



“The Ropes of Succession Planning”

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- Replacement Planning
- Succession Planning
- Board Succession Planning

Replacement Planning



Replacement planning is the process of identifying individuals within an organization, and often in the same division or department, who would be best-equipped to serve as backups for current employees.

- Short-term replacement planning – temporary replacements for vacations, FML, sickness, etc.
- Long-term replacement planning – permanent replacement for sudden needs – deaths, resignation, long-term disability, etc.

Replacement planning is an essential element of any risk management program which includes loss of data, finances, equipment, facilities, and people.

Replacement planning is usually based on the assumptions that:

- Identification of “backups” for current job incumbents

- “Backups may be completely prepared to do the jobs of their immediate supervisors or else just good enough to serve in an “acting” capacity while the organization undertakes a search for the most qualified candidate from inside and outside the organization

- Backups will be identified primarily within a division, department or unit and only secondarily from other parts of the organization or from outside
- The current organizational structure will be preserved, even though a reorganization can change the number and type of key positions

Succession planning is “a means of identifying critical management positions, starting at the levels of project manager and supervisor and extending up to the highest position in the organization.”

Succession planning is usually based on the assumptions that:

- Identification of a talent pool of many people who are willing to be considered for a promotion and work to be developed for it
- The future may not be like the past, and the competencies required at each level may be different in the future so that merely “cloning” past leaders is not appropriate

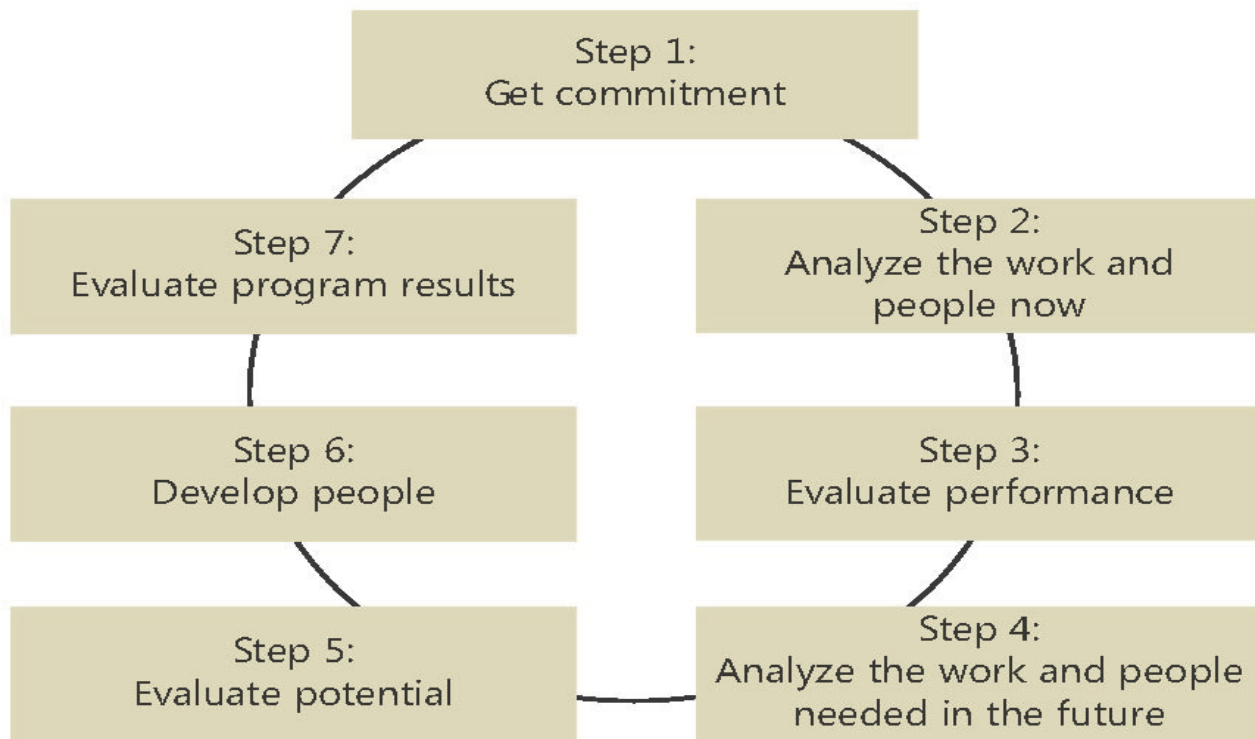
- Development occurs primarily on the job rather than by off-the-job training experiences

The Essential Elements of a Successful Planning Program?



Any exceptional succession planning program will be organized around a roadmap that integrates all its components and emphasizes the internal development of existing employees in the organization.

Figure 3: A Roadmap to Effective Succession Planning



Source: Adapted from Rothwell, W. (2005a). *Effective succession planning: Ensuring leadership continuity and building talent from within*. 3rd ed. New York: Amacom.

Step 1: Get Commitment



No succession planning program can work without managers and employees at all levels clearly understanding why a succession program is needed. A compelling case must be made for it. At the same time, executives, managers, supervisors and employees must clearly understand their role in the program.

Step 2: Analyze the Work and the People Now



To prepare successors, managers must know what work is done, and what kinds of people do it best. This step requires the creation of up-to-date job descriptions, clear work outputs and work accountabilities, and job competency models to describe the characteristics of the people who do the work best.

Step 3: Evaluate Performance



Step 3 refers to *performance management*, the process of planning, managing and appraising worker performance over time. The performance management system must measure people against what they are expected to do, what results they are expected to achieve, and what competencies and behaviors they are expected to demonstrate.

Step 4: Analyze the Work and People Needed in the Future



The future will not necessarily be like the past. In this step, decision makers align the organization's strategic objectives with the work and competencies needed to realize those objectives. The organization's future requirements should be driven down to each level, job and function. The result should be expected future job descriptions and future competency models.

Step 5: Evaluate Potential



The potential for promotion to higher level responsibilities should be considered against the backdrop of the future. In other words, every individual who seeks promotion is really working to be developed on an escalator because the competitive environment within which the organization performs is not static.

Step 5: Evaluate Potential



Things are changing as individuals are being developed. It is not enough to assume that successful performance in the past will guarantee successful performance in the future. Instead, organizational leaders must find objective ways to determine how well individuals will function at a future time and at a higher level of responsibility.

Step 6: Develop People



Step 6 focuses on closing developmental gaps found by comparing the results of steps 4 and 5. To carry out this step successfully, organizational leaders should establish an individual development plan (IDP) for each employee to narrow gaps between what the individual does now and what he or she must do successfully in the future to function at higher levels of responsibility.

Step 6: Develop People



An IDP is like a learning contract. It is usually negotiated between an individual and his or her supervisor on an annual basis. Individuals are encouraged to identify, and plan for using, resources to help them build the competencies they need at higher levels of responsibility. Resources may include training courses inside the organization, seminars or conferences outside the organization, internal job rotation experiences, and many other competency building efforts.

Step 7: Evaluate Program Results



How can the results of a succession planning program be evaluated? The answer to this question must be obtained by measuring program success against the objectives established for the program in Step 1.

Succession planning focuses on building internal bench strength. It differs from replacement planning, which focuses on identifying “backups.”

Succession Planning Summary



- (1) Get commitment
- (2) Analyze the work and people now
- (3) Evaluate performance
- (4) Analyze the work and people needed in the future
- (5) Evaluate potential
- (6) Develop people; and
- (7) Evaluate program results

Board Succession Planning



- Tends to only work in large organizations
- #2's are rarely seen as CEO's
- Bench strength is not something most non-profits can afford so the talent is often not there
- Boards are fluid and the board that adopted the succession plan is not the board that implements it
- Boards are volunteer and tend to be unpredictable

- Identify who on staff could serve as interim CEO
- Interim may or may not be a candidate – pros & cons
- Engage a facilitator to work with the Board on two things
 - ❖ What is the organization's future direction
 - ❖ The attributes needed for the next CEO
- Engage an executive search firm to conduct the search

Questions?

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