

Business Succession Planning

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BENEFITS OF SUCCESSION PLANNING:

- Decreased turnover
- Increased employee satisfaction
- Improved commitment to company goals
- Enhanced image of the organization

WHAT DOES SUCCESSION PLANNING REQUIRE?

- Identify the long-term goals and objectives of the business
- Understand the developmental needs of the company and identify employees who fit these needs
- Recognize trends in the workforce and engage employees to build loyalty

Deciding What You Need

- **Turnover becomes critical:** The number of high-potential workers leaving is higher than average workers leaving.
- **Employees feel undervalued:** When a majority of your employees feel that there is no room for advancement or that you choose too many outside hires, there is a succession-planning problem.
- **There are no replacements for key talent:** Should a valued member of staff suddenly leave, there is no one able to take his or her place.
- **Managers notice that there are not many candidates for promotion:** Employees who are not developed for leadership will never be promoted.
- **The time to fill metric is high or unknown:** The time to fill metric is the average length of time that it takes to fill a position.
- **The retention risk analysis is high:** A risk analysis uses different factors to determine the potential number of employees who will leave.

Develop a Mission Statement

- Statement of Purpose:** This explores the purpose inspiration of the company.
- Statement of Strategy:** The statement explains how the business strategy connects with employees and customers.
- Statement of Value:** This links the strategies of the organization with the values of employees and consumers.
- Statement of Behavioral Standards:** Employee behavior is linked to the company's values in this statement.
- Statement of Character:** The culture of the company is outlined in this statement.

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Develop a Vision Statement

- **Determine the values of the company:** Ask people how they feel about the future of the organization and its values.
- **Discover future goals:** Find out what vision people have of the company in the future. Attempt to create specific future goals.

Write and rewrite: Vision statements should be able to change. Once a vision statement is drafted, it can and should be altered as the market changes and the company develops.

Identifying Strengths

TYPICAL COMPANY STRENGTHS

- Customer loyalty
- Products
- Customer service
- Financial gains
- Employee loyalty
- Research and development

Identifying Weaknesses

TYPICAL WEAKNESSES:

- Inefficient customer service
- Poor finances
- Low quality products or services
- High employee turnover
- Disloyal customers
- Bad relationships with vendors

Identifying Opportunities

TYPICAL OPPORTUNITIES:

- Growing markets
- Advancement in technology
- Economic stability
- Demographic changes
- Mergers

Identifying Threats

TYPICAL THREATS

- Price wars
- Buyers markets
- New competitors
- Demographic changes
- Advancement in technology (makes your product obsolete)