

Beginner's guide to succession planning: Steps and processes

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Succession planning is a process that ensures your company is prepared for the future. That way, when a key employee leaves, you already have someone in mind to fill their position (who, hopefully, has been groomed for this eventuality).

Succession planning keeps your business moving forward during the inevitable changes that come with running a business. And such plans serve as an excellent tool for retaining your strongest performers, who often tend to be the type of employees who need to know where their career is headed.

Just like you need to know where your business is headed.

Be prepared to make succession planning an ongoing effort. You can't just sit in a meeting for two hours [studying your org chart](#), then go back to regular business and forget about it.

The best succession plans are living, breathing things that get reviewed and refreshed on a regular basis.

It's a process that, once you start, you need to continue. It's something your company should revisit annually to make sure people are on track and to see if there have been any changes or movement within the organization.

Here's your go-to guide on how to get started. Follow these tips:

1. Know who you are as a company

When it comes to succession planning, it's important to recognize that it's not a one-size-fits-all process. To get the most benefit from succession planning, your company's top management must begin with a clear idea of who your company is in order to plan properly for its future.

Consider the examples of an electric company versus Tesla. The electric provider is a company that promises consistency and reliability to its customers, while Tesla focuses on hard-charging, best-in-class performance. There's no right or wrong here – it just means different types of companies seek different types of leadership.

By understanding “who” your company is, you can better identify its potential new leaders.

2. Look at your *entire* organization

The next step is to assess your current workforce to identify key positions and key employees, recognizing that sometimes key employees are not in upper leadership but in support positions.

Yes, you need succession plans in place for the C-suite, but what about your shop foreman who never met a problem he couldn't solve? Or the customer service rep that every client loves and asks for by name?

The key to a successful succession plan is that you take a look at *all* of your employees and make sure you haven't missed any important person or position.

3. Determine your succession planning strategy

There are many ways you can go about succession planning. The best succession plan is the one that fits your organization. To determine what will work best for *your* business, consider these questions:

- Do you want a complete succession plan that includes every position and employee in your organization? Or, do you want a succession plan that covers only upper management and other important leadership positions?
- Will identifying and grooming successors be incorporated into your managers' performance reviews?
- Does your company have particular vulnerabilities, such as a large percentage of retiring employees in a particular division?
- What's your ultimate goal? What outcome are you hoping for?

Ultimately, any succession plan needs to focus on what you can do to proactively preserve the wealth of institutional knowledge that drives your company's productivity.

4. Identify your rock stars

Once you've identified key positions, you need to find two to three employees who would make good successors for each of those critical roles. This requires you to look at employee performance objectively, and to take personal attachments out of it.

Often, employees who are the most extroverted are the ones who get considered for promotion. But sometimes your strongest performers aren't the most visible. That's why you need to carefully consider every individual for both skills and emotional intelligence.

Your highest-potential employees will be lifelong learners who are both self-aware and socially aware. They'll also be great problem-solvers, adaptable and able to take on more responsibility. You'll want to avoid promoting people who tend to get involved in office drama, resist change and spread negativity.

5. Tackle tough decisions and discussions

You also need to have conversations with your employees to find out what their career goals are, where they see themselves in the future, and what development they (and you) feel they need in order to get there.

Be prepared to find that some employees you consider to be high potential for advancement aren't interested. That's okay. You need solid performers at every level of the organization.

Done right, succession planning can be a powerful recruitment tool, helping your organization improve retention and company culture. For the benefits to occur, though, it's important to communicate the hows and whys behind who has been tapped to move up.

Succession planning won't just help you build a future for employees you consider to be promotable; it will also expose the employees who aren't promotable, at least at this time.

For those who are not slated to move up, you need to be prepared to talk through the tough decisions you've made – and have what may be difficult discussions with some of your employees.

6. Understand that growth doesn't have to be upward

Your employees are the backbone of your company, especially the ones who do a good, solid job, day in and day out. But some of these employees may not have the potential to move up – either because they're already doing the jobs they're best suited for, or simply because they're not interested in rising through the ranks.

That's where your definition of growth needs to be expanded to include more than just upward mobility. Employees can also grow and develop laterally, positioning them to continuously improve at their current jobs and even find new meaning in them.

To keep your "solid Sams" happy, make sure they feel valued. These employees need to know that, just because they won't be moving up in the organization, it doesn't mean they can't still become the best they can be at their current job.

Let them know that you will continue to help them develop so they can stay fresh in their positions. To feed their need for recognition, you may need to expand their responsibilities to include training less-experienced employees or encourage them to speak at industry conferences. The possibilities are endless when it comes to personal development.

The most important thing is to make sure they feel that, even though they're not slated for the C-suite, their contributions are essential to the success of your organization.

Still not sure how to get started with your company's succession planning? Get more great tips by downloading our free e-magazine: [The Insperity guide to succession planning](#).