

# Succession Planning Workbook

## GETTING BUY-IN FROM MANAGEMENT

SIGMA's Succession Planning process is designed to help organizations identify and develop internal high-potentials to replenish existing talent when it exits the organization.

This workbook walks through a series of exercises that can provide you with the information you need to sell succession to your management team.

# getting buy-in from management



A proven succession planning process provides a roadmap for success. The structure associated with a process-based approach ensures consistency across the company, aides in the communication of the plan across all levels of the organization, and provides the ingredients for success.

It is estimated that **70% of succession planning initiatives fail within two years because they lose support** from senior leadership. This is why it is essential that your first step in developing a succession plan be to build a strong business case for its importance. This should be personalized to both your industry and your organization to be as relevant and compelling as possible.

This workbook will walk you through a series of exercises to help build your case for succession planning.

After completing this workbook you will be able to identify:

- why succession planning is important,
- what your organization's current succession process entails,
- how your current process compares to expert recommendations,
- which areas in your organization are particularly vulnerable to sudden departures,
- the depth of your current talent pool, and
- next steps in the succession planning process

# setting up for success



to get the most from succession planning, you need...

- complete support from the CEO
- alignment with strategic planning
- a systematic approach to identify and develop future leaders
- transparent communication
- to incorporate objectivity, accountability, and measurement
- a simple process that is customized to your organization's needs

# where to begin



to gain buy-in from your senior management team, consider...

- why succession planning is important to your organization  
**why succession planning (p.4)**
- your current succession planning process  
**your current process (p. 5)**
- the structure of your company  
**your team (p. 8)**
- the strength of your current candidates  
**succession bench: nominate succession candidates (p. 11)**

# why succession planning



**the reason:** succession planning allows your company to plan for the future and ensure business continuity, despite potential personnel changes

**the benefits:**

- retaining organization-specific knowledge
- motivating employees to grow their skills with opportunities for development or promotion
- preventing high recruitment costs and associated delays

**the bottom line:** all organizations face turnover, and preparing for this inevitability will protect your organization and help train your next generation of leaders today



# your current process

Using the questions below, complete the worksheet on the next page. Write your answers under the **current succession process** column, leaving the **recommendations** column blank for now.

- who is involved?
- what are the selection criteria?
- how formalized is the succession program?
- how transparent is the succession program?
- how is the program perceived in the organization?
- how is the succession process communicated?

Then, complete the **is your succession plan set up for success?** checklist on p. 7 to assess the maturity of your current process and what areas need to be improved.

# current process



current succession process

recommendations

**who involved**  
persons with input

**how decided**  
forms of selection criteria

**how formal and transparent**  
degree recognized and understood by employees

**how perceived**  
management and employee perceptions

**how communicated**  
information forms and availability



# Is your succession plan set up for success?

Whether you believe your organization has Succession Planning under control or is woefully unprepared, the following *Succession Planning: Success Checklist* is a quick measure of the maturity level of your Succession Planning process and what areas need to be improved.

## Executive Support

- Is your Succession Planning initiative supported by your CEO?
- Is Succession supported by the entire leadership team?

## Process

- Do you use a proven Succession Process?
- Is that process easy to understand?
- Are you confident in your ability to explain the process at all levels of the organization?

## Communication

Are you consistently communicating the plan to:

- ... the board (if applicable)
- ... management?
- ... individual succession candidates?
- ... all members of the organization?
- Do you have formal conversations with leadership on their plans for retirement?
- Are leaders prepared to have candid discussions with their team regarding each candidate's readiness?
- Do leaders have the right tools to support development discussions with their successors?

## Documentation

- Is your Succession Plan formally documented?
  - Does the leadership team review the Succession Plan (at least) annually?
  - Is your Succession Plan updated (at least) annually?
- Does your Succession Plan include:
- ... detailed Success Profiles for each leadership role?
  - ... populated Succession Benches for each leadership profile?
  - ... Candidate Profiles for each succession candidate?
  - ... Development Plans for each succession candidate?
  - ... Documented Metrics to gauge the success of your plan?

## Accountability

- Does your plan include detailed timelines and deliverables?
- Do you have a process in place to hold participants accountable?
- Do you have a scheduled annual review that includes your entire leadership team?

## The Long Game

- Is the Succession Plan aligned with the organization's long-term Strategic Plan?
- Is there a plan in place for multiple levels of the organization (i.e., not just the CEO)?
- Are recruitment, hiring, and talent development aligned with your Succession Plan?
- Are Success Profiles built with the future in mind?
- Are you focused on developing pools of talent for each role vs. identifying one successor?

## Your Score

- 0-10** At risk for unexpected disruptions
- 11-15** Demonstrates need for improvement
- 16-23** Solid foundation with room to grow
- 24-28** Mature plan with minor adjustments needed

Regardless of your score above, our *Succession Planning Launch Series* can help. With just two separate half-day workshops, our series delivers a comprehensive full-year implementation plan customized for each member of your executive team.



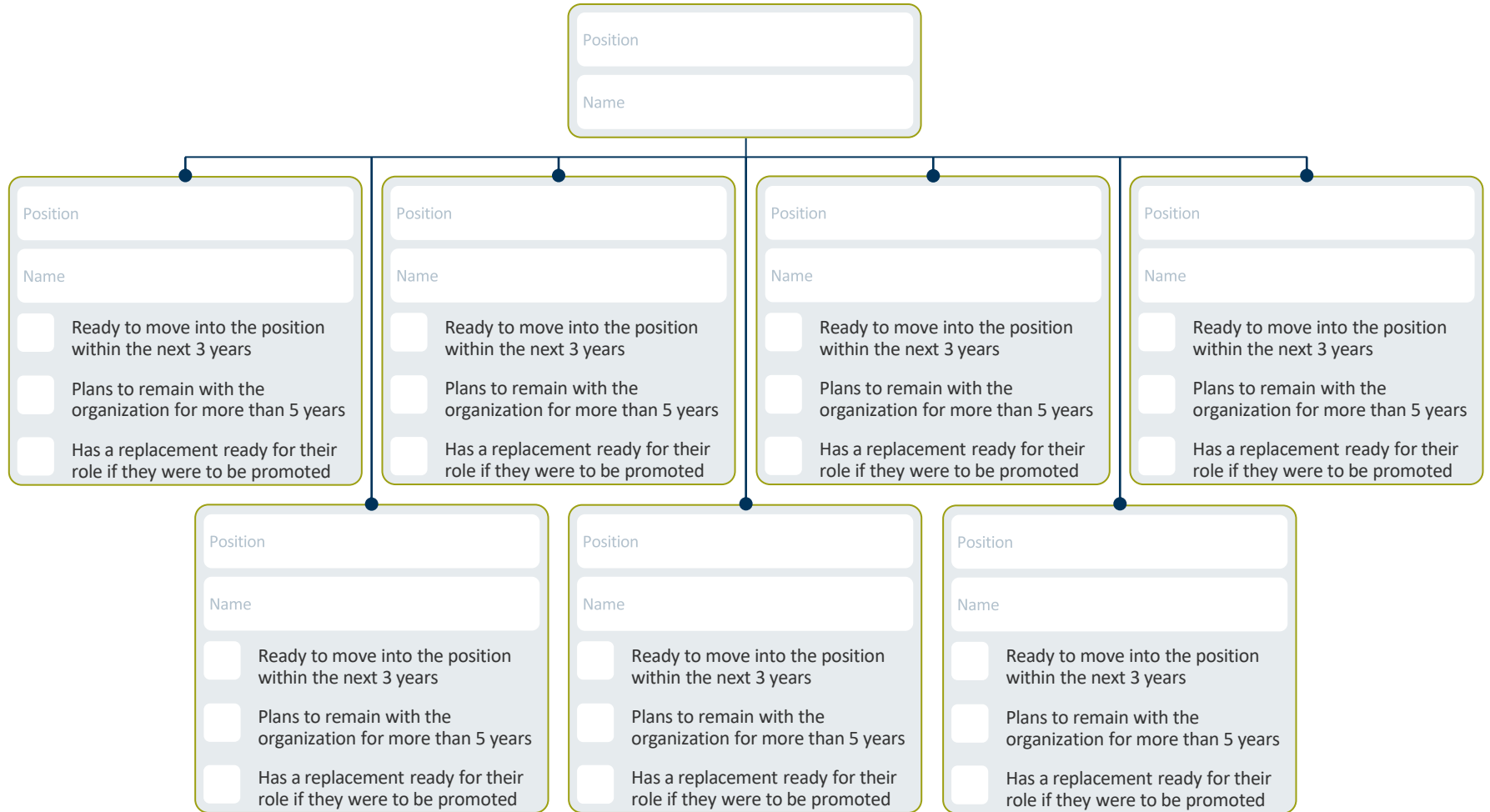


To get a better sense of those roles that should be a priority for your succession plan, complete the at-a-glance org chart on p. 9.

- place the CEO at the top of the chart
- add direct and indirect reports below the CEO, using as many pages and layers as necessary for your organization
- for each individual, check the boxes based on their:
  - readiness to move into the CEO position in the next 3 years
  - plans to remain with the organization for at least the next 5 years
  - availability of replacements for their current role

Take a moment to evaluate the completed organizational chart. Unchecked boxes indicate areas where succession planning is urgently needed. Roles with more than one empty box, or where several blank boxes appear together in a department should be flagged as the highest priority.

# SIGMASuccession at-a-glance org chart



# succession bench



The purpose of the succession bench is to evaluate the depth of your talent pool by tracking the readiness of succession candidates for critical roles.

- identify your most critical role for succession planning based on p. 9
- indicate the incumbent and urgency information for this position
- list succession candidates according to three levels
  - **level A:** candidates ready for role in **less than 3 years**
  - **level B:** individuals ready for role in **3 to 5 years**
  - **level C:** potentials ready for role in **more than 5 years**
- use the organization demographic columns to track candidates' intermediate growth through the organization via positions that move the individual closer to readiness for the focal role
- record progress toward succession position with time at each level

# succession bench



Succession Position	Current Incumbent	Eligibility Year	Urgency	Bench Strength
			☆☆☆☆☆	A:    B:    C:

Candidate List								
	Candidate Name		Progression to Succession Position			Succession Path		
	First	Last	Level C	Level B	Level A	Current Position	Next Position	Readiness for Next
Level A Ready in 1-3 years								
Level B Ready in 3-5 years								
Level C Ready in 5+ years								









Now that you've had an opportunity to evaluate your organization's succession process and succession bench strength take some time to...

- review your organizational chart for dependencies or areas of concern
- identify areas of high need:
  - roles where incumbent is eligible or likely to retire
  - positions that experience high rates of turnover
  - individuals that possess knowledge that is needed but not widely known
- consider the skills needed for success in these high-need roles
  - do you have anyone that already has these skills?
  - if a skilled person is promoted, who will fill their role?
- review SIGMA's succession process on p.13
- return to p. 6 and record gaps between your process and SIGMA's

# SIGMA's succession process



 <p>identify critical roles</p>	<p>Identify which roles your organization should target through its succession program.</p>	<p>At-A-Glance Org Chart</p>
 <p>build success profiles</p>	<p>Describe the talent composition required for each critical role at the present time and according to your organization's future needs.</p>	<p>Success Profile</p>
 <p>nominate successors</p>	<p>Identify and select candidates for critical roles by creating a bench for each position.</p>	<p>Succession Bench</p>
 <p>assess development needs</p>	<p>Summarize the talent profile of each succession candidate and identify gaps to target through development.</p>	<p>Candidate Profile</p>
 <p>develop talent</p>	<p>Outline or update development plans for each candidate and track recommended and completed development activities.</p>	<p>Development Actions Form</p>
 <p>measure progress</p>	<p>Update the scorecard, tracking various indicators of improved succession planning outcomes.</p>	<p>Talent Progress Scorecard</p>

# how SIGMA can help



After completing this workbook you should possess the information needed to speak with your management team about the importance of succession planning, particularly for those roles which may be vulnerable to sudden departures.

If your company needs help developing or implementing a succession plan, **SIGMA can help**. Contact your SIGMA consultant for more information.



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