

The Art of Succession Planning

By: [Paul Shearstone](#)

Succession planning, like any business acumen, is both an art and a science. That is to say, there are many proven strategies that can and must be followed so that successful transition can occur.

Too often organizations address the succession challenge through the rearview mirror. They wait for someone to step down or even worse, be removed. Then and only then do they entertain thoughts of who or what should happen next?

One of the reasons little forethought is given to succession is evident in the fact that it rarely shows up in corporate business plans. Companies are quite diligent in forecasting-out 3, 5 and even 10-years but most of what they plan has more to do with finance, P&L, product evolution and little or no emphasis on who or how future leaders will captain the corporate ship.

It's no secret senior executives, especially those new to the position, see themselves as bulletproof. In their minds, talk of succession is analogous to talk about potential failure - they will be there forever - so they have little appetite for negativities like that preferring rather to concentrate on positive things like how they will make the company successful - perhaps in perpetuity?

Professional consultants like Pat Micallef, VP of international consulting firm The Meta Group, takes a strong position when he says, "The success of any corporate succession, is predicated on the strength of the company business plan, and, it goes without saying," he says, "leadership change is integral to future corporate strategies and should be built-in. The success of which, however, [succession planning] hinges expressly on whether or not the architects of the plan have a clear understanding of three important criteria:

- a) What will it take to keep the company running and profitable?
- b) What will it take to Grow the company? and,
- c) What will it take to Change the company?"

It is here we begin so see more clearly that succession planning is an integral part of a much larger stratagem, more complex, perhaps, than seen at first blush.

Senior executives rise to the top based mostly on their unique and proven skills tacitly believed by corporate board members or company owners to be the stuff necessary to champion the needs of the corporation. In a perfect world, the corporate cream rises to the top in a comfortable and timely fashion - but we don't live in a perfect word - in fact, one could argue we live in a more imperfect world than we'd like to believe.

With that in mind, companies and industries the world over, are addressing the reality that a decade from now, their entire business landscape will be completely different!

Randy Moore, VP of York Region based Mister Transmission, knows the future looks bright for the products and services he sells. Mr Moore knows also, in a very short time, customers will have a greater choice - thanks to the Internet - to acquire similar solutions. The fact that Randy sees this as more of an opportunity than a challenge is recognition that even his marketplace is not static - this is a tribute to his positive and assertive outlook.

Company architects are [or should be] focused more diligently on grooming future executives on the strategic needs essential to run the business profitably in their NEW marketplace in the near future.

Let's face it; few executives get by today without a reasonable understanding of how to work a computer, the Internet, Excel, PowerPoint and so on. Just a few short years ago, it wasn't uncommon for senior exec's to rely totally on assistants for technical support - rendering their [exec] desktop computers as entertainment devices showing pretty fish and flying toasters.

What will tomorrow's corporate executives need to know? Will they need to be experts at computing? Will an MBA Degree be enough? Will the future of the company dictate a better understanding of Corporate Law - International or Domestic - Human Resources Issues, Strategic or Crises-Management expertise, Techno-Mechanical knowledge? ... etc.

In order to groom the next generation of corporate management, planners must be absolutely clear on what [broad-based] tactical skill-requirements will be essential for corporate leadership and growth. A clear and unequivocal business plan in tandem with future leadership skill-set-deliverables is the integral ingredients necessary to ensure the success of leadership succession.

No one's saying the CEOs of the future have to be experts in all fields or in all disciplines. Nevertheless, it will be increasingly more important that senior exec's have a comprehensive understanding for the challenges and disciplines for which they are ultimately responsible and therefore must manage.

Although for some the challenge to find or make the next great corporate leader may seem daunting, we can take some comfort in what former President Ronald Reagan once said, "Great leaders are not measured by what great things they do but rather by what great things they get others to do."

Bottom Line:

Succession Planning is strategic, tactile and deliberate involving a clear understanding of how corporations need to change in lockstep with strategies designed to groom future leaders to meet the need. Successful 'Transitionists' understand Succession Planning is both an Art and a Science.

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