Succession Planning Guide

SIGMA's Succession Planning Guide outlines a straightforward process for identifying and developing individuals within the organization to replenish existing talent when roles become vacant.

This planning guide takes users through SIGMA's 6-stage succession cycle to: identify critical leadership roles, build leader success profiles, nominate high potential talent, assess development needs, develop talent, and measure your organization's progress. The guide provides templates for each stage.

SIGMASuccession
succession planning process

A proven succession planning process provides a roadmap for success. This structure ensures consistency across the organization, aides in the communication of the plan across all levels of the organization, and provides the ingredients for success.

Our succession planning framework and accompanying templates on the following pages should give you a sense for what is required at each stage of the process along with some helpful tools to get you started.

Identify Critical Roles

There is typically no shortage of need when it comes to succession planning. However, it is important to take a measured approach when introducing succession planning into an organization for the first time. With this in mind, the first step is to identify which roles your organization should target based on urgency and how critical the role is to the business.

TOOLS/TEMPLATES: Critical Role Identification Questionnaire; At-A-Glance Org Chart (p. 6 & 8)

Build Success Profile

Now that you've narrowed down the need to your most critical positions, we can focus on understanding the requirements of each role. At this stage, we define the talent composition required for success by incorporating present and future needs. This step will provide the target that we'll aim for when selecting and developing future leaders.

TOOLS/TEMPLATES: Success Profile, LSP-R, MEIA-W-R (p. 8)

Nominate Successors

The Success Profile in the previous step is the lens we'll use when selecting candidates for succession. This is a stage where a formal process adds much-needed credibility and transparency to combat perceptions of favoritism.

Results from the nomination survey are used to populate a draft Succession Bench that groups successors based on their readiness and provides an 'eye-test' measure of bench strength for the incumbent's role. A well-maintained Succession Bench is also a great way to measure the success of your succession plan.

Assess Development Needs

The nomination survey is just the first step in evaluating your bench strength. At this stage, there is an opportunity to add objectivity through scientifically validated leadership assessments. The assessments do not take the place of the candidate's history and experience, but add a unique perspective at an incredible level of depth. Any succession planning process should incorporate an objective assessment to measure the talent profile of each succession candidate and to identify gaps that can be targeted through development.

TOOLS/TEMPLATES: Candidate Profile, LSP-R, MEIA-W-R (p. 16)

Develop Talent

To make your succession process truly succeed, you now need to follow up on the assessment phase by creating a development plan that will help potential successors fill in the gaps in their skills and experience, and progress into readiness for their future roles. This is where the work comes in as development plans are managed for each candidate and recommended and completed development activities are tracked. At a minimum, create a development plan for all your high-potential succession candidates. In a perfect world, you would have development plans in place for your entire Succession Bench.

TOOLS/TEMPLATES: Coaching Plan, Development Actions Form (p. 17 & 19)

Measure Progress

Tracking measurable progress indicators and regularly sharing the results with key stakeholders demonstrates the value of your succession plan and keeps its importance top of mind. When you're just starting out, you might not like all the numbers, but if you set and communicate reasonable expectations from the beginning, in time you'll be able to show year-over-year progress.

Get started today by looking at what you can easily measure now and gathering those numbers. Set a calendar reminder to review, compare, and communicate progress every six months. Even if you only track one metric, get in the habit of recording it, attaching a dollar value if possible, and conveying that to your stakeholders.

TOOLS/TEMPLATES: Talent Progress Scorecard (p. 21)

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SIGMA's succession process

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

critical role identification questionnaire

the goal: identify the roles your organization should target in your succession program

the steps:
- list the roles that you think will be important to include
- start with ly   g upper management and leadership p   ve staff, and areas with high depend   p in skill sets
- rate each ro
  - urgency: on?
  - impact: what impact would a vacancy have on the business?
  - skills: does the role require any specialized knowledge or skills?
  - internal talent: are there any internal candidates ready now?
  - external talent: how difficult would it be to hire for the role?
- calculate a total score for each role and star the roles that will be critical to include in your succession plan

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critical role identification questionnaire

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| 1 | Not true of this role | 2 | Slightly true of this role | 3 | Somewhat true of this role | 4 | Moderately true of this role | 5 | Extremely true of this role |

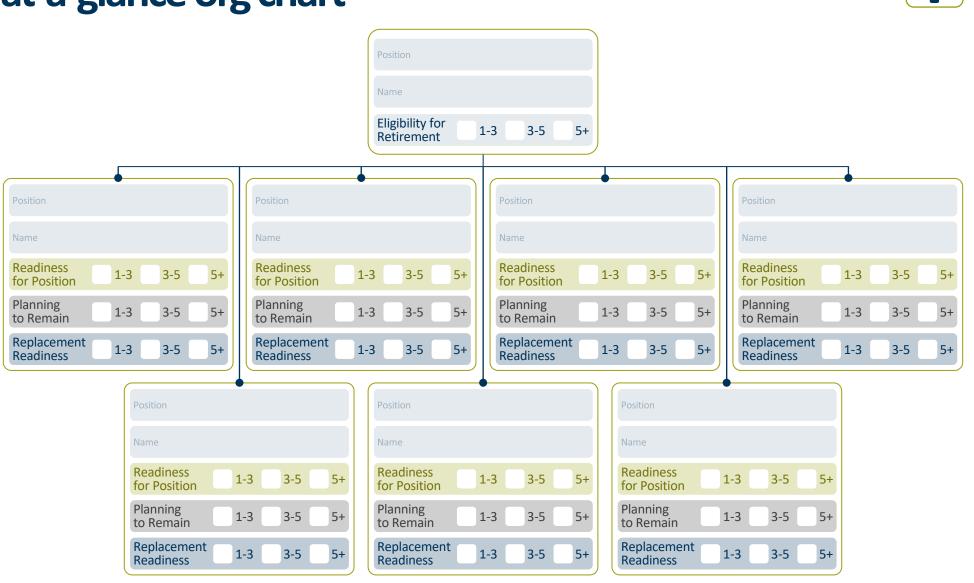| Role	Urgency This role is likely to be vacant soon (i.e., retirement)	Impact A vacancy would immediately impact business	Skills Role requires specialized skills or knowledge	Internal Talent No internal candidates are ready for this role	External Talent Hiring externally for this role would be difficult	TOTAL	★
	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5		
	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5		
	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5		
	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5		
	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5		
	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5		
	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5		
	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5		
	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5		
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	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5		

at-a-glance org chart

the goal: identify the urgency for succession planning for each of the critical roles you have identified

the steps:
- enter the name of the current incumbent, their position, and when they will be eligible to retire
- list the incumbent's direct reports
- rate each direct report on:
  - readiness to move into the position
  - their plan to remain with the organization
  - the availability of replacements for their role, should the candidate leave or be promoted
- when evaluating someone's plan to remain, consider their eligibility to retire as well as the potential risk that they will seek opportunities elsewhere
- print and complete one chart per critical role

SIGMASuccession
at-a-glance org chart

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Position			
Name			
Eligibility for Retirement	☐ 1-3	☐ 3-5	☐ 5+

Position			
Name			
Readiness for Position	☐ 1-3	☐ 3-5	☐ 5+
Planning to Remain	☐ 1-3	☐ 3-5	☐ 5+
Replacement Readiness	☐ 1-3	☐ 3-5	☐ 5+

Position			
Name			
Readiness for Position	☐ 1-3	☐ 3-5	☐ 5+
Planning to Remain	☐ 1-3	☐ 3-5	☐ 5+
Replacement Readiness	☐ 1-3	☐ 3-5	☐ 5+

Position			
Name			
Readiness for Position	☐ 1-3	☐ 3-5	☐ 5+
Planning to Remain	☐ 1-3	☐ 3-5	☐ 5+
Replacement Readiness	☐ 1-3	☐ 3-5	☐ 5+

Position			
Name			
Readiness for Position	☐ 1-3	☐ 3-5	☐ 5+
Planning to Remain	☐ 1-3	☐ 3-5	☐ 5+
Replacement Readiness	☐ 1-3	☐ 3-5	☐ 5+

Position			
Name			
Readiness for Position	☐ 1-3	☐ 3-5	☐ 5+
Planning to Remain	☐ 1-3	☐ 3-5	☐ 5+
Replacement Readiness	☐ 1-3	☐ 3-5	☐ 5+

Position			
Name			
Readiness for Position	☐ 1-3	☐ 3-5	☐ 5+
Planning to Remain	☐ 1-3	☐ 3-5	☐ 5+
Replacement Readiness	☐ 1-3	☐ 3-5	☐ 5+

Position			
Name			
Readiness for Position	☐ 1-3	☐ 3-5	☐ 5+
Planning to Remain	☐ 1-3	☐ 3-5	☐ 5+
Replacement Readiness	☐ 1-3	☐ 3-5	☐ 5+

b build success profiles worksheet

the goal: describe the talent needed in each critical role, both now and in the future for your organization

the steps:
- include basic demographic information on the role

- use existing job descriptions to list position criteria
  (e.g., education required, skills needed, and duties to be aware of)

- develop the Success Profile by considering:
  - skills commonly needed for success in the senior leadership team
  - anticipated future requirements for all senior leaders
  - specific characteristics needed for the core role
  - potential skill requirements for this role in the future
  - emotional intelligence or other important personal characteristics

- use validated measures to ensure complete and accurate Success Profiles

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success profile

b

Succession Position	Current Incumbent	Eligibility Year	Urgency
			☆☆☆☆☆

Position Demographics

Location	
Level	
Area	

Position Criteria

Edu	
Exp	
Exp	
Exp	
Know	
Skill	
Skill	
Skill	
Skill	
Duty	
Duty	
Duty	
Duty	
Duty	

Leadership Profile

Leadership: Current Competencies

Core Role: Current Competencies

Emotional Intelligence

Other

Leadership: Future

Core: Future

Other: Future

n succession nomination survey

the goal: gather feedback from organizational leaders to determine potential succession candidates for each critical role

the steps:
- list the name of each candidate for the position

- for each candidate, indicate when you think they will be ready for the position

- provide additional information on the candidate in the comment box to add context to your evaluation

- gather ratings from multiple sources, including:
  - the current role incumbent
  - the senior leadership and succession advisory teams
  - leaders, peers, and direct reports of the succession candidate

- complete this survey for each critical role

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nomination survey

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Succession Position	Nominations Completed By	Date

Candidate Name	Readiness			Comments
	☐ 1-3 yrs.	☐ 3-5 yrs.	☐ 5+ yrs.	
	☐ 1-3 yrs.	☐ 3-5 yrs.	☐ 5+ yrs.	
	☐ 1-3 yrs.	☐ 3-5 yrs.	☐ 5+ yrs.	
	☐ 1-3 yrs.	☐ 3-5 yrs.	☐ 5+ yrs.	
	☐ 1-3 yrs.	☐ 3-5 yrs.	☐ 5+ yrs.	
	☐ 1-3 yrs.	☐ 3-5 yrs.	☐ 5+ yrs.	
	☐ 1-3 yrs.	☐ 3-5 yrs.	☐ 5+ yrs.	
	☐ 1-3 yrs.	☐ 3-5 yrs.	☐ 5+ yrs.	
	☐ 1-3 yrs.	☐ 3-5 yrs.	☐ 5+ yrs.	
	☐ 1-3 yrs.	☐ 3-5 yrs.	☐ 5+ yrs.	

n succession bench worksheet

the goal: track readiness of succession candidates for critical roles

the steps:
- indicate incumbent and urgency information for 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**

- provide name and current role for each candidate

- record candidate growth with dates spent at each level

- use the worksheet to track the overall strength of your Succession Bench, and individual candidate's progress over time

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succession bench

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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**								

a succession profile worksheet

the goal: identify gaps between role requirements and candidates, and assess opportunities for growth

the steps:

- indicate target position information

- report candidate demographics, education, and experience

- provide position criteria gathered in Success Profile

- use validated assessments to evaluate candidate on qualities required for target role, as indicated in Success Profile

- list gaps between current candidate skills and those required for the target position in each category

- use this worksheet to identify priorities for candidate growth and development opportunities
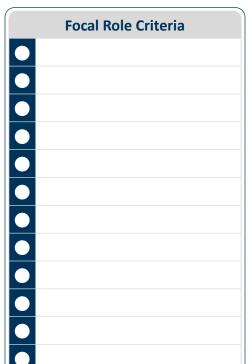
SIGMASuccession
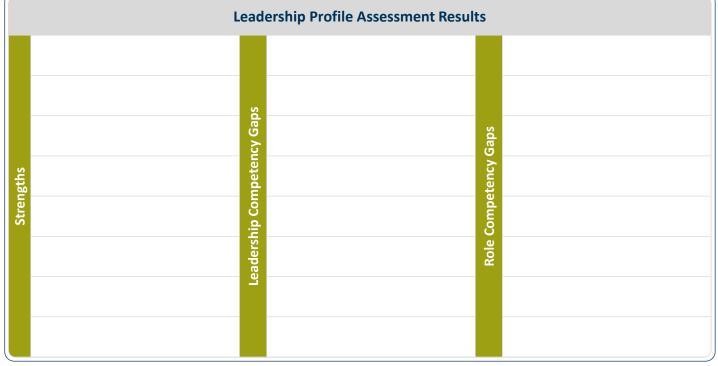# candidate profile

a

Succession Position	Candidate Name	Current Position

Candidate Demographics

Location	
Level	
Area	

Candidate Training

Education

Experience

Focal Role Criteria

- ○
- ○
- ○
- ○
- ○
- ○
- ○
- ○
- ○
- ○
- ○

Leadership Profile Assessment Results

Strengths

Leadership Competency Gaps

Role Competency Gaps

d develop talent – coaching plan

the goal: hold at least three one-on-one sessions with each candidate to facilitate their goal-setting, training, and skill acquisition

the steps:
- *session 1*: review assessment results, noting strengths and development opportunities

- *session 2*: create individualized development plans (IDPs) with Development Actions Form worksheet

- *session 3*: review progress by tracking successes, opportunities, and goal attainment

d development actions form

the goal: create individual development plans for succession candidates and track their progress

the steps:

- provide information on candidate and their current function
- list position the individual may be a candidate for
- choose top development areas from Candidate Profile
- rank development opportunities on two criteria:
  - largest gaps between role requirements and incumbent abilities
  - most important or frequently used skills
- with the succession candidate, mutually decide which areas to develop in the short- medium- and long-term
- create measureable goals with action plans and deadlines for each area of development
- keep detailed progress notes on successes and setbacks

For more information on creating individual development plans, <u>click here</u>

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development actions form

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Succession Position	Candidate Name	Current Position

Top Development Areas

1.	4.
2.	5.
3.	6.

Development Actions

Development Area		Action	Timeframe	Progress / Comments
3-6 Months				
6-12 Months				
12+ Months				

Notes

SIGMA SUCCESSION

m talent progress scorecard

the goal: review program outcomes across important indicators

the steps:
- choose organization-specific indicators of success for your program
  - look for ways to add objective, impactful numbers (e.g., money saved, time delays prevented, or improvements made to existing HR processes)

- gather information from other worksheets, such as the Succession Bench, and from HR tracking systems

- update this scorecard every 6 months (at a minimum)

- use this scorecard to communicate success to senior leadership, succession candidates, and across the organization

Talent Progress Scorecard				
Indicator	**Date**			
Critical Positions Filled Internally (%)				
Management Positions Filled Internally (%)				
Average Time High-Potentials in Same Role (Yrs.)				
High-Potential Turnover (%)				
Positions with 3+ High-Potential Candidates (%)				
Average Years Until Ready				
High-Potential Engagement				
Individual Improvement				

are you ready?

Whether you believe you have succession planning under control or that your succession plan is on life support, the following Succession Planning Checklist is a quick measure of the maturity level of your succession plan and what areas need to be improved, including:

- **Executive Support**

- **Process**

- **Communication**

- **Documentation**

- **Accountability**

- **The Long Game**

Answer the questions on the following pages to see how your organization stacks up.

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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-tem 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. Find out more here.