

Succession Planning: a four-step approach to future viability



Succession Planning: a four-step approach to future viability

In today's dynamic business environment of uncertainty and talent scarcity, organisations that fail to prioritise succession planning risk jeopardising their future viability and competitiveness. Effective succession planning helps organisations reduce the risks associated with leadership gaps, preserve institutional knowledge and foster a culture of talent development and growth.

Despite this, succession planning remains underdeveloped in many companies. A **lack of external benchmarking**, appointments based on **short-term goals**, **insufficient assessment data** and **unprepared candidates** are amongst the primary contributors to poor leadership succession. To cover for those elements, we propose a four-step approach.

STEP 1 Identify

To secure successful Succession Planning, we believe that organisations should thoroughly invest in identifying potential, both inside and outside of the organisation, from an early stage. This might seem obvious, but few organisations actually invest in this element for the purpose of Succession Planning. Even though it can be tempting to only look at potential successors within the organisation, this disables the organisation to accurately assess whether their internal talent meets (or exceeds) the industry and leadership standards required for success. To allow for this benchmarking, the first step is to create a market mapping and a longlist to identify potential talent. This shapes the foundation of the further enrolment of the Succession Planning strategy.

STEP 2 Qualify

When the talent pool is identified, the next step is to qualify potential candidates. One of the main mistakes organisations make when qualifying talent is only focusing on their past performance. Meanwhile, the business environment is continuously evolving and increasing in complexity. As a result, success in the past does not necessarily mean that a candidate will be successful in facing future challenges of the organisation. Therefore, it is important to develop a clear understanding of the type of leadership that is needed to face the specific challenges of the organisation from a perspective of background (CV), competencies, experiences and motivational drivers. Through this approach, organisations will complete a well-balanced puzzle about talent and in which roles they might be successful. With this in mind, the qualification phase starts by connecting with potential candidates, gain market insights and move towards a list of qualified candidates.

STEP 3 Assess

Another pitfall in many succession planning strategies is that decisions are frequently made based on gut feel and intuition, or by previous experiences, rather than the use of a rigorous and standardised approach, which is backed by assessment data. As stated previously, past performance does not guarantee future performance and this approach does not consistently lead to the consideration and selection of the best candidates. A more effective approach to this is to compare candidates against the organisational strategy, the role, team and organisational context. Based on the combination of these elements an ideal leadership profile can be developed, against which candidates can be assessed and compared in a standardised way. To get a full understanding of the extent to which candidates meet the requirements, a combination of assessments and competency-based interviews is crucial. This approach will result in insight into one's leadership potential, weaknesses, opportunities, and risks, shaping the foundation of well-informed decision-making about each (potential) candidate's fit with roles or the organisation as a whole.

STEP 4 Develop

The last contributor to poor leadership appointment is candidates being unprepared. When organisations take a reactive approach in succession planning, they will search for a new leader when another one (suddenly) leaves. The risk that lies in this approach, is that potential talent might not be ready when needed, leading to unnecessary performance risks. With a proactive approach, talent is identified, qualified and assessed in an early stage. Leveraging these insights allows an organisation to identify whether there are potential candidates who will be able to successfully execute the organisation's strategy, and in which areas further leadership development is needed. This leadership development can be done in a variety of ways, both inside and outside of the organisation, for example through leadership programmes, coaching and training. As the development needs are derived from the strategy of the organisation, talent development in this phase will be mutually beneficial: it will help the candidate increase their personal impact whilst developing their potential to succeed in executing the organisational strategy.



“ A four-step approach
to future viability ”

Conclusion

In this proactive approach to succession planning, organisations are challenged to broaden their perspectives and look beyond the obvious. By objectively identifying talent both inside and outside the organisation and proactively investing in the development of talent, organisations ensure they select the best leaders. Even though one of the main goals of succession planning is to ensure a smooth transition of leadership and maintain the continuity of essential roles in the organisation, succession planning is not limited to executive or C-suite positions; it can extend to various levels of leadership within the organisation and can foster a culture in which talent can thrive.

Contact

We eagerly invite you to connect with us for a meaningful discussion on Succession Planning. Are you curious about the future readiness of your team? Let's engage in a conversation to explore the extent to which your team is poised for the future. Your proactive steps today can pave the way for a resilient and thriving organisation tomorrow. Let's shape your succession strategy together. Contact us now to initiate the dialogue.



Mariëlle Fledderus
Associate Consultant
Leadership

Mariëlle is an Associate Consultant Leadership across all practices within Odgers Berndtson Netherlands. In

her role she carries out assessments within organisations regarding leadership challenges. Exploring - together with the business - what can be done to optimally transform the organisation and make full use of available qualities. Her way of analysing and reporting is reflective and thorough.

marielle.fledderus@odgersberndtson.com



Ed van der Sande
Senior Partner
Leadership Services
Practice

Ed leads the Leadership Services practice and is a

trusted Counselor to a number of organisations in the business. Adding value by identifying and developing powerful leaders and teams that fit the desired strategy and culture. To realise client and candidate ambitions, Ed is always looking for ways to move forward and innovate.

ed.vandersande@odgersberndtson.com

Odgers Berndtson Netherlands
Valley, Tower West, 6th floor
Beethovenstraat 531
1083 HK Amsterdam
Netherlands
+31 20 7130 67

About Odgers Berndtson Netherlands

For over 50 years, Odgers Berndtson has helped organisations all over the world find the senior talent to drive their agendas.

Odgers Berndtson Netherlands is based in Valley Amsterdam, where we work with 35 colleagues in different teams.

We deliver executive search, assessments, leadership services and development to businesses and organisations varying in size, structure and maturity. We do that across numerous sectors, whether commercial, public or not-for-profit and draw on the experience of partners and their teams.

Our people are empowered to be curious, creative and agile. We are inclusive and diverse, and we encourage our people to be true to themselves. We form strong relationships with talented people between our **colleagues** and with our **clients** and **candidates**. Our strength lies in the partnerships we develop, where our clients can acquire, develop and retain their strongest leaders. This is what we promise, and we are committed to delivering it.



