

# Succession Planning

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"Helping First Nations Succeed"

# Agenda

- Background
- Succession Planning Process
- Accountability
- Benefits
- Accessing Potential and Readiness
- Accessing Vacancy Risk
- Successor and Replacement Planning

# Dan Rochon, CPA, CA

## Mission

- Apply a broad range of skills and experience to different industries and different-sized companies. Expertise in business plans, budgeting, forecasting, financial analysis, management reports, cash management and internal controls.

## Vision

- To see Aboriginal communities succeed while maintaining their culture and traditions.

## Values

- Mutual respect
- Integrity
- Commitments matter

# What is Succession Planning?

Succession Planning is the process of identifying and developing internal people with the potential to fill critical business roles. The goal is to identify and develop the **right people** with the **right skills** at the **right time** so that, when a vacancy occurs, the organization is prepared to mitigate business risk by having a talent pool of internal candidates available and ready to fill these roles.

Right  
People

Right  
Roles

Right  
Development

Right  
Performance



# Succession Planning Process



# Plan

- Identify talent demand
- Business strategy & planning
- Identify key positions (i.e., critical and pivotal roles)
- Identify other future roles

# Assess

- Complete talent analysis (supply)
- Assess performance & potential (talent reviews & calibration)
- Career conversations
- Validate successors (and replacements)

# Act

- Generate development plans & development strategies
- Execute talent action plans
- Support transitions
- Communicate changes

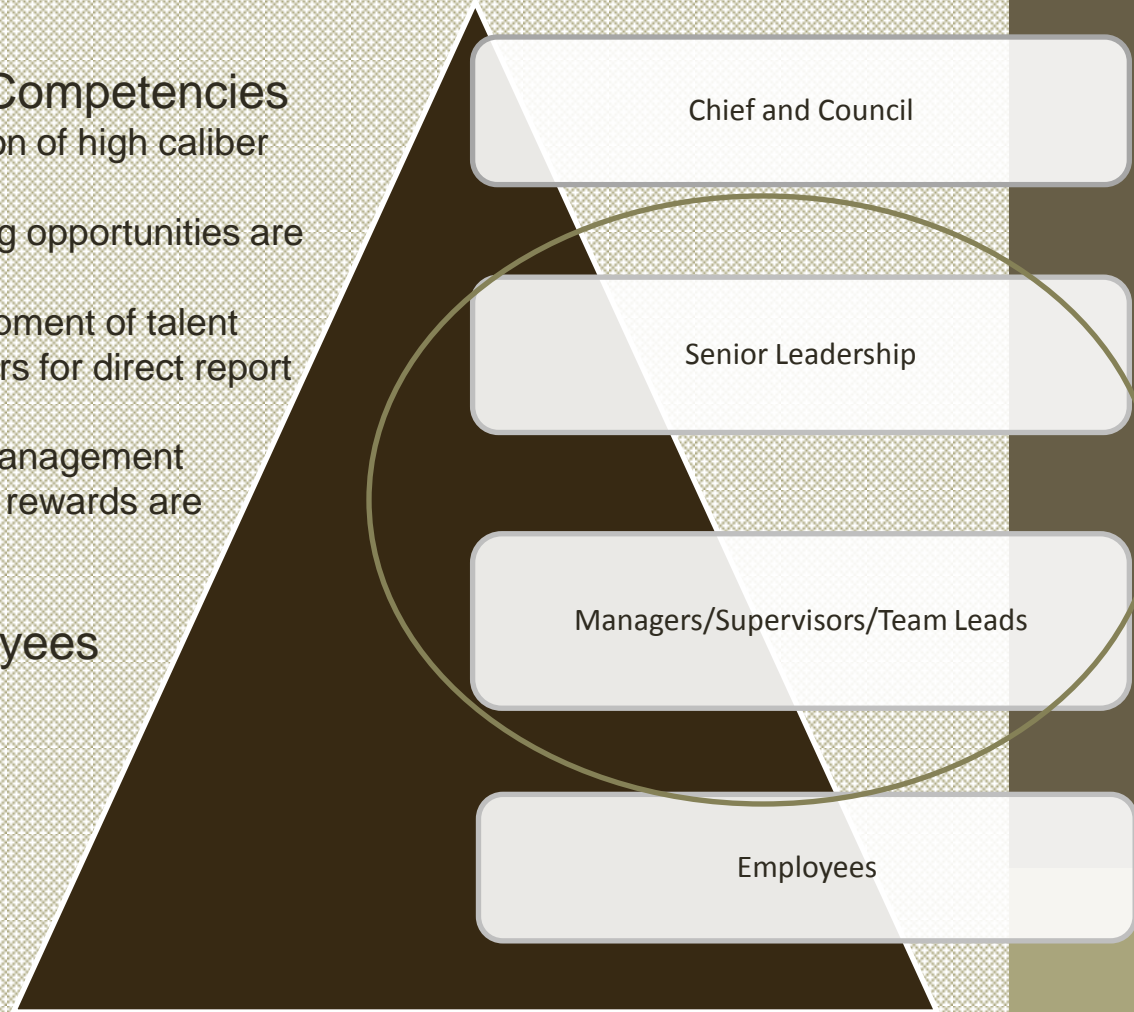


# Review

- Monitor talent (retention, engagement, rewards)
- Process improvement & training
- Assess development programs

# Accountability

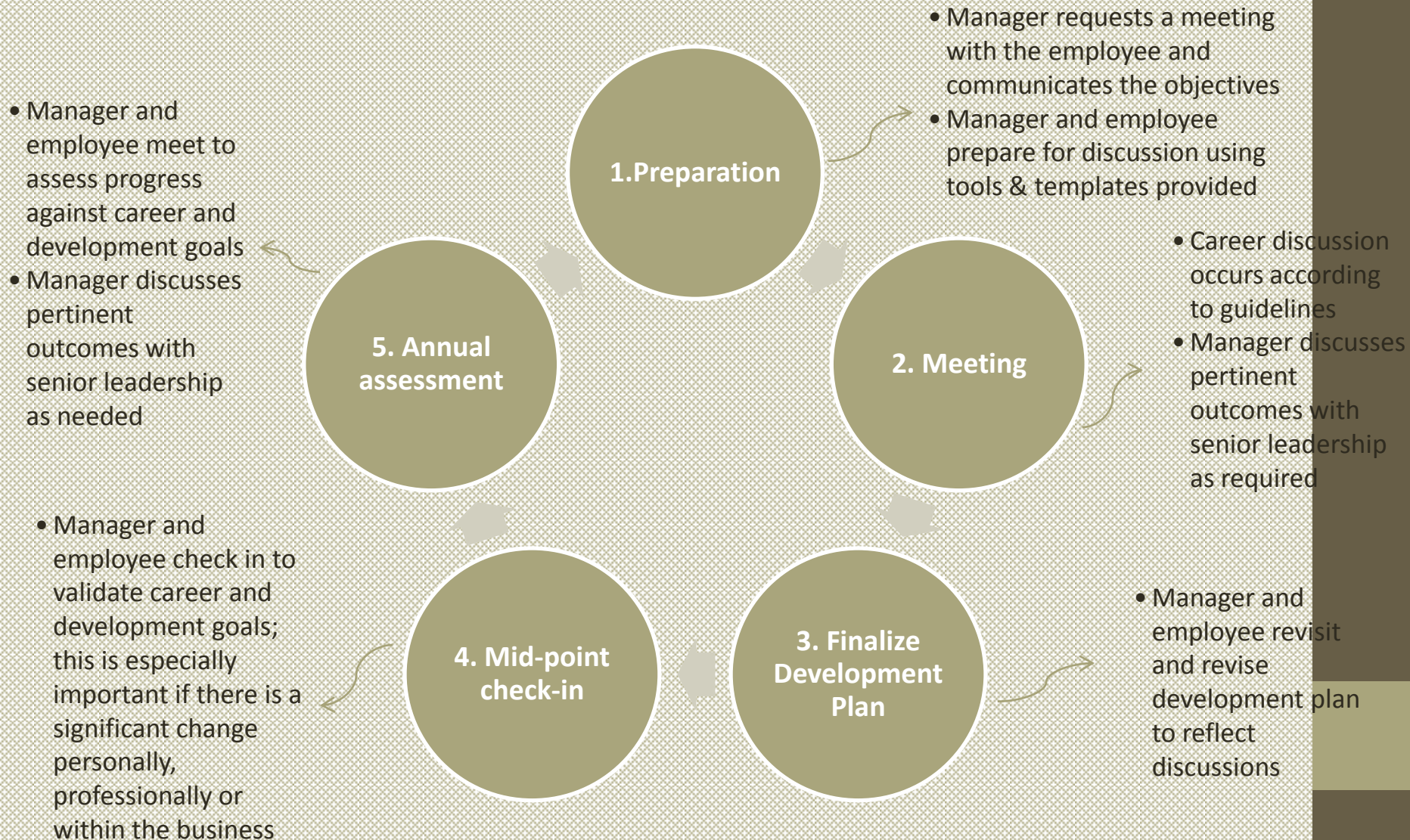
- **Leading People - Leadership Competencies**
  - Leaders contribute to the attraction of high caliber individuals
  - Ensures development and training opportunities are available to employees
  - Support identification and development of talent
  - Identifies and develops successors for direct report positions
  - Ensures effective performance management practices in the unit/function, and rewards are aligned with this feedback
- For the success of your employees in their roles and careers
- Retention of High Potential employees



# What are Career Conversations?

- Discuss future career plans and aspirations to engage with employees.
  - Focus on high potentials and identified successors
- Confirm employee career interests, aspirations, and agreement on the action plans to achieve them
- Provide an opportunity to ground aspirations in reality and clarify the efforts and commitments required
- Strive to confirm mobility and any other barriers – personal or professional – that may stand in the way of achieving a long-term career plan at a given point in time

# Steps in the process



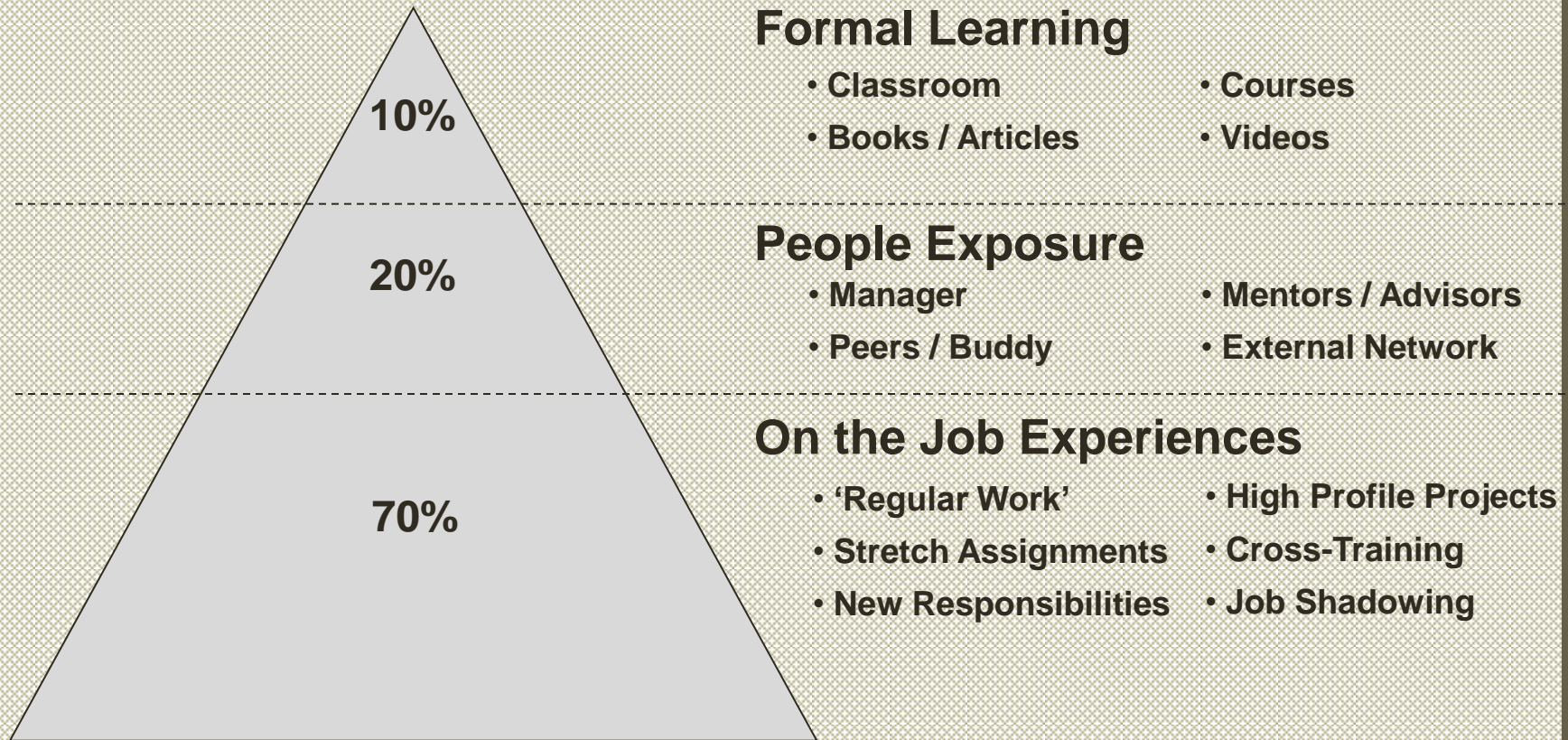
# Business Benefit

- Effective deployment of skills
- Improvement of organizational performance
- Attraction & retention of top talent
- Capitalization of employees' full potential
- Continual evolution of roles
- Growth of skills and experience to meet business needs

# Employee Benefit

- Clearer future direction
- Improved self-insight
- Increased information regarding career opportunities
- Elevated sense of confidence and feeling valued by the organization

# Development Planning: How People Develop



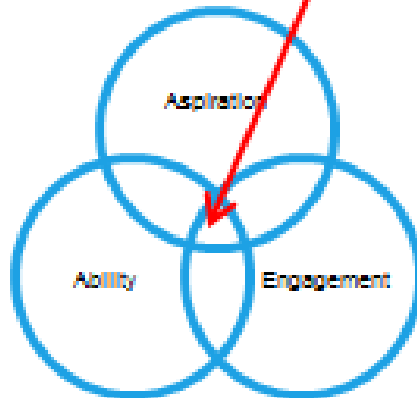
The most **effective** development plans will reflect this model



# Assessing Potential

## Identifying Potential

*Potential is individuals' ability, aspiration, & engagement to take on higher level roles & responsibilities*



Performance vs. Potential:

Performance =

- ✓ Effectiveness in current role
- ✓ Measured by the annual performance review process
- ✓ Drives pay decisions and development at current level

Potential =

- ✓ Ability to perform in a more senior, complex roles
- ✓ Drives development and succession planning for future



# Ability Assessment Questions

- Is the employee recognized as an expert in the field by people within and outside the organization?
- Does the employee have the interpersonal skills and emotional intelligence critical of a leader?
- Does the employee require minimal supervision, even on new/unfamiliar tasks?
- Does the employee gain new skills and abilities more quickly than peers?

# *Aspiration Assessment Questions*

- Does the employee aim to assume more responsibility year after year?
- Is the employee willing to make difficult work-life tradeoffs to further the business?
- Does the employee strive to be recognized within and outside the organization?
- Does the employee display initiative to take on responsibilities outside his/her role?

# *Engagement Assessment Questions*

- Does the employee “pitch in” and help others when they have a heavy workload?
- Is the employee personally connected to the success of the organization and his/her team?
- Does the employee set a high bar for excellence and motivate his/her team to exceed expectations?
- Is the employee positive about the organization and his/her career trajectory within the organization?

# Assessing Readiness

- When considering readiness for promotion, it is important to think about the type of role the employee is preparing or ready for, as this may impact the readiness timeframe due to development requirements
- Types of roles we have in our organization are:
  - **Functional Management** describes the authority and accountability to deliver resources through jobs in a defined area of the business
  - **General Management** describes the authority and accountability for resources, including human, financial and material, that encompasses multi-job functions across multiple locations, for indefinite time periods
  - **Project Management** describes the authority and accountability for a specific assignment, with defined timelines, budgets and deliverables

# Assessing Vacancy Risk

## 1. Reasons for the risk

- Sometimes the reasons and the timing are better understood (i.e., retirement) and other times they are less clear (i.e., personal, job, opportunity) and may require further information gathering
- The **more senior** or business-critical the role, the higher the assessed risk should be

## 2. Timing associated with that risk

- **High** (risk of leaving is imminent or executive level role with risk of leaving within next 6 months to 1 year)
- **Medium** (risk of leaving is within the next 6 months to 1 year)
- **Low** (no risk of leaving or risk of leaving is more than 1 year away)

# Successor & Replacement Planning

- The Senior Leadership Team conducts replacement planning and identification of successors using the 9-Box Talent Grid.
- **Replacement:** individuals who would be able to assume the duties of the position in the short-term should the position become vacant immediately.
- **Successor:** individuals that are being groomed and developed to move into higher roles of accountability in the organization.

# Assessing Talent

- **Potential: Ability to perform in a more senior leadership role**
  - High - significant upward movement anticipated
  - Medium - upward movement to a role with increased scope/responsibility (Sr. Manager, Controller, Manager)
  - Well Placed - no immediate, future growth or lateral move
- **Promotion Readiness: Timing based on the next likely role**
  - **Within the current year/ready-now**
  - **Within the next 1 to 2 years**
  - **2+ years**
  - **N/A**



# 9-Box Talent Grid Overview



<b>L</b> <b>e</b> <b>a</b> <b>d</b> <b>e</b> <b>r</b> <b>s</b> <b>h</b> <b>i</b> <b>p</b> <b>P</b> <b>o</b> <b>t</b> <b>e</b> <b>n</b> <b>t</b> <b>i</b> <b>a</b> <b>l</b>	<b>HIGH</b>	<p><b>G</b></p> <p>Readiness: n/a</p> <p>Requires: Further orientation, learning &amp; experience</p> <p><b>New</b></p>	<p><b>B</b> <b>Promote</b></p> <p>Readiness: 1-2 or 2+ years</p> <p>Requires: Significant time &amp; attention to demonstrate full capability through performance</p>	<p><b>A</b></p> <p>Readiness: Within 1 year</p> <p>Requires: Promotion, high attention, coaching &amp; development</p>
	<b>MED</b>	<p><b>H</b></p> <p>Readiness: 1-2 or 2+ years</p> <p>Requires: Performance improvement plan &amp; role review</p> <p><b>Manage</b></p>	<p><b>D</b> <b>Develop</b></p> <p>Readiness: 1-2 or 2+ years</p> <p>Requires: Coaching to improve performance &amp; stretch to validate their potential</p>	<p><b>C</b></p> <p>Readiness: Within 1 year, 1-2, or 2+ Years</p> <p>Requires: Continue to develop for future leadership skills by coaching &amp; challenging</p>
	<b>WELL-PLACED</b>	<p><b>I</b></p> <p>Readiness: n/a</p> <p>Requires: Coaching to improve performance, exit strategy from role or Company</p>	<p><b>F</b> <b>Retain</b></p> <p>Readiness: n/a</p> <p>Requires: Coaching to improve performance</p>	<p><b>E</b></p> <p>Readiness: n/a</p> <p>Requires: Encouragement &amp; recognition to ensure retention &amp; high performance</p>

NOT MEETING

MEETING

EXCEEDING

**Annual Performance Rating / Contribution**



# Conclusions

- Goal is to identify and develop the ***right people*** with the ***right skills*** at the ***right time***
- Need a development plan for employees
- Discuss future career plans and aspirations to engage with employees.
- Assess potential for advancement
- Assess readiness and vacancy risk

**Thank you for your time and attention !**



**Questions ?**



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