

Succession Planning: Less Can Be More

2016 Winter Update

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Succession Planning

WHEN IT COMES TO EVALUATING AND DIFFERENTIATING TALENT, SOMETIMES LESS IS MORE

It's that time of year when it is not untypical for us to take a step back and think about our priorities for the coming year. For example, where do you see your business going this year or over the next 2 -3 years? Whether or not you have a business plan in place or are wanting to make revisions to it you still need to ask yourself some business critical talent management questions:

- What kind of talent do I need to meet my business priorities – today and down the line?
- What kind of talent do I have today and will this talent be able to meet my business needs in the next 2 – 3 years?
- Do I need to close the gap between what I have and what I need; if so, how can I effectively do that?

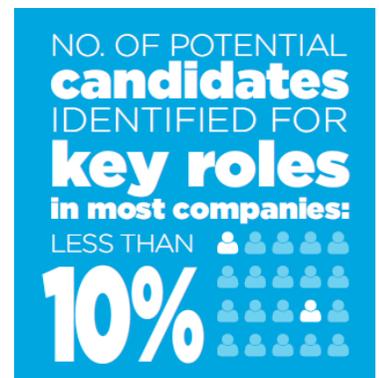
The 2014 Report on Senior Executive Succession Planning and Talent Development highlighted several key findings:

- Companies do not know who is next in line to fill senior positions
- Companies do not have an actionable process in place to select talent for senior positions
- Companies plan for succession to “reduce risk” rather than to “find the best successors”
- Roles are not defined and if they are then often they are not followed
- Succession plans are not connected with coaching and internal talent development programs

Unfortunately, we are not reading anything new in the succession space whether it be a large multi-national or a

local business. The reality is that businesses still continue to struggle to evaluate, differentiate, assess, develop and manage their talent proactively in lock step with their business priorities.

Some form of succession planning has been talked about, researched and implemented in many organizations and the most popular way to “implement” a succession planning program is putting names in a 9-cell. However, placing names in a 9-cell does not make for a succession management program, at best it becomes the organizations replacement plan.



Korn Ferry Succession Matters, 2015

BREAKING THE 9-CELL MOLD

We are starting to see and hear burn-out with the ‘traditional’ 9-cell approach to succession planning. A not untypical question we are now asked by clients is “do we have to use the standard 9-cell?” In our opinion, your business leaders and managers already have enough complexity in their roles so why add to this by using succession processes that do not resonate with the organization.

At its very heart succession is about looking at your existing talent in the context of business priorities and future needs to determine your talent requirements – **THE FORMAT TRULY DOESN’T MATTER, ACCURATELY EVALUATING AND DIFFERENTIATING, AND THEN ADDRESSING YOUR TALENT NEEDS DOES!**

A couple of years ago we were working with a client to help them establish and implement a succession management program. Like all consultants in this space we showed them an example of a 9-cell matrix and the reaction in the room was distinctly negative...

“We’ve done this before and it doesn’t work, it’s too complicated”,

...and the rationale for not using a 9-cell matrix continued.

While the client understood the need and value of a formal succession management program, we needed to think more creatively about how to evaluate and differentiate their talent in a way that resonated with the leadership team and a traditional 9-cell was simply not the right approach. We ended up creating a simpler construct, one that resonated with the leadership team and provided the results that enabled the organization to effectively manage its talent needs.

Too many organizations have found themselves stuck in the 9-cell paradigm, don’t get us wrong, as the co-author of Lominger International’s Succession Architect® we have extensive experience designing and implementing 9-cells and know they can and do work. But what is truly important is to find the way to assess and differentiate talent that will be well received in your business and can be sustained long-term.

If the construct and process is deemed to be too complicated and/or there is negative history associated with it, then it’s **TIME TO STEP OUTSIDE THE SUCCESSION PLANNING BOX** and think about what will work in your business.

“We can’t stress enough how important it is to get succession right. It is the lifeblood of an organization and there is no reason that organizations can’t plan a successful program that produces the leaders they need.”
Jim Peters

In **Brandon Hall Group’s 2015 State of Succession Management Study**, the majority of organizations reported that improving the health of their talent pipeline is an essential outcome of their succession management initiatives. But...

- 84% of organizations said they are suffering from a lack ready leaders
- In fact, just over a 25% of all organizations indicated that they have a ready-and-willing successor for 10% or less of open, critical roles
- And another 7% said they have no one groomed and ready

Part of what drives these worrisome numbers is that it is not the quality of available talent but the effectiveness of the processes that support succession planning.

HOW WELL IS YOUR ORGANIZATIONS SUCCESSION PLANNING WORKING? There is no harm, but the opportunity to gain from revisiting or establishing a succession strategy as a New Year’s resolution for your business is something to consider.

That’s it for this Newsletter as we decided to live our message – **LESS IS MORE.**

We wish you a Happy New Year.

IF YOU WOULD LIKE TO DISCUSS OUR APPROACHES TO ADDRESSING SUCCESSION MANAGEMENT PLEASE CONTACT US USING THE INFORMATION GIVEN BELOW

STAY TUNED NEXT TIME WHERE WE LOOK AT DIFFERENT ASSESSMENT METHODS

FOR ADDITIONAL INFORMATION OR ASSISTANCE WITH DEVELOPING AND ENHANCING YOUR TALENT MANAGEMENT PROCESSES AND PROTOCOLS PLEASE CONTACT US AT:

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