

STM SUCCESSION PLANNING

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☐ Written, but out-of-date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.