

Succession Planning involves a lot of things, particularly in the aspects of legal and financial issues. But have you considered the people aspects associated with succession? This guide is meant to help you start thinking about who will be involved in your succession plan and how to make sure the transition is positive and preserves your legacy. Let's start with some questions to determine how ready you are.

## Have you chosen your exit path and/or successor?

- Yes       No       Maybe

## Do you have a management team capable of running the company in your absence?

- Yes       No       I'm not sure

## In the event the unexpected happens to you, does your management team know what to do?

- Definitely     I hope so     Maybe       Not a chance

## My decision-making team consists of:

- Only me  
 Several supervisors  
 Managers in key areas  
 Independent decision-makers running all areas of the business  
 Executives developing all strategies as guided by my vision

## Communication among the leadership team is:

- Informal and inconsistent  
 Handled with weekly/monthly/quarterly meetings  
 Based on regular, open, structured, and productive interactions  
 Based on trust, shared values, and common vision for the future

## The documentation of our systems, standards, and processes is:

- Non-existent  
 Mostly verbal  
 Written, but unrealistic  
 Written, but out-of-date  
 Fully documented, but not always followed on a day-to-day basis  
 Fully documented, regularly updated, and followed in all areas

**In the event of my sudden absence from the business, my documented contingency plan for operations includes:**

- What contingency plan?
- A documented list of responsibilities that my managers can handle
- A succession plan for managers with written retention incentives for key staff
- Succession and retention plans, plus instructions for governance and continuation
- A complete contingency plan, including insurance to retire debt and fund working capital

**After I leave the company, I am planning to:**

- I don't know
- Just take it day-by-day
- Take up a hobby or volunteer for a non-profit
- Get a job
- Pursue my life's passion

**How did you do?** Do you think you're ready or is there work to be done? The remainder of this toolkit is focused on identifying the questions that need to be answered and understanding the "who" part of the succession equation.

As important as it is to think about who the future leader may be, succession planning is not just about determining who will step in when the person at the top departs. It is about identifying the critical positions within the organization and developing action plans that allow others to eventually assume those positions. A well-crafted succession plan helps maintain continuity, protect organizational knowledge, and reduce the risks associated with turnover. This process ensures you have the right people in the right jobs today and for many years to come.

## SUCCESSION PLAN TEMPLATE

### 1. Executive Summary

- **Purpose:** Briefly describe the plan objectives and the importance to the organization.
- **Scope:** Specify which roles the plan applies to.
- **Goals:** Outline the primary goals, such as ensuring leadership continuity, talent development, and organizational stability.

### 2. Identification of Key Roles

- **List of Critical Positions:** Identify the positions that are critical to the organization's success.
  - CEO/Executive Leadership
  - Department Heads
  - Specialized Technical Roles
  - Other mission-critical positions
- **Job Descriptions and Responsibilities:** For each identified role, outline the job description, responsibilities, and skills required.

### 3. Talent Pool Assessment

- **Current Talent Inventory:** Review the internal talent to determine current employees who may be capable of stepping into key roles.
- **Skills Gap Analysis:** identify the skills, experience, or leadership capacity that potential successors currently lack and how these gaps will be addressed (see the Individual Analysis form below).
- **External Talent Consideration:** If necessary, discuss plans for recruiting external talent to fill roles.

### 4. Development and Training Plans

- **Development Plans:** Identify leadership development initiatives, training programs, mentorship opportunities, and educational resources to prepare future leaders.
- **Job Rotation:** Implement job rotation programs to provide exposure to different aspects of the business and cultivate well-rounded candidates.
- **Mentorship and Coaching:** Designate current leaders or external mentors to guide employees through their development journey.
- **Timelines:** Set clear expectations for when employees are expected to be ready to step into new roles.

## 5. Emergency Succession Plans

- **Emergency Coverage:** In the event of an unexpected departure, identify interim leadership for critical roles until a permanent solution can be implemented.
- **Decision Process:** Establish specific criteria and processes for selecting interim leaders or successors in emergency situations.

## 6. Leadership Transition

- **Pre-Transition Preparation:** Outline steps for preparing for leadership changes, including knowledge transfer and organizational adjustments.
- **Transfer of Knowledge:** Plan for formal knowledge transfer including documentation of key processes, systems, relationships, and strategies.
- **Onboarding and Integration:** Once a successor is selected, provide a comprehensive onboarding plan to ensure smooth transition into the role.

## 7. Communication Plan

- **Internal Communication:** Define how to communicate the succession plan to employees to ensure transparency while maintaining confidentiality where necessary.
- **External Communication:** If needed, communicate leadership changes externally to customers, investors, partners, and other stakeholders.

## 8. Review and Evaluation

- **Monitor Progress:** Regularly assess the success of the succession plan and adjust based on organizational needs, employee progress, and leadership changes.
- **Collect Feedback:** Solicit feedback from employees and leadership on the effectiveness of the development programs and succession strategies.

# INDIVIDUAL ANALYSIS

Which members of your team could possibly become managers in the foreseeable future? What do they bring to the table and what skills or competencies do they need to be successful?

Date: \_\_\_\_\_

Employee: \_\_\_\_\_ Current Title: \_\_\_\_\_

Role(s) for which they may be suited: \_\_\_\_\_

Strengths they currently possess:

Potential struggles:

Development needs:

Current Status:

Emergency Cover

Ready in 2-3 Years

Ready Now



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