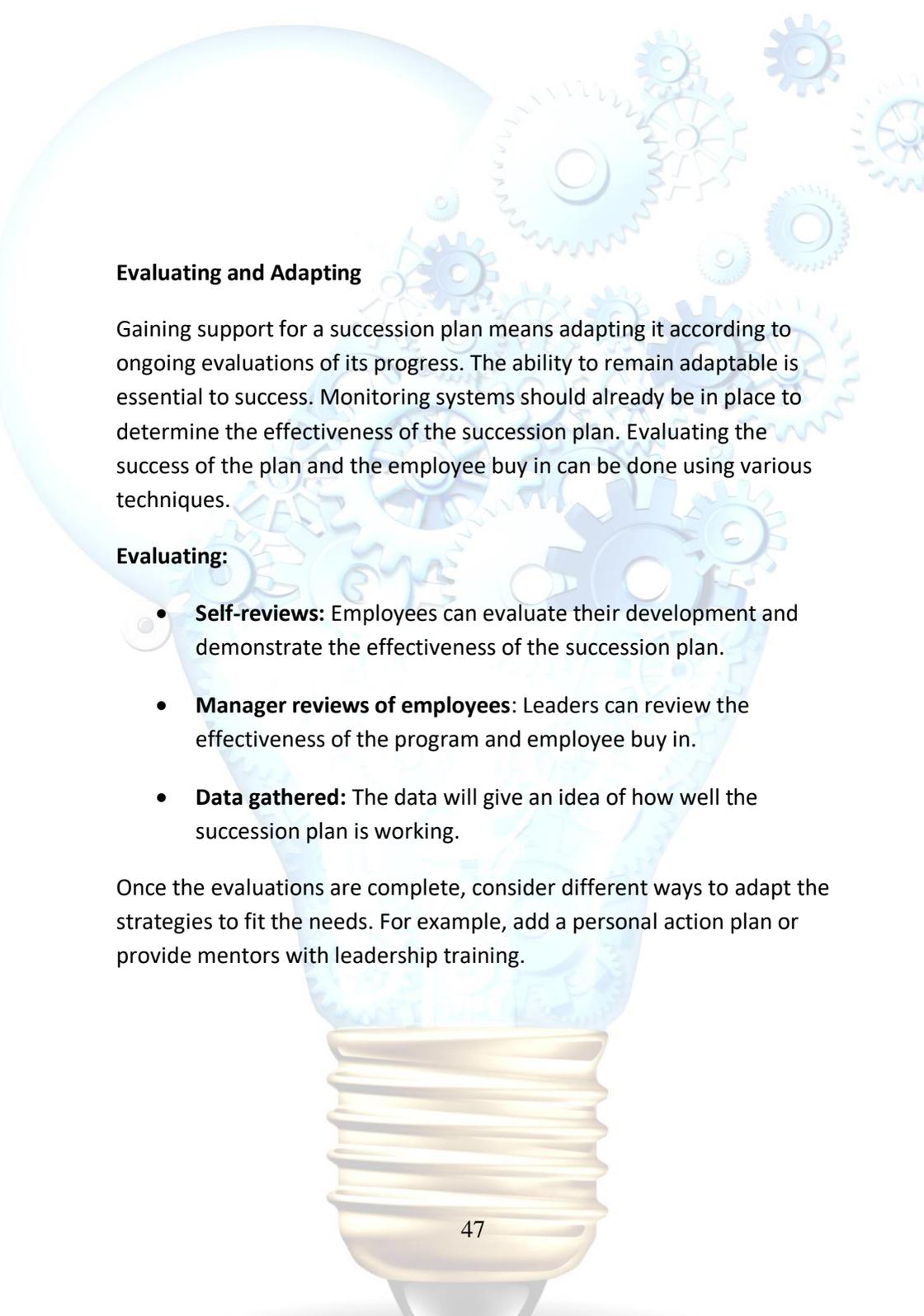


## Addressing Concerns and Issues

Leaving concerns and issues unaddressed will lead to greater problems over time. Even issues that do not seem important need to be addressed immediately. Communication is the key to addressing employee concerns. Practice active listening to understand what employees are trying to say before choosing the appropriate method to address the issue.

### Active Listening

- **Pay attention:** Give the speaker your undivided attention and make sure that your body language and comments show that you are listening.
- **Repeat:** Paraphrase what is said to avoid any miscommunication.
- **Do not interrupt:** Allow the speaker to finish, and avoid emotional responses.
- **Respond:** Respond honestly and respectfully. Speak to the situation and try to find a mutually equitable solution.



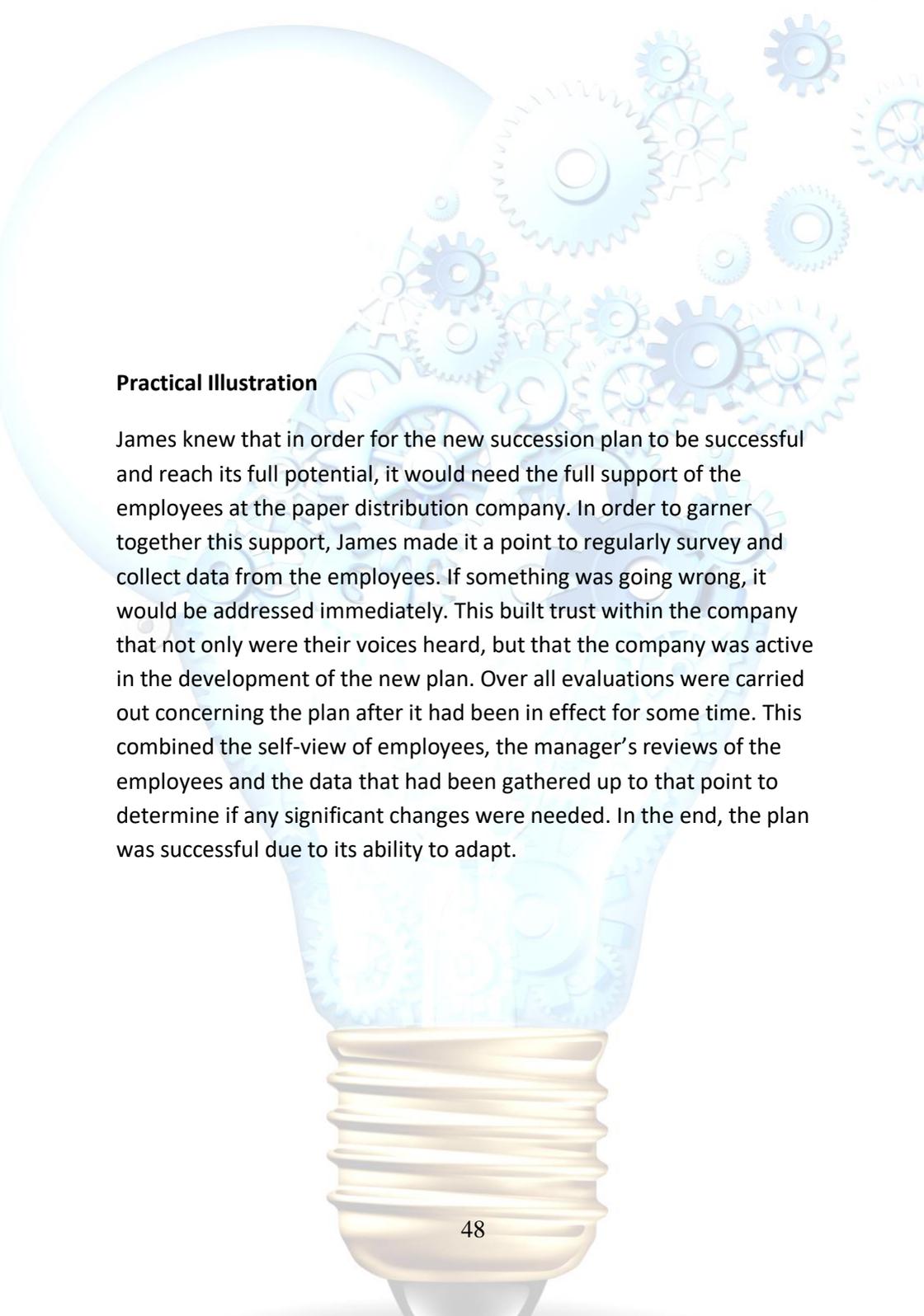
## Evaluating and Adapting

Gaining support for a succession plan means adapting it according to ongoing evaluations of its progress. The ability to remain adaptable is essential to success. Monitoring systems should already be in place to determine the effectiveness of the succession plan. Evaluating the success of the plan and the employee buy in can be done using various techniques.

### Evaluating:

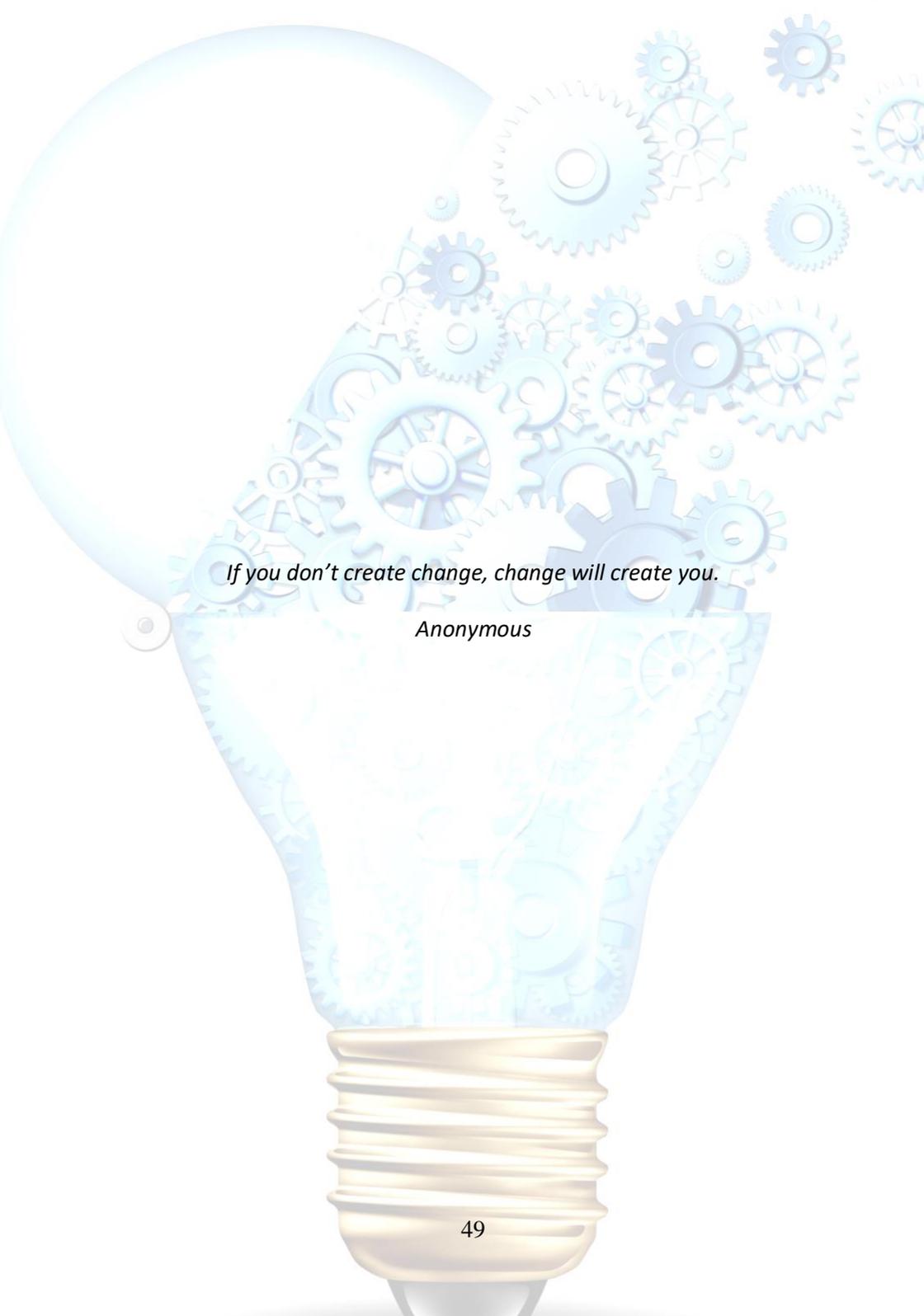
- **Self-reviews:** Employees can evaluate their development and demonstrate the effectiveness of the succession plan.
- **Manager reviews of employees:** Leaders can review the effectiveness of the program and employee buy in.
- **Data gathered:** The data will give an idea of how well the succession plan is working.

Once the evaluations are complete, consider different ways to adapt the strategies to fit the needs. For example, add a personal action plan or provide mentors with leadership training.

A large, glowing lightbulb is the central focus of the page. Inside the bulb, numerous blue gears of various sizes are visible, some overlapping each other, creating a sense of motion and industry. The background is a soft, light blue gradient. The text is positioned in the middle of the page, within the lightbulb's glow.

### **Practical Illustration**

James knew that in order for the new succession plan to be successful and reach its full potential, it would need the full support of the employees at the paper distribution company. In order to garner together this support, James made it a point to regularly survey and collect data from the employees. If something was going wrong, it would be addressed immediately. This built trust within the company that not only were their voices heard, but that the company was active in the development of the new plan. Over all evaluations were carried out concerning the plan after it had been in effect for some time. This combined the self-view of employees, the manager's reviews of the employees and the data that had been gathered up to that point to determine if any significant changes were needed. In the end, the plan was successful due to its ability to adapt.



*If you don't create change, change will create you.*

*Anonymous*

## Chapter Eight: Managing the Change

Change is never easy. Implementing or altering a succession plan needs to be done strategically in order to transition smoothly. Changes that are not explained or monitored are more likely to fail. A change management plan and communication plan will work with the succession plan or any other plan to encourage the growth and development of employees and the business.

### Developing a Change Management Plan

A change management plan is able to clearly link the changes with the organizational goals and communicate the purpose for the changes. This will help lower resistance to the changes taking place. People who understand the process are more likely to accept and move forward with it.

### The Plan

- **Share goals:** Explain how the change is essential for achieving long-term success and reaching the company's goals.
- **Communicate:** Share about the underlying issues and respect different points of view.
- **Involve people in the process:** Encourage employees to take ownership in the change management plan.
- **Develop structure and schedules:** Explain each person's roles, responsibilities, and expectations clearly.

## Developing a Communication Plan

Because communication is so important in managing change, it needs to be a priority. Developing a communication plan will help facilitate the change. A communication plan outlines different communication responsibilities including the audience, project topic, date, delivery mechanism, issues, presenter/communicator, source, and result.

### Example

Topic	Method	Date	Presenter	Audience
Morale	Meeting	10-10	Team Lead	Management Team
Sales	Conference Call	10-12	VP of Sales	All Sales Employees
Evaluation	PowerPoint	10-11	Committee Lead	Plan Committee

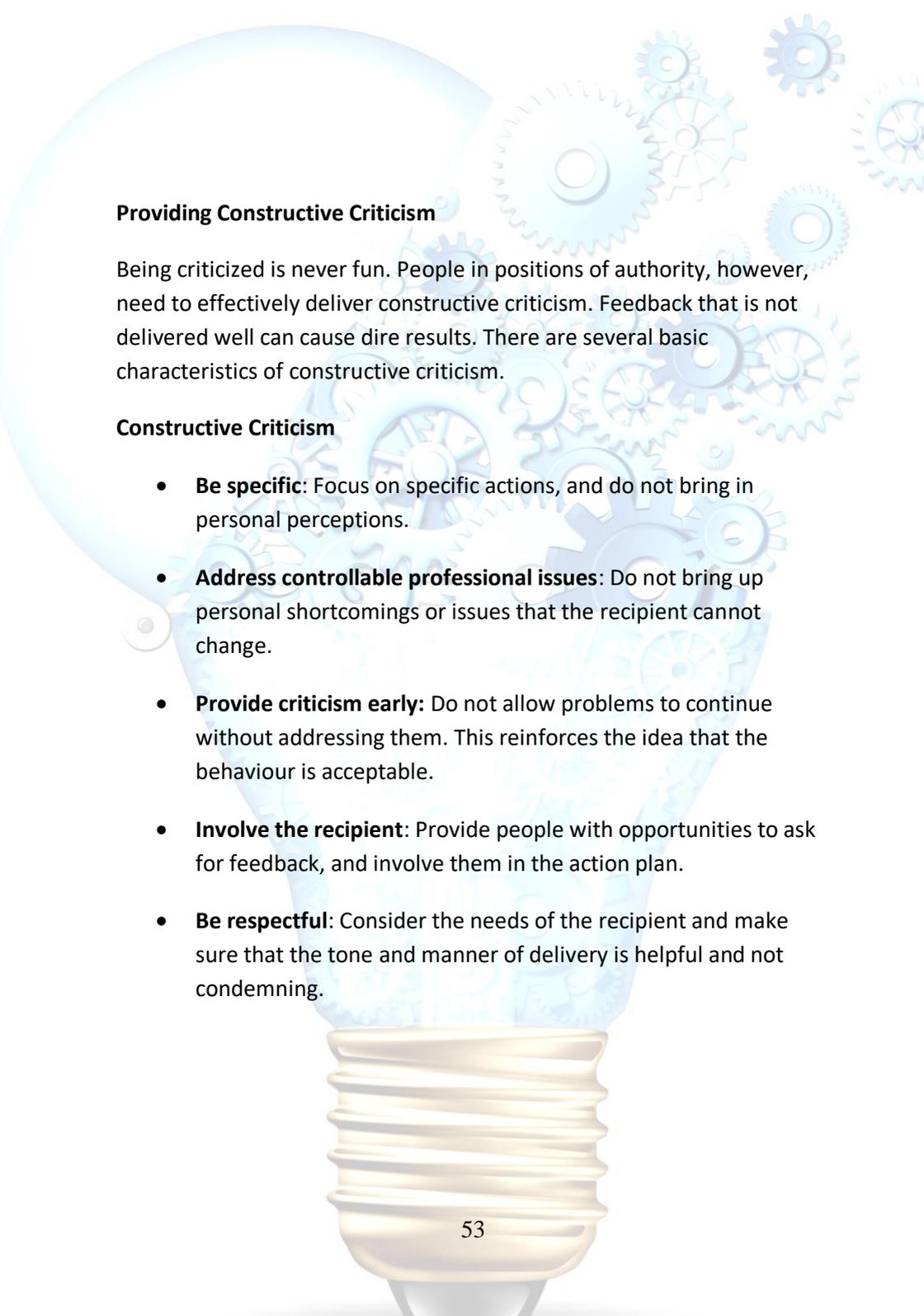


## Implementing the Plans

Developing a change management and communication plan is easier than implementing them. Fortunately, most business plans have a similar implementation process. Change management and communication plans have clear steps that help to make the transitions easier for employers and employees.

### Steps

- **Define the change process:** The process includes roles and responsibilities, procedures, tools, and performance measurements.
- **Determine what is needed:** Consider and provide the necessary resource requirements and schedule the implementation.
- **Monitor:** Monitor the change management and communication process according to the performance measurements.
- **Evaluate and modify:** Evaluate the effectiveness of the changes and alter them as needed

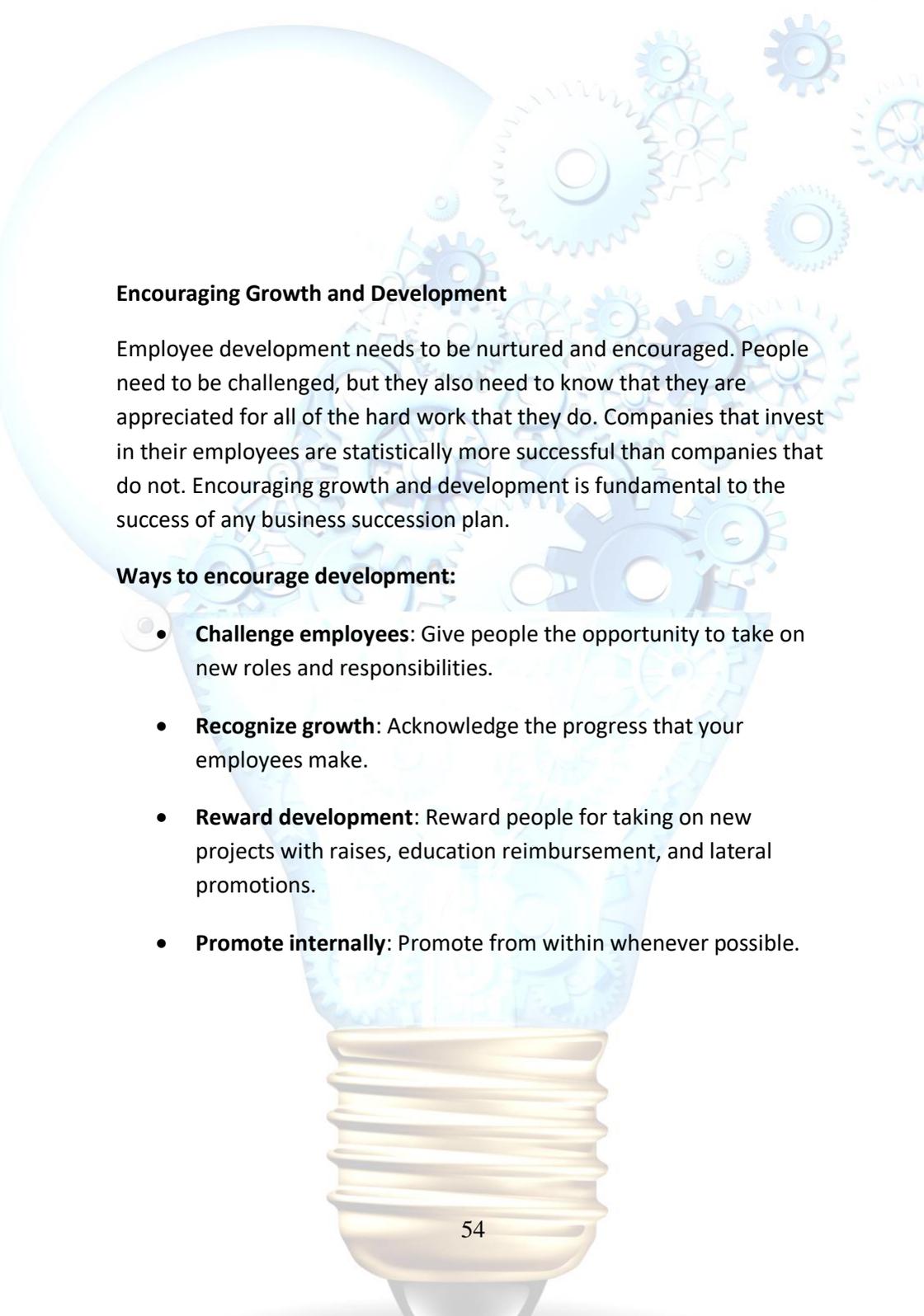


## Providing Constructive Criticism

Being criticized is never fun. People in positions of authority, however, need to effectively deliver constructive criticism. Feedback that is not delivered well can cause dire results. There are several basic characteristics of constructive criticism.

### Constructive Criticism

- **Be specific:** Focus on specific actions, and do not bring in personal perceptions.
- **Address controllable professional issues:** Do not bring up personal shortcomings or issues that the recipient cannot change.
- **Provide criticism early:** Do not allow problems to continue without addressing them. This reinforces the idea that the behaviour is acceptable.
- **Involve the recipient:** Provide people with opportunities to ask for feedback, and involve them in the action plan.
- **Be respectful:** Consider the needs of the recipient and make sure that the tone and manner of delivery is helpful and not condemning.

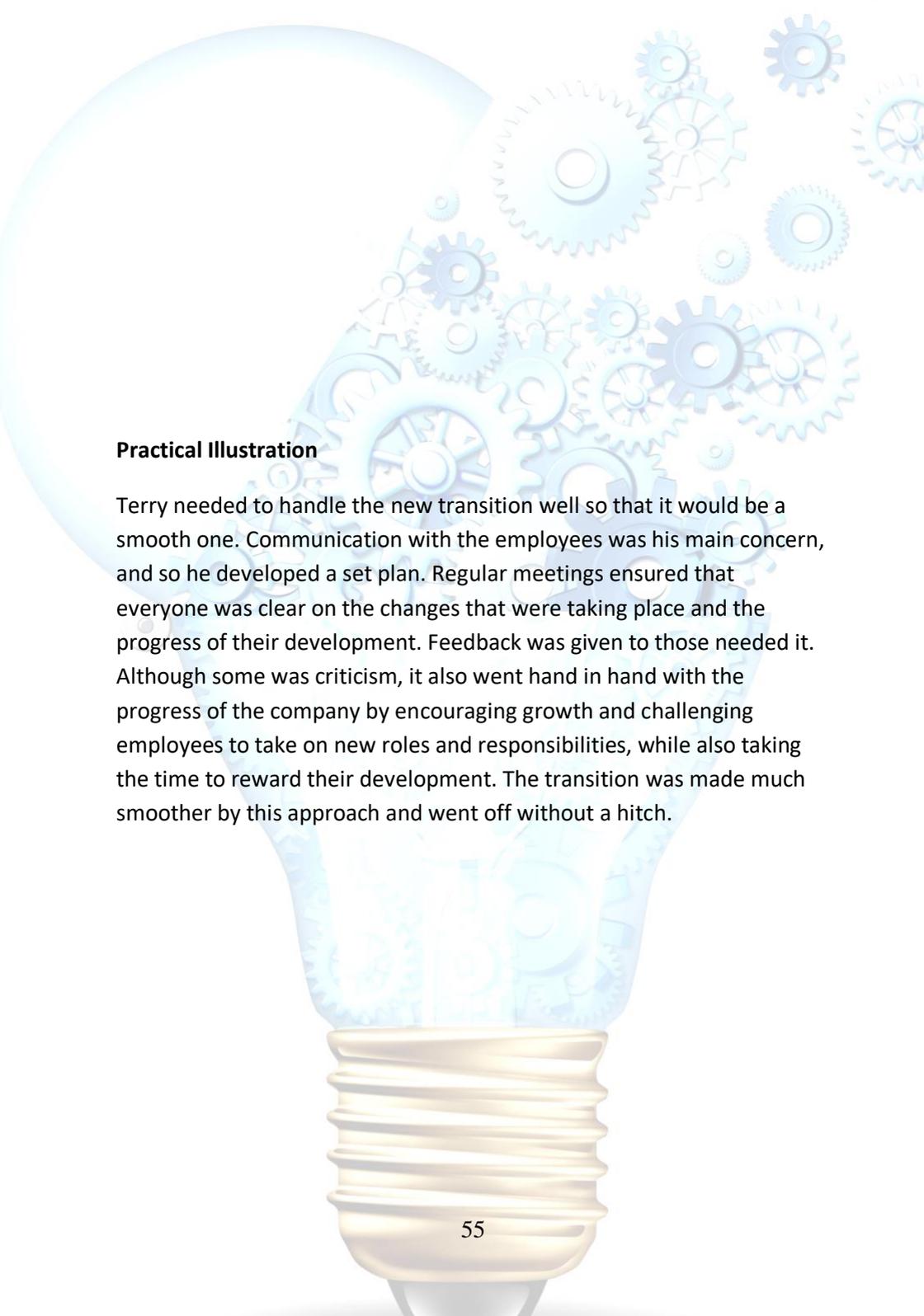


## Encouraging Growth and Development

Employee development needs to be nurtured and encouraged. People need to be challenged, but they also need to know that they are appreciated for all of the hard work that they do. Companies that invest in their employees are statistically more successful than companies that do not. Encouraging growth and development is fundamental to the success of any business succession plan.

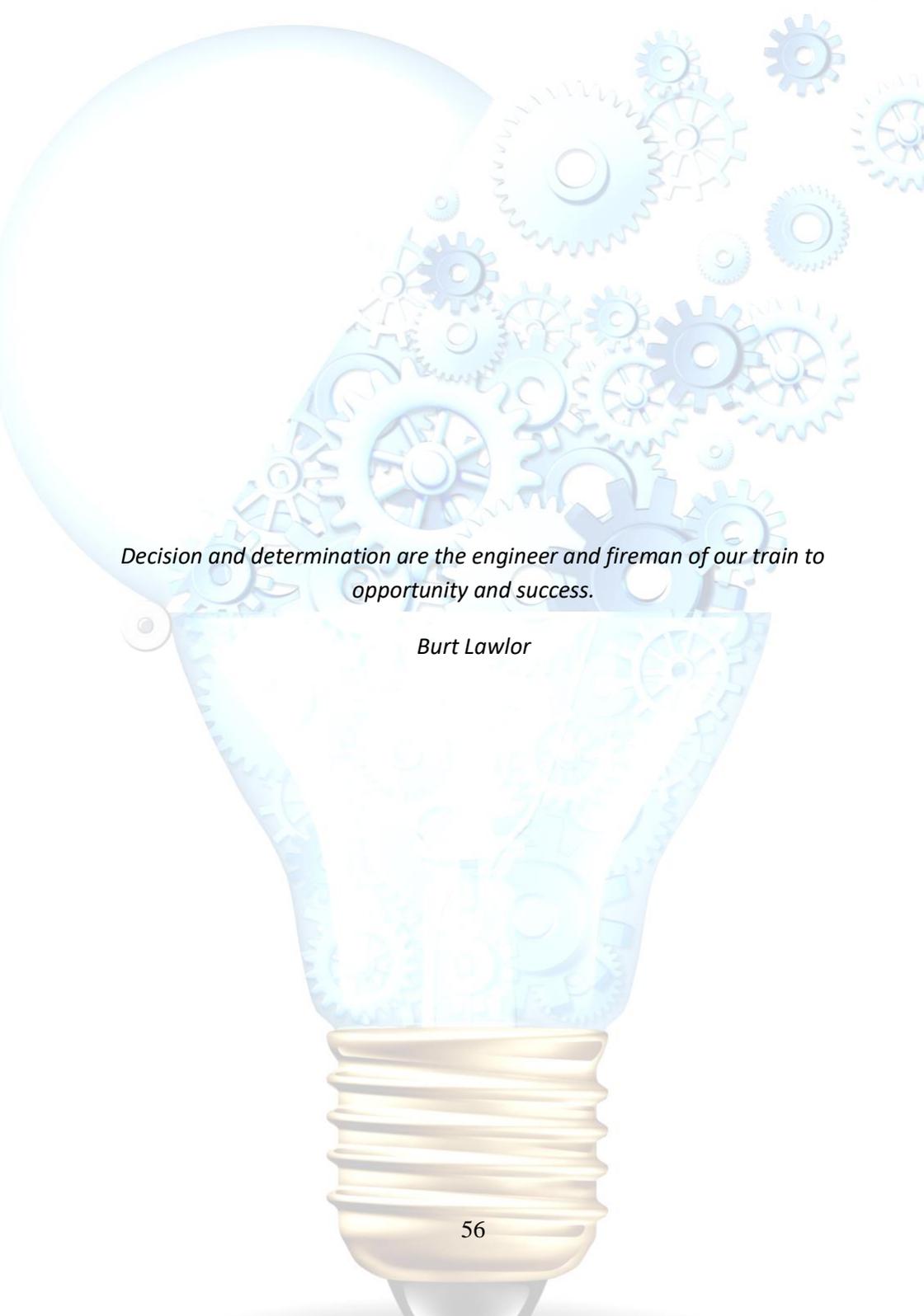
### Ways to encourage development:

- **Challenge employees:** Give people the opportunity to take on new roles and responsibilities.
- **Recognize growth:** Acknowledge the progress that your employees make.
- **Reward development:** Reward people for taking on new projects with raises, education reimbursement, and lateral promotions.
- **Promote internally:** Promote from within whenever possible.

A large, glowing lightbulb is the central focus of the page. Inside the bulb, numerous blue gears of various sizes are arranged in a complex, interconnected pattern, suggesting a process of thought or industry. The background is a soft, light blue gradient. The text is positioned in the middle-left area of the page, overlaid on the lightbulb's glow.

### **Practical Illustration**

Terry needed to handle the new transition well so that it would be a smooth one. Communication with the employees was his main concern, and so he developed a set plan. Regular meetings ensured that everyone was clear on the changes that were taking place and the progress of their development. Feedback was given to those needed it. Although some was criticism, it also went hand in hand with the progress of the company by encouraging growth and challenging employees to take on new roles and responsibilities, while also taking the time to reward their development. The transition was made much smoother by this approach and went off without a hitch.

A large, glowing lightbulb is the central focus. The interior of the bulb is filled with a complex arrangement of various-sized gears, rendered in a light blue, semi-transparent style. The gears are interconnected, suggesting a mechanical or engineering theme. The lightbulb's base is a standard screw-in base, colored in a warm, golden-yellow hue. The overall image conveys a sense of innovation, engineering, and the 'spark' of an idea.

*Decision and determination are the engineer and fireman of our train to opportunity and success.*

*Burt Lawlor*

## Chapter Nine: Overcoming Roadblocks

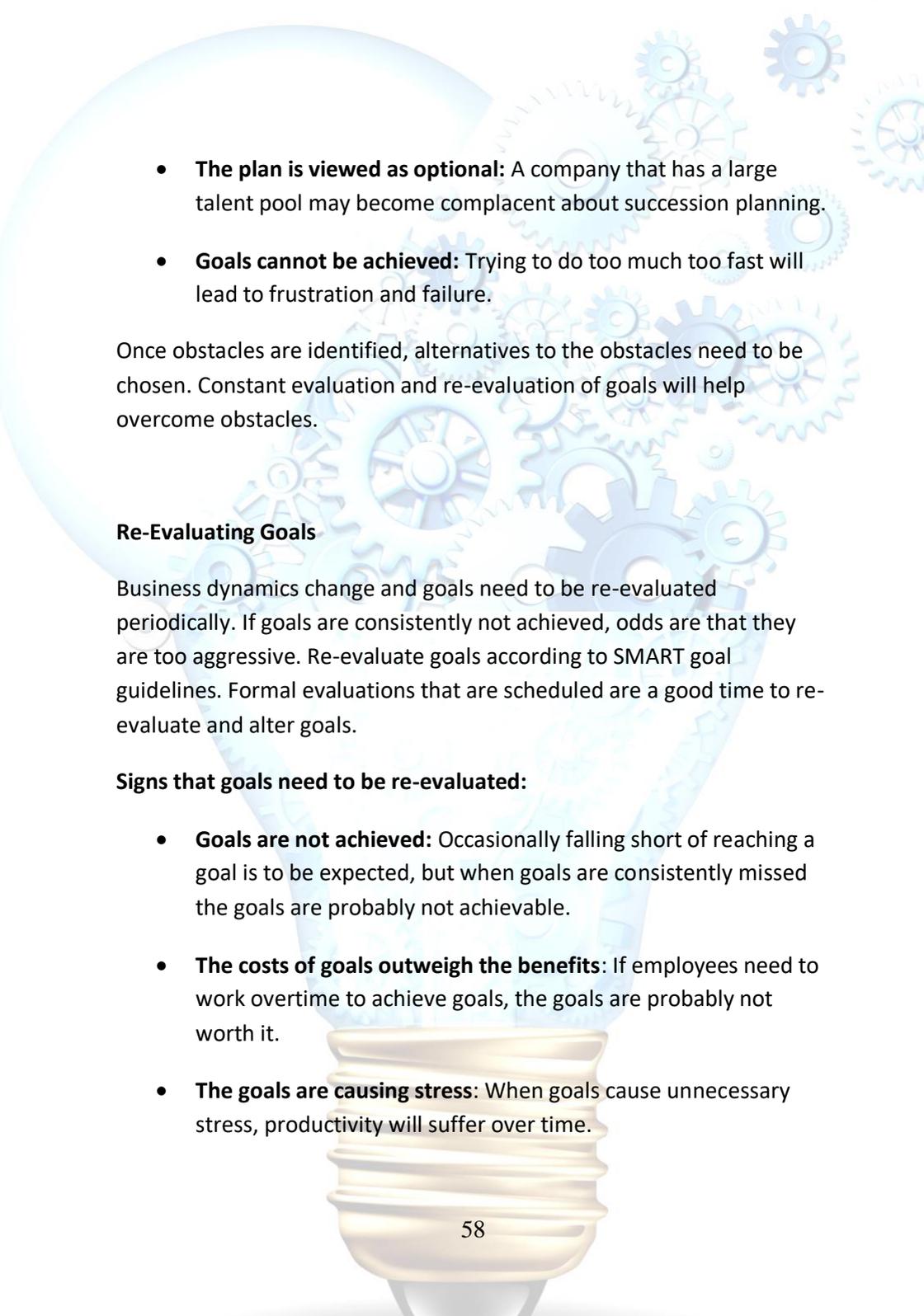
Roadblocks accompany every plan. It is easy to become discouraged when plans begin to unravel, however, minor problems are to be expected and no reason to give up on a plan of action. Succession plans are just as vulnerable to roadblocks as any other business plan, but anticipating common obstacles, re-evaluating goals, and staying focused will help the succession plan succeed.

### Common Obstacles

The obstacles that succession plans usually face are unique to each situation. There are, however, several different common obstacles that succession plans face.

#### Obstacles:

- **Lack of support from senior management:** An effective succession plan requires more than employee buy in and HR oversight. Senior management needs to be committed to the plan's success.
- **Leaders are not flexible:** Plans need to be altered for individual circumstances. When people try to go forward with a plan that does not make sense, the plan will fail.

- 
- **The plan is viewed as optional:** A company that has a large talent pool may become complacent about succession planning.
  - **Goals cannot be achieved:** Trying to do too much too fast will lead to frustration and failure.

Once obstacles are identified, alternatives to the obstacles need to be chosen. Constant evaluation and re-evaluation of goals will help overcome obstacles.

### **Re-Evaluating Goals**

Business dynamics change and goals need to be re-evaluated periodically. If goals are consistently not achieved, odds are that they are too aggressive. Re-evaluate goals according to SMART goal guidelines. Formal evaluations that are scheduled are a good time to re-evaluate and alter goals.

### **Signs that goals need to be re-evaluated:**

- **Goals are not achieved:** Occasionally falling short of reaching a goal is to be expected, but when goals are consistently missed the goals are probably not achievable.
- **The costs of goals outweigh the benefits:** If employees need to work overtime to achieve goals, the goals are probably not worth it.
- **The goals are causing stress:** When goals cause unnecessary stress, productivity will suffer over time.

- **Employee feedback shows the goals are achievable:** Do not underestimate employee feedback. If most employees feel that goals are not achievable, they probably aren't.

### **Focusing on Progress**

Plans are never perfect. Focusing on minor setbacks will lower morale and create a sense of failure. If goals are consistently re-evaluated and adjusted, it will be easy to measure progress. Focusing on progress will build morale and show succession planning success and failure. Creating progress reports will help monitor the progress of the succession plan. They are similar to evaluations, but they concentrate on the progress of the plans being implemented.

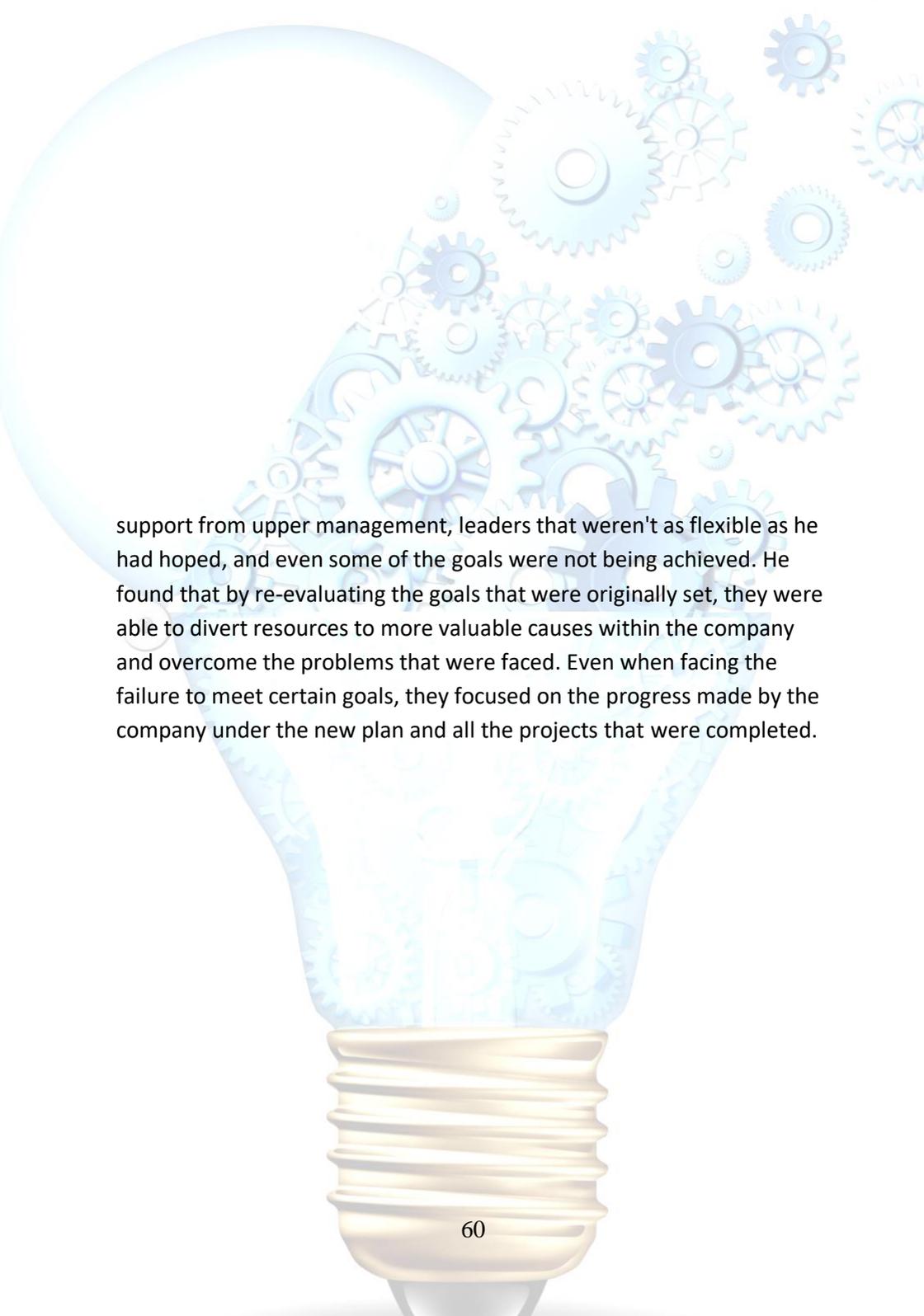
### **Progress Reports Include:**

- **Risks:** A SWOT analysis will show the risks.
- **Metrics:** Use data gathered to create metrics.
- **Projects completed:** These are implemented projects related to the plan.
- **Projects continuing:** These are projects still being implemented.
- **Projects beginning:** These projects are still in the planning stage.

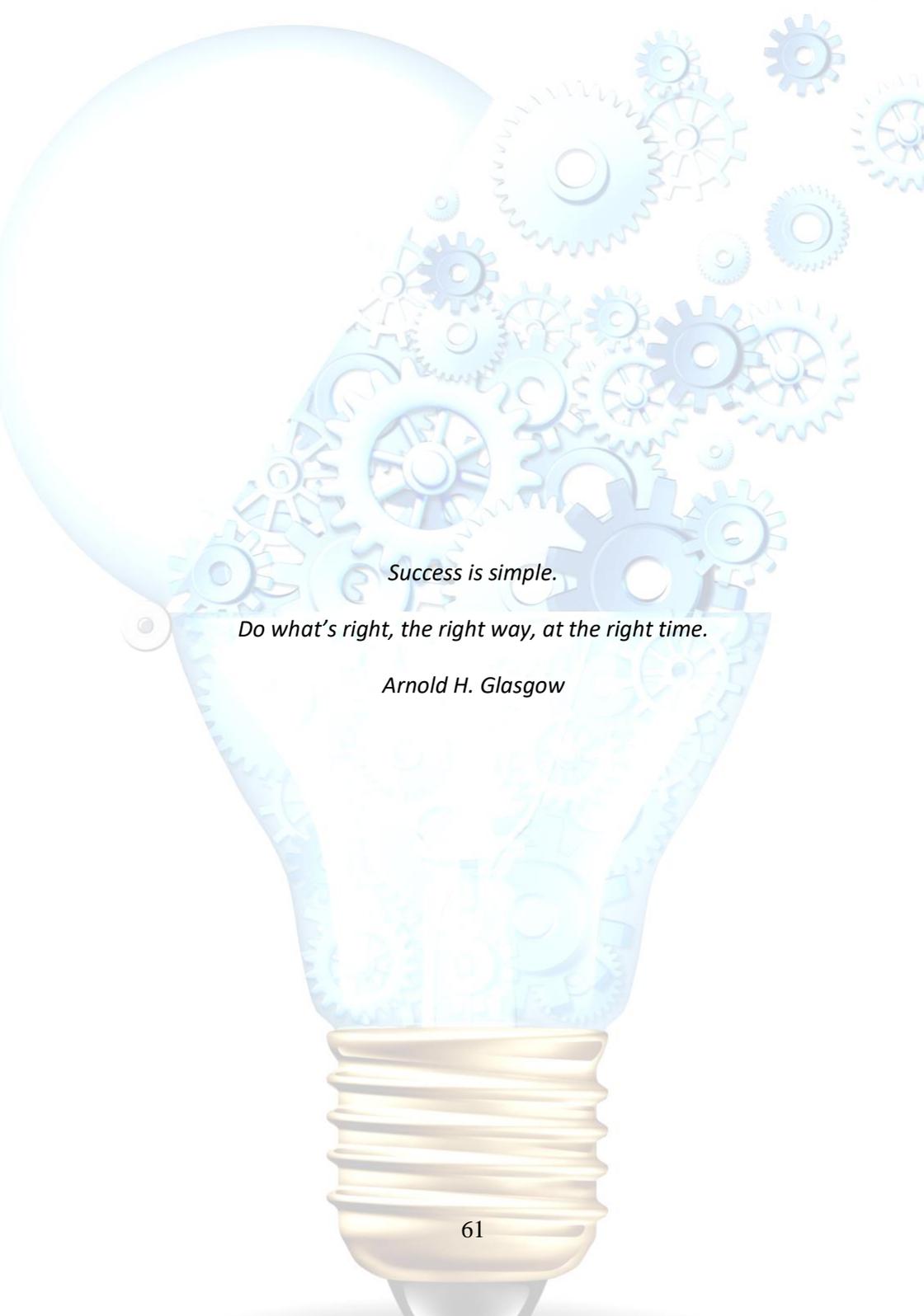
Progress reports can be written out using the same format as any other business report.

### **Practical Illustration**

Jimmy was faced with a plethora of problems when trying to implement a new plan at the paper distribution company. Things like a lack of



support from upper management, leaders that weren't as flexible as he had hoped, and even some of the goals were not being achieved. He found that by re-evaluating the goals that were originally set, they were able to divert resources to more valuable causes within the company and overcome the problems that were faced. Even when facing the failure to meet certain goals, they focused on the progress made by the company under the new plan and all the projects that were completed.



*Success is simple.*

*Do what's right, the right way, at the right time.*

*Arnold H. Glasgow*

## Chapter Ten: Reaching the End

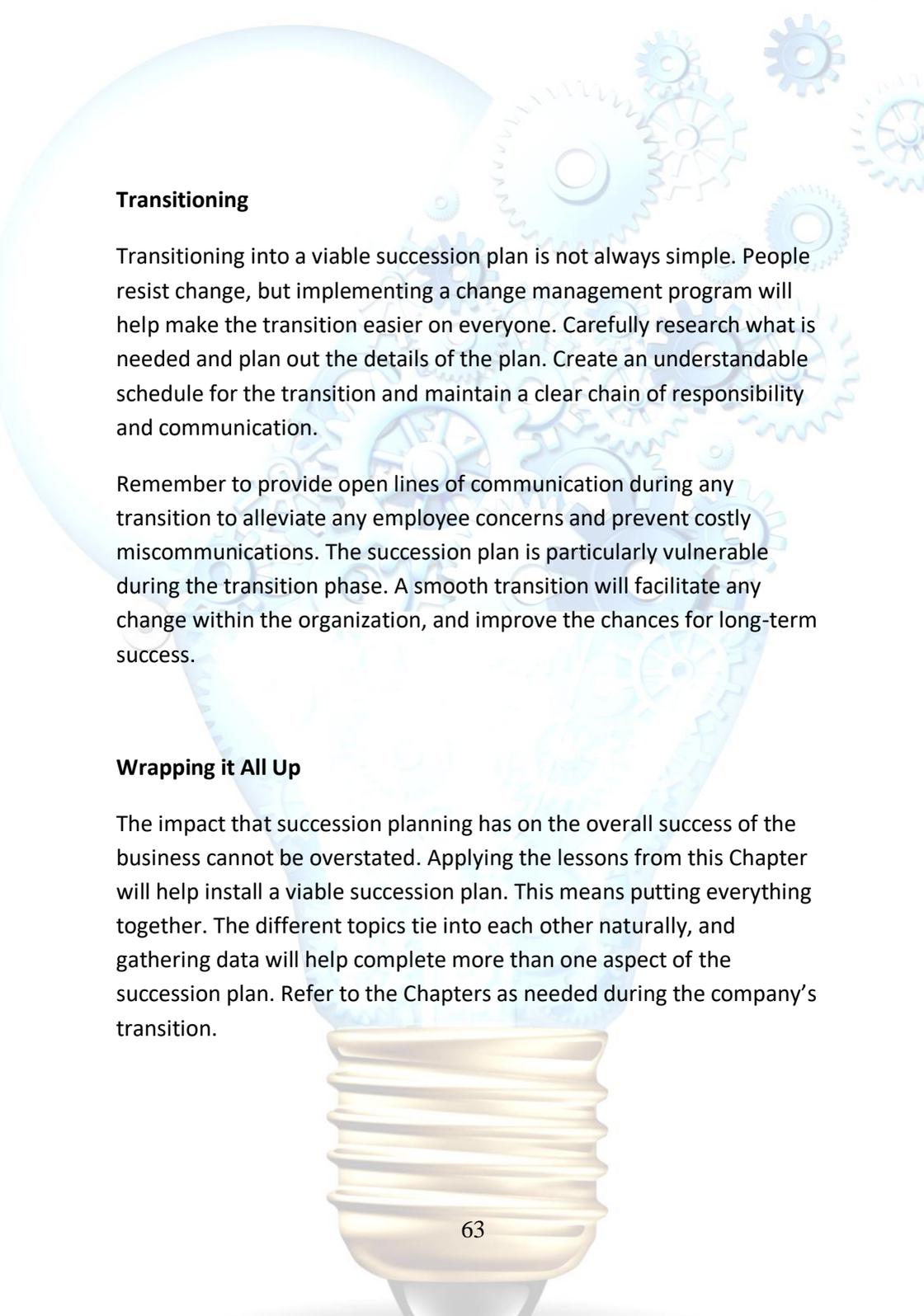
Succession planning requires time and effort. It is an investment in employees and an investment in the life of the company. No matter what condition the business is in, succession planning can lead to long-term success. Success, however, is based on the circumstances and goals of each company.

### How to Know When You've Achieved Success

Success is different for each company and for each plan. The goals and objectives of the succession plan will help determine the success of its implementation. When goals are created according to the guidelines of SMART goals and are monitored, re-evaluated, and adjusted, attaining them will be possible.

#### Indicators of Success:

- **Goals are achieved:** Goals are an important indicator of success. When progress is made towards achieving different goals, it is clear that a plan is on its way to success.
- **Growth demands goal plans to be adjusted or expanded:** Changes in the company require changes in the basic goals and objectives. Sometimes the success of a project requires the plan to be expanded.
- **Succession planning becomes part of the company's culture:** Succession planning requires the support of employees at every level. When it is embraced in the company culture, there is little resistance to the plan, and goals become easier to achieve.



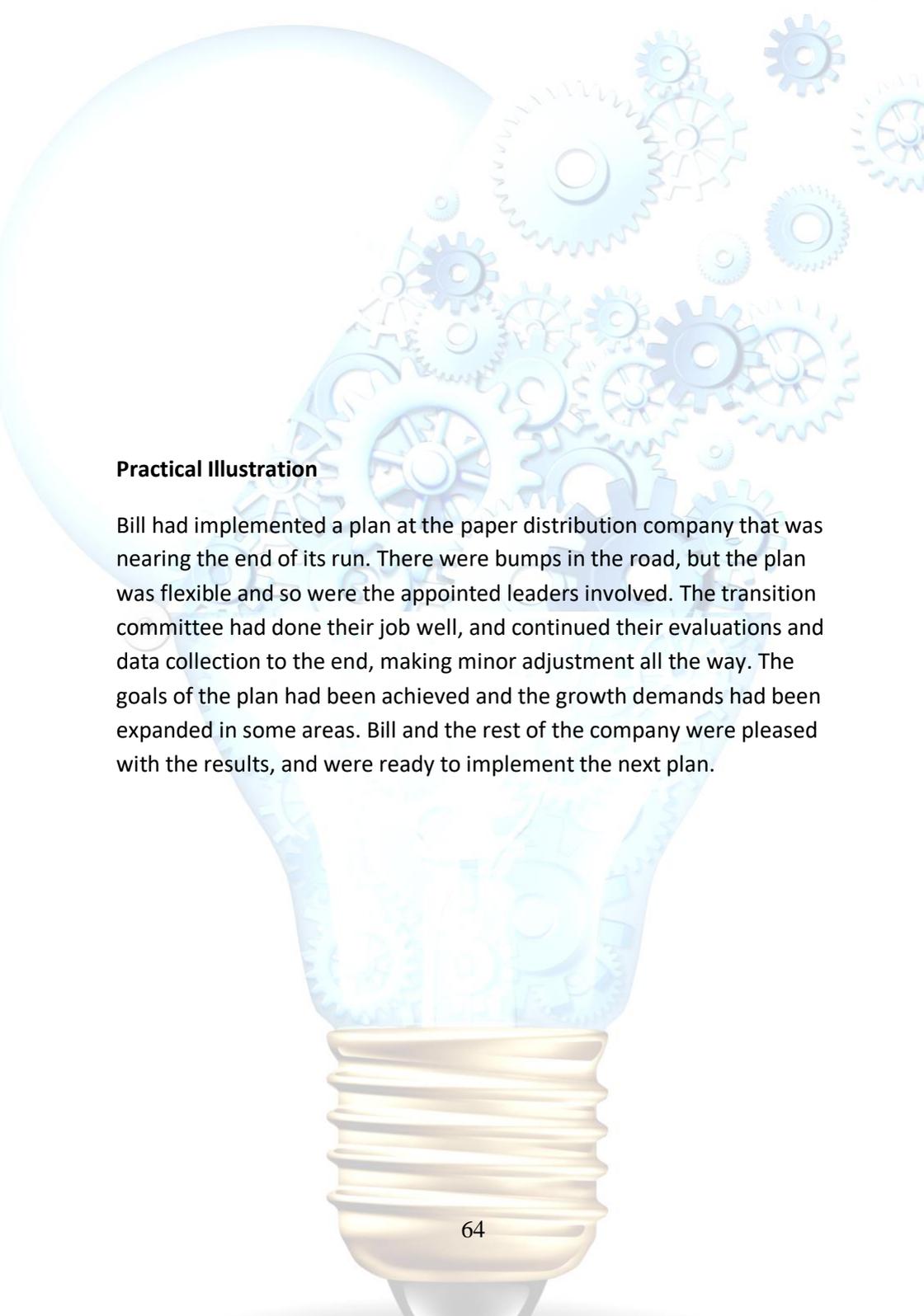
## **Transitioning**

Transitioning into a viable succession plan is not always simple. People resist change, but implementing a change management program will help make the transition easier on everyone. Carefully research what is needed and plan out the details of the plan. Create an understandable schedule for the transition and maintain a clear chain of responsibility and communication.

Remember to provide open lines of communication during any transition to alleviate any employee concerns and prevent costly miscommunications. The succession plan is particularly vulnerable during the transition phase. A smooth transition will facilitate any change within the organization, and improve the chances for long-term success.

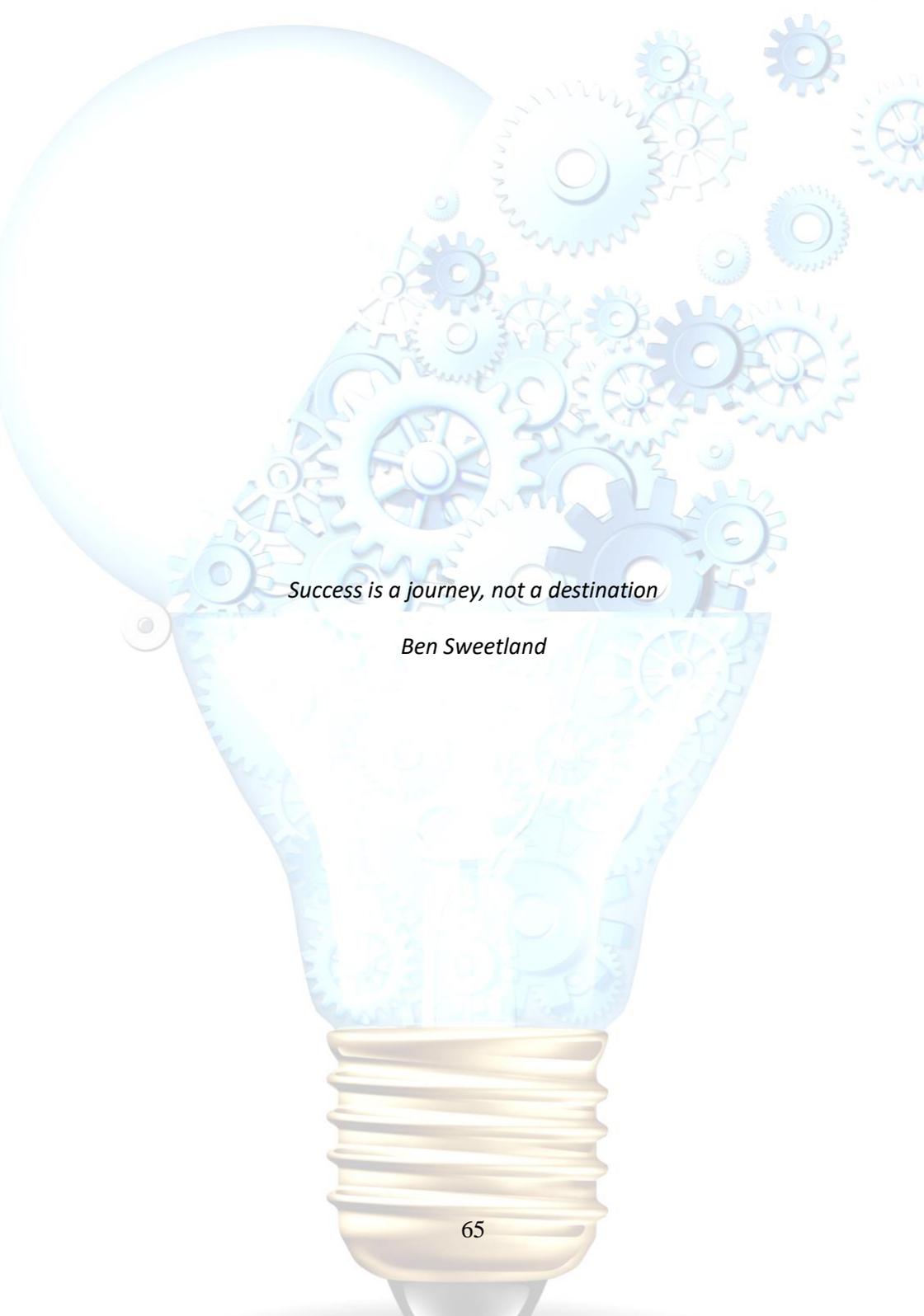
## **Wrapping it All Up**

The impact that succession planning has on the overall success of the business cannot be overstated. Applying the lessons from this Chapter will help install a viable succession plan. This means putting everything together. The different topics tie into each other naturally, and gathering data will help complete more than one aspect of the succession plan. Refer to the Chapters as needed during the company's transition.

A large, glowing lightbulb is the central focus. Inside the bulb, numerous gears of various sizes are visible, some appearing to be in motion. The gears are rendered in a light blue, semi-transparent style, creating a sense of depth and complexity. The lightbulb itself has a warm, golden-yellow glow at the base, which fades into a soft, ethereal light as it goes up. The background is a clean, white gradient, making the lightbulb and gears stand out prominently.

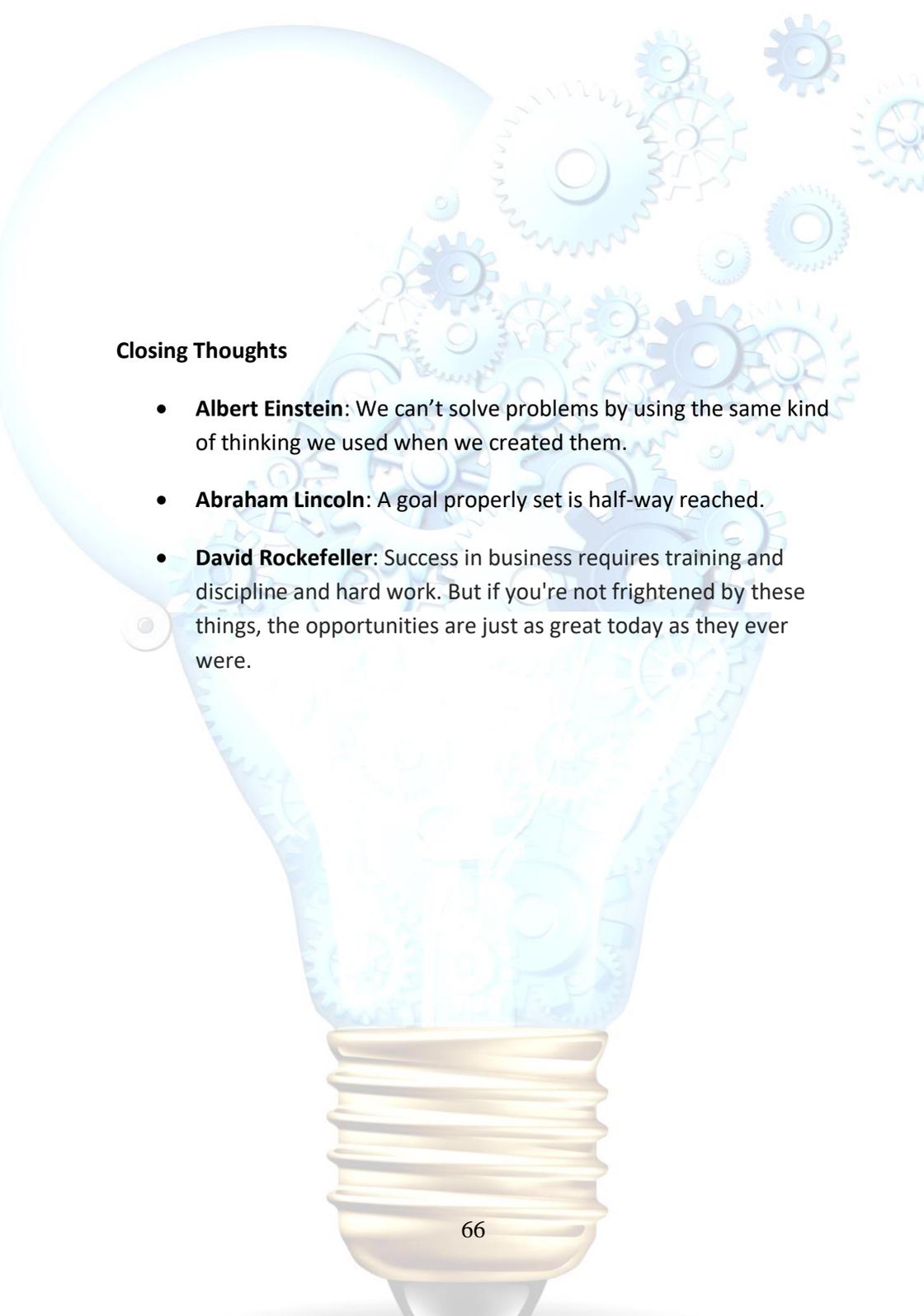
### **Practical Illustration**

Bill had implemented a plan at the paper distribution company that was nearing the end of its run. There were bumps in the road, but the plan was flexible and so were the appointed leaders involved. The transition committee had done their job well, and continued their evaluations and data collection to the end, making minor adjustment all the way. The goals of the plan had been achieved and the growth demands had been expanded in some areas. Bill and the rest of the company were pleased with the results, and were ready to implement the next plan.



*Success is a journey, not a destination*

*Ben Sweetland*



## Closing Thoughts

- **Albert Einstein:** We can't solve problems by using the same kind of thinking we used when we created them.
- **Abraham Lincoln:** A goal properly set is half-way reached.
- **David Rockefeller:** Success in business requires training and discipline and hard work. But if you're not frightened by these things, the opportunities are just as great today as they ever were.