



# Getting Succession Planning Right

**5** ways to  
move from  
proactive to  
strategic



Just like your business continuity plan it's too late to consider succession planning when succession is a problem. No one is irreplaceable but succession has a nasty habit of creeping up on you when you least expect it. People leave directorships for many reasons; both voluntarily or otherwise.

Strategic board succession planning affords an organisation the minimum of disruption and maximizes the chance of future success. It makes succession an integral part of talent development for executive director roles and ensures the ongoing needs of the business are assessed against current and future needs.

## **1 Make it a key priority**

Succession should be a key business priority and if it is, it deserves a regular slot on the board (or relevant committee) agenda. Planning out the forthcoming year's agendas is a great way to ensure the right things get discussed at key times in the year.

## **2 Link strategy and succession**

Board strategy sessions are often a full or multi day event which plan out the next 1 to 5 years for the business. Aligning succession planning discussions with strategic discussions enables board resourcing to keep pace. In listed companies the 9-year maximum non-executive director term could also help or hinder future plans for the business. It's important to consider strategy and succession together to ensure one does not adversely effect the other.

## **3 Set clear expectations**

It's all too easy to feel elated when you've found the perfect candidate for a vacancy and consequently rush the 'legals' and the setting of clear expectations. Expected tenure should be set out in the letter of appointment and clearly explained to the individual. For many companies this is usually 3 years with the option to extend by mutual agreement thereafter.

## **4 Assess director skills and experience annually**

Many boards have a skills matrix but few are a true reflection of the reality of experience on the board. Why? It's difficult to self-assess and often directors feel their expertise in an area is stronger than it actually is. For instance, managing a department/function does not make you an expert in that field. Assessing the current and desired skills and experience should be carried out at least annually alongside individual director evaluations. Additionally, whenever key changes occur in the internal/external environment the skills matrix should be reviewed and updated.

## **5 Build a pipeline**

Many businesses are not large enough to have someone waiting in the wings ready to step up as a successor to a 'c-suite' role. That said, by building out a pipeline of internal talent team morale is boosted, and you never know, they might just get there! Either way, even if you don't have talent ready when a vacancy arises you will have a stronger team which is fit for the future.

**Unsure where to start or what you should have in place? Contact us for a no obligation conversation.**