

THE EXTRA POINT

BY JERRY ROBERTS



1259 Random Thoughts About Corporate Succession

Yesterday, we talked about finding a successor if you own a small business. Today, we turn our attention to the corporate sector and the conversation has to go deeper than just the CEO. I'm Jerry Roberts, and let's talk about having people ready to step up when needed. That's next, on The Extra Point.

You're the leader of a growth-oriented company with 200 employees, and a 90% retention rate. If those numbers hold, you'll have to replace 20 workers a year.

Many of those hires will come through the normal HR process. The leader won't have to be involved. However, if a senior manager or other key talent leaves, that should bring the CEO into the picture.

Before we go further, if you'd like transcripts for the first two conversations on succession, you can download them at guamtraining.com. Go to the site and click "XP" on the top menu, then click on #1257 and #1258.

Somebody once asked me when a CEO must start thinking about management succession? My guess is that he wasn't expecting the answer I gave: "Immediately upon taking the job."

One of John Maxwell's favorite quotations is that the number one job of a leader is to create more leaders.

The term "leadership *bench*" is used today, to describe the talent beneath the CEO position. The people who are ready to move up in the organization as the need requires.

Here's a question, and you don't have to be a CEO to answer it. If you've been paying close attention where you work, how would you rate the leadership bench for your employer?

Do you have qualified people ready to step up and fill all key roles if necessary — including the CEO and other senior positions?

Second question. If those people were called upon to take over positions today, are there others ready to move up into the jobs they vacated? The leadership bench is important, and these questions have to be answered.

Over the years I've seen CEOs struggle with finding the needed talent to match up to high profile jobs. The bench didn't provide who they needed, and they ended up going outside of the company to secure talent. Sometimes that works and sometimes it doesn't.

If you swing and miss on management hires, it can cost you a ton of money, along with the loss of confidence of your team.

I've seen corporate leaders and business owners put off dealing with growing talent, and it has cost them dearly. Successful companies spin out of control when something happens to the leader and nobody is ready to handle the challenges that follow.

This is a big topic, and I can't solve it in three minutes. That being said, let me ask more questions, which might get you started.

1. Assess the talent on your leadership bench. Be honest, is what you see good enough to handle pretty much whatever gets tossed their way?
2. Where are your gaps? Which positions need improvement? Is that a training situation, or do you need to consider different personnel?
3. Which positions will need to be filled in the near future, say within three years, due to an expansion or people retiring?
4. Who are your rising stars? You'll likely need to have opportunities for them in the near term, or they could leave you.
5. Do you have personal development plans in place for at least your key talent? (Con't.)

6. Do you talk about goals, vision, and future growth with your return?

7. Are you well-acquainted with other talent in the market? If one of your premier assets says “sayonara” tomorrow, do you know who you would reach out to for an offer?

The optimal situation is where the CEO gets not just HR involved, but all managers and other key staff. Talk up talent development, and where you’d like to see thing go. Maybe people will surprise you and jump onboard, pushing this issue to the forefront and sharing the load.

Get ahead of your succession issue, assess your leadership bench and get a plan together to address your needs, then make growing talent a “thing” in your place.

That’s the Extra Point. Be responsible and make something good happen today. For 93.3 and the Ray Gibson Show, I’m Jerry Roberts.

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