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### **Effective Succession Planning – It's Not Just About the Colored Dots**

Succession Planning. For many organizations succession planning consists of the annual rite of dusting off the secret binder, reviewing the various color codes assigned to individuals, removing the names of people who have left the organization, perhaps changing a few of the codes and maybe even adding one or two people to the pool. Then it's back onto the shelf and everyone involved in the process is satisfied that his/her obligation to the company has been met for another year. But what has really been accomplished? What will be done with the data over the course of the coming year? Will anyone even look at the information before next year's exercise?

Given the anticipated changes in workforce demographics, effective succession planning is more important than ever before. Companies are recognizing that the old adage "everyone is replaceable" does not necessarily mean that individuals are replaceable on an equal basis with the ability to deliver equal results.

What has previously passed as succession planning could more accurately be described as replacement planning. In many cases, it involves looking at a select group of leadership positions within the company to determine who in the organization, at this point in time, is considered ready to fill a position should it become vacant over the course of the next year. Generally, this process results in a binder full of documentation which frequently includes placing colored dots next to individuals' names to indicate their respective readiness for the next level.

True succession planning is more than an annual exercise. It is a dynamic, strategic process that is woven into the structure of all aspects of business operations. It includes not just a talent review, but an active development process supported by all members of the company's leadership team. It also facilitates the development of a talent pool to support the evolving needs of the company. Companies that do not currently have, or are in the process of developing, a solid succession planning process may over the next several years find themselves on the losing end of the war for talent.

Initiating or revamping a succession planning process can be a daunting task. It needs to be undertaken in a strategic manner with the understanding that it will be an evolving process, not something that can be put in place overnight. It is also not something that Human Resources can undertake and implement without the complete buy-in and support of the company's leadership team.

If you are being charged with the task of creating and implementing a new process or redesigning an existing one, here are a few key questions to address to ensure you get started on the right foot.

- What is the difference between Replacement Planning and Succession Planning? What, if anything, are we currently doing with either?
- Who in the organization will "own" the process going forward?
- Does the company have a standardized method of evaluating talent that is applied consistently throughout the organization?

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- What data should be used in the process? What additional data may be needed following the talent review?
- How deep into the organization will the process go?
- When does it make sense to engage an outside facilitator?
- Will employees be told what their perceived potential is? What if it drops from year to year?
- How will you get an individual “ready” for the next level?

Additionally, the following is a partial list of questions to guide you through your process:

- Does the overall process align with and support the company’s strategic plans?
- In which positions are you vulnerable to losing talent?
- Who are the individuals most important for the organization to retain?
- What does each individual in the defined talent pool need to learn, experience, or demonstrate to reach the next level of readiness? How will this be facilitated, supported and measured?
- Who in the organization can be fast-tracked to higher degrees of readiness?
- Are you looking cross-functionally to evaluate talent potential?
- What new key positions may be needed over the next one to three years? What will the requirements be for each position? Who in the organization can be groomed or developed to be a potential candidate for the position(s)?
- What are the company’s identified talent gaps, both current and future? How will those gaps be addressed through the recruiting process?

The questions above represent only a basic overview of what you need to think about as you engage in succession planning. As stated earlier, succession planning can be a daunting process but it is critical to the future of every company. Your company’s employees are depending on you to get it right.