

The Seven Deadly Sins of Succession Planning

Caliper shows you how to save your company from leader loss hell

March 29, 2007 – Toronto, ON – As the boomer generation gets ready to retire, the words ‘succession planning’ are on the lips of CEO’s and business owners across the country – or they should be.

“You only need to read the business pages to know that not having a plan for succession can be a serious liability, yet companies seem to get hit from behind time and again,” says John Szold, managing director, Caliper Canada.

Succession planning not only ensures a continuity of leadership but it supports future growth through the retention and development of a company’s brightest talent. According to Caliper Canada, a psychometric assessment and consulting firm, effective succession planning can also be the key to increased motivation, performance improvement and a seamless transition from one management team to the next.

John Szold has identified some of the key challenges organizations face in what he calls the **Seven Deadly Sins of Succession Planning**:

1. **The job is for life** – The most common error organizations make is to assume that everything will remain the same. With no specific plans for succession in place, the inevitable can trigger a crisis. On the other hand, the development and implementation of an effective succession planning process can turn a potentially negative scenario into a positive opportunity of change and internal advancement.
2. **What this place needs is more people like me** – Leaders who hire or promote in their own self-image run the risk of creating a band of “Mini-me’s” rather than a well-balanced team in which the challenges of one member are balanced by the strengths of another. Many successful leaders, such as John Risley of Clearwater Fine Foods, have attributed their success to surrounding themselves with individuals who have complementary skills and strengths.
3. **What this place needs is new blood** – Bringing in new people may “shake things up” but it can also demotivate the individuals who have been contributing for years by robbing them of their opportunity to shine. Before adding “new blood” to the team, assess the skills and potential of existing employees – the company’s next CEO may be languishing in another role.
4. **Managing ‘things’ qualifies you to manage people** – Promoting the best functional specialists without assessing and bolstering their management skills can be a recipe for disaster. By implementing a process to identify which of these performers have the potential to be effective people managers, business developers, or project leaders, organizations can ensure that their best people grow and develop into roles that play to their strengths.
5. **Let’s keep this to ourselves** – Identifying high potential candidates for future leadership roles is the first step, but not letting them know about it is a mistake. Not only do companies run the risk of losing top performers to a competitive job market, but they also miss a valuable opportunity for development. An effective succession planning process can encourage and motivate high potential employees to aspire to advancement.
6. **Everyone wants to be a senior exec** – Not all managers want to face the stress of a leadership role. But these same managers can be a big asset to an organization. They can become excellent mentors and experienced resources within the organization – especially in times of transition.
7. **Blood is thicker than water** – Just because a son or daughter is in line to take over the family business doesn’t mean they’re qualified to be an effective leader. Call it the third generation curse but the truth is some well-known Canadian families, such as the Thomsons, have managed to pass their company from one generation to generation successfully while others, such as the Eatons and the Westons, have had bigger challenges.

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Another common succession planning sin is the assumption that businesses and marketplaces are static. Szold adds, "Many organizations work under the notion that 'nothing ever changes.' They assume that the competencies and traits needed to run the business five years from now are the same as they are today. But the entrepreneurial leader who successfully built a company from the ground up, may not have what it takes to run a bigger, more established company five or ten years down the road."

In contrast, suggests Szold, an effective succession planning process actually matches an organization's available talent to its future needs. And, by approaching and implementing succession decisions in a systematic way, crises are avoided and continuous performance improvement is reinforced.

About John Szold

John Szold, managing director and lead consultant in Caliper Canada's Strategy and Organization Development practices, is an expert in succession planning and performance management. Over the years, he has managed strategic change initiatives in such large organizations as Petro-Canada, Engel Canada and a host of owner-managed businesses. John holds an M.B.A. and B.B.A. from the Schulich School of Business, where he currently lectures in Marketing and Strategy at the post-graduate level. He has also been appointed an Adjunct Professor in the Faculty of Medicine at the University of Toronto where he teaches Health Services Marketing.

About Caliper Canada

Caliper is a psychometric assessment and consulting firm based in Toronto that helps organizations hire the right people, manage individuals most successfully and develop effective teams. Caliper works with organizations to develop and implement effective succession planning. In addition to identifying future managers and leaders, Caliper helps bring about development strategies that enhance future leaders' potential for growth and success.

A global organization, Caliper has assessed the potential and motivation of more than two million individuals and advised over 25,000 organizations worldwide. Clients range from large multi-national corporations to major league sports teams to start-ups and entrepreneurs.

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