



Transforming Succession Management from Business Liability to Strategic Strength



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Ask Questions

Ask us questions and start a discussion with us! Use the question box on your control panel to chat with our presenters.

Handout(s) and the Recording

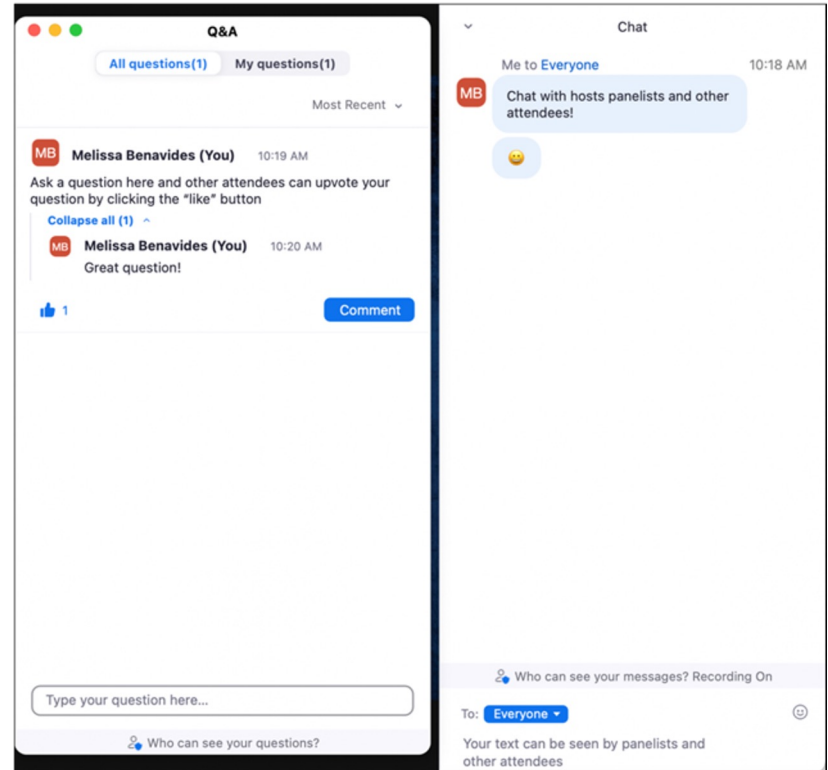
A copy of today's presentation is available in the handouts section of your control panel. We will share a link to the recording via email after we conclude.

Chat with Us or Others on The Webinar

Chat is enabled for today's webinar, so feel free to join in on the discussion today and share your thoughts

Polls

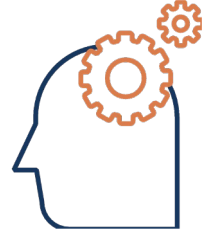
We may launch polls throughout today's presentation to better understand you and our audience. We would love your participation!



Purpose of the Webinar

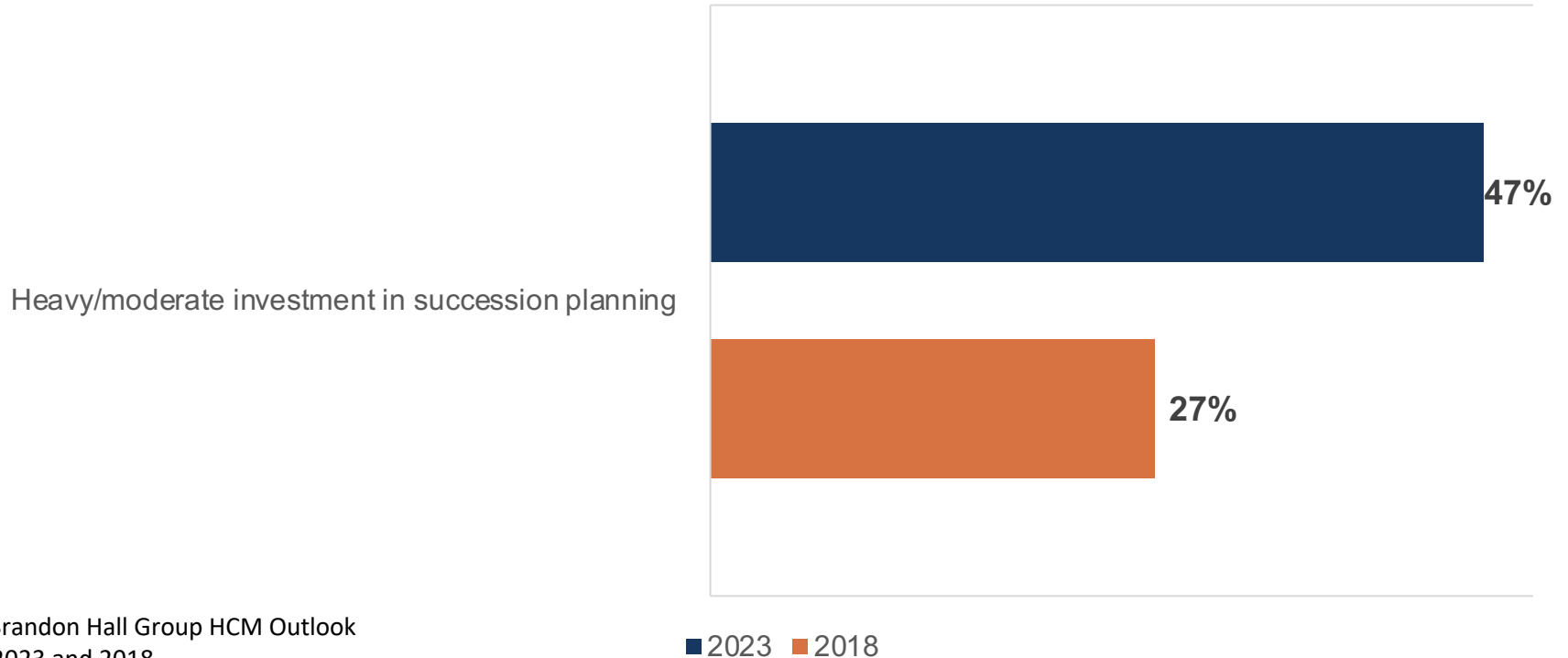


Provide you with cutting-edge thinking on succession management and provide insights to guide your journey.



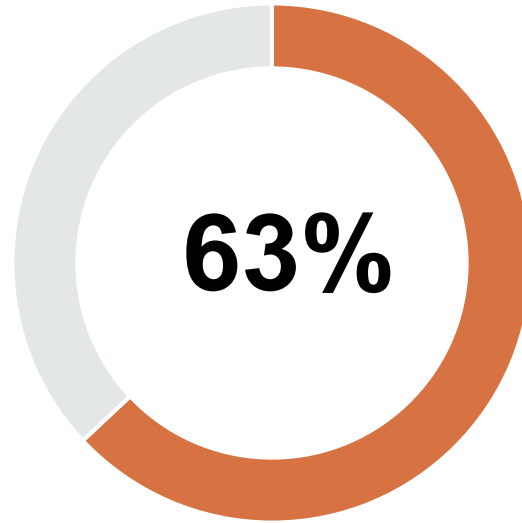
Trends in Succession Planning Why Now?

Change in Interest in Succession Planning at All Leader Levels



Source: Brandon Hall Group HCM Outlook Studies, 2023 and 2018

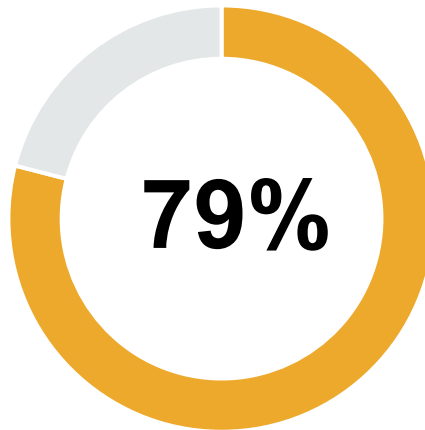
Improvements that Boards of Directors Rate as Important



CEO Succession
Planning

Source: 2023 National Association of Corporate
Directors Trends and Priorities Survey

Top Priority for Leader Development, Next 1-2 Years








Improve C-suite
succession planning

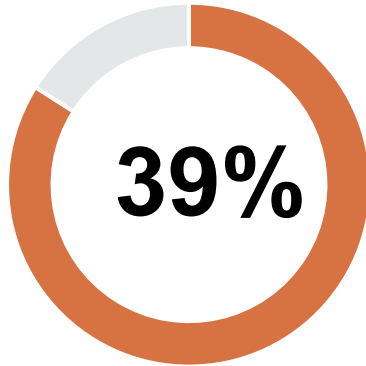
Source: Brandon Hall Group Study, Great Leaders: How Do We Develop More?

PARTICIPATE IN OUR POLL

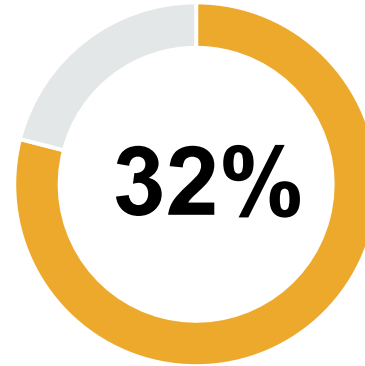
How effective are you in ensuring key talent can move successfully into higher-level roles?

-  A. We are world-class
-  B. We are pretty effective
-  C. OK, but need improvement
-  D. We struggle
-  E. Not at all effective

Perceived Effectiveness of Succession Planning



Senior leader to C-suite/CEO



Mid-level to Senior Leader

Source: Brandon Hall Group Study, Great Leaders: How Do We Develop More?

Transforming Succession Management into a Strategic Strength

What we often hear from the board...



What don't we know about these leaders?



Every candidate has some kind of gap.



Wish we had more data that pointed to future potential.



The board needs a strong process, better hygiene and guidance.



We need to understand the support each leader needs to succeed.



We have to get this right.



Our succession conversations and data feel superficial.

11%

Of organizations feel they have a strong bench

82%





of the people promoted to manager have the wrong **talents****

What we hear from executives...

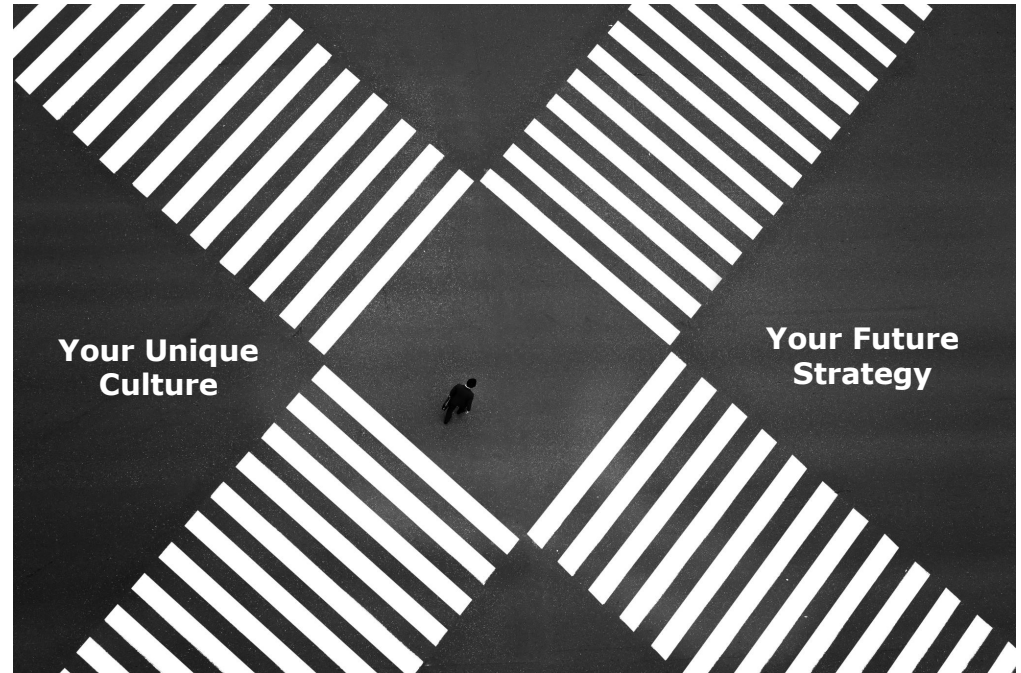
- Research on thousands of leaders shows that bosses typically **don't agree with each other on individuals' performance, readiness, and potential**
- Evaluations of leaders' readiness can all too often become a **political process**
- People being evaluated **often hold different jobs**, each with a different set of responsibilities, challenges, and success factors. These differences make it very difficult to accurately compare one person's performance and capabilities with another.
- **Leaders have different standards/ expectations**, experiences, exposure to the person being rated, and biases that can impact the objectivity and accuracy of their evaluations
- Some leaders are hesitant to promote anyone different from themselves ("Self-cloning"). We need to **recognize and grow diverse talent.**

PARTICIPATE IN OUR POLL

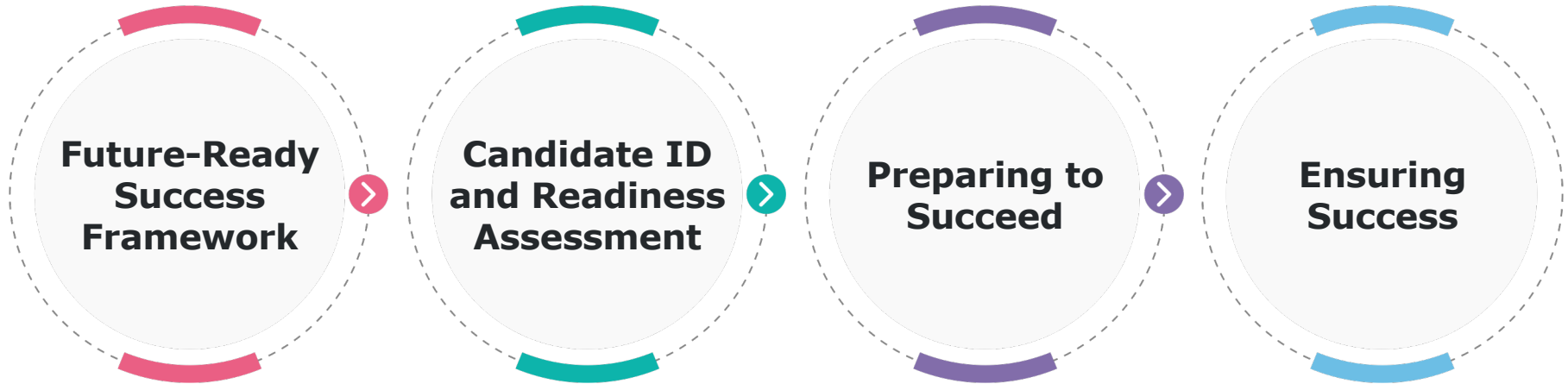
Which of the following would you say is the biggest barrier to improving succession planning in your organization?

-  A. Too many competing initiatives for executives to navigate
-  B. Executives' lack of trust in HR processes
-  C. Too many competing priorities in HR
-  D. Other -- Please share in the chat

Fool-proof
succession
STARTS at the
intersection of
your
company
culture and
future strategy



How to Drive Succession Development



The beginning of a rigorous succession process starts with a Future Ready Success Profile



The Success Profile creates clarity and insight about the organizational strategy, future needs and resulting criteria for selection. It aligns stakeholders, mitigates risk and builds a foundation for successful internal or external talent strategy.

Alignment to Strategy

Interviews, document review and observation to:

- Understand your Culture and Climate Aspirations
- Clarify and Confirm the Strategic Vision
- Consider Market Dynamics and Disruptors
- Surface Current State Challenges and Future State Opportunities
- Identify critical business, functional and industry expertise required

Differentiators

Future-Ready Success Profile to include:

- Environment, Market and Role Differentiators
- Leadership Qualities and Behavioral Success Factors
- Culture and Values
- Behavioral/Performance Differentiators

Candidate Identification and Readiness

The Future-Ready Success Framework and Evaluation Process provide the guide for sourcing your slate of succession candidates, both internal and external.



Candidate Selection

- Internal Candidate Pool (Self Selection & Nomination Based on Criteria)
- External Candidate Slate



Multi-Method Assessment

- In-depth Background, Experiences and Behavioral Interview
- Business, Functional and Industry Expertise Review
- Historic Performance Data
- Psychometric Assessments
- Multi-rater insights
- Simulations



Recommendations

- Insights for Future Bench Strength Development



Potential Successors

Preparing to Succeed

Leaders build a strong plan of action to address areas of development, informed by assessment feedback, to create a personal pathway to growth that combines coaching, executive input, and targeted learning to advance and progress.

Preparing to Succeed

Successor Development

Individualized action plan

Develop a 12 to 36-month roadmap to define goals based on assessment feedback, plan for candidate interviews, develop personal vision, build internal and external exposure, balance time allocations

Alignment with internal sponsor

Create alignment with CHRO and CEO (and Board of Directors) to build transparency and engagement in the action plan – including Communications Planning and Prep

Individual and Group Insight Reporting

Monthly cadence of working meetings with an expert coach to advance action plan, prepare for and deliver important presentations, interactions with the board and external audiences

Ensuring Success

Reduce risk by creating a “safe zone” to talk through approaches, evaluate challenges and options.



Year One

Plan Listening Tour and Transition Narrative –
Vision and Values

Relationship Mapping and Stakeholder Planning – Investors,
Partners, Clients, Company, Community/Foundation, Press

Board Development and Dynamics

Team Assessment and Planning – Alignment on Strategy and
Messaging

Prioritization of Strategic Actions – Business/Company
Culture/Organizational/Financial

Communicating the Strategy – Cascade into the Organization

Year Two

Year One Assessment and Goal Setting –
Leader and Team

Strategy Refinement and Bold Moves: Risk Storming

Team Development – New Players

Culture Initiatives – Including Diversity, Equity and Inclusion,
Communication/Collaboration/Trust

Human Capital Strategy – Succession Planning C-4, Talent
Strategy for Competitive Advantage

Relationship Development and Communications – Board,
Analysts, Partners, Clients, Community, Press

The mindset shifts required for Executive Success

Ensuring
Success

From:

- Focus on function or business
- Flawless execution
- Confidence making decisions
- Directing other's action
- Knowing what needs to be done
- Understanding ones self
- Problem solving
- Creative thinking
- Strong point of view



To:

- **Enterprise focus**
- **Visionary leadership**
- **Aligning teams to make decisions**
- **Fostering constructive debate**
- **Inspiring others to do it**
- **Projecting authenticity**
- **Humility to ask good questions**
- **Leading innovative teams**
- **Both/and thinking**

Making it Real with Succession Examples

Identifying CEO and C-Suite Succession for Global Institutional Investment Company



Client need

Help the Board of Directors build a best-in-class process for CEO succession and C-suite bench during a very visible and high stakes transition of leadership.

Their iconic CEO was preparing to move out of the role and onto the Board. The Succession Committee of the Board could not agree on whether to promote an internal candidate to CEO or recruit from the outside.

Because they couldn't come to agreement, they wanted to partner with an expert firm they could trust to guide their thinking.

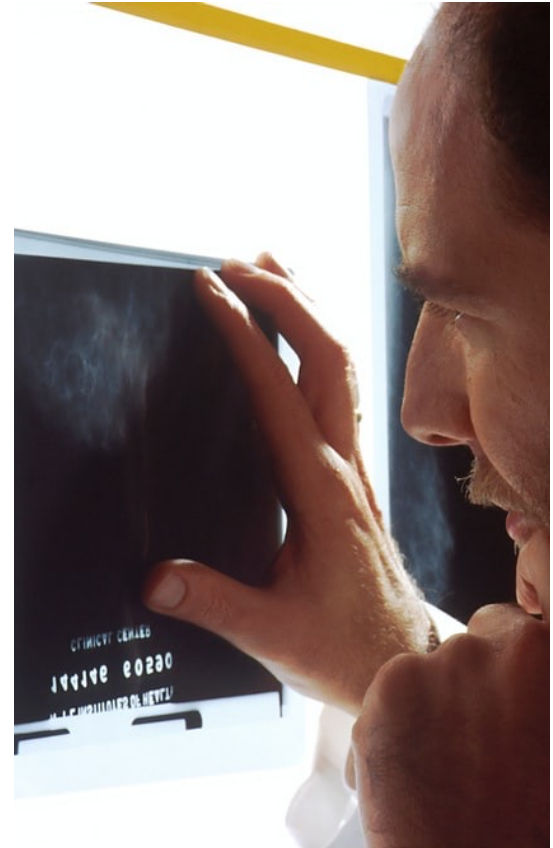


The solution...

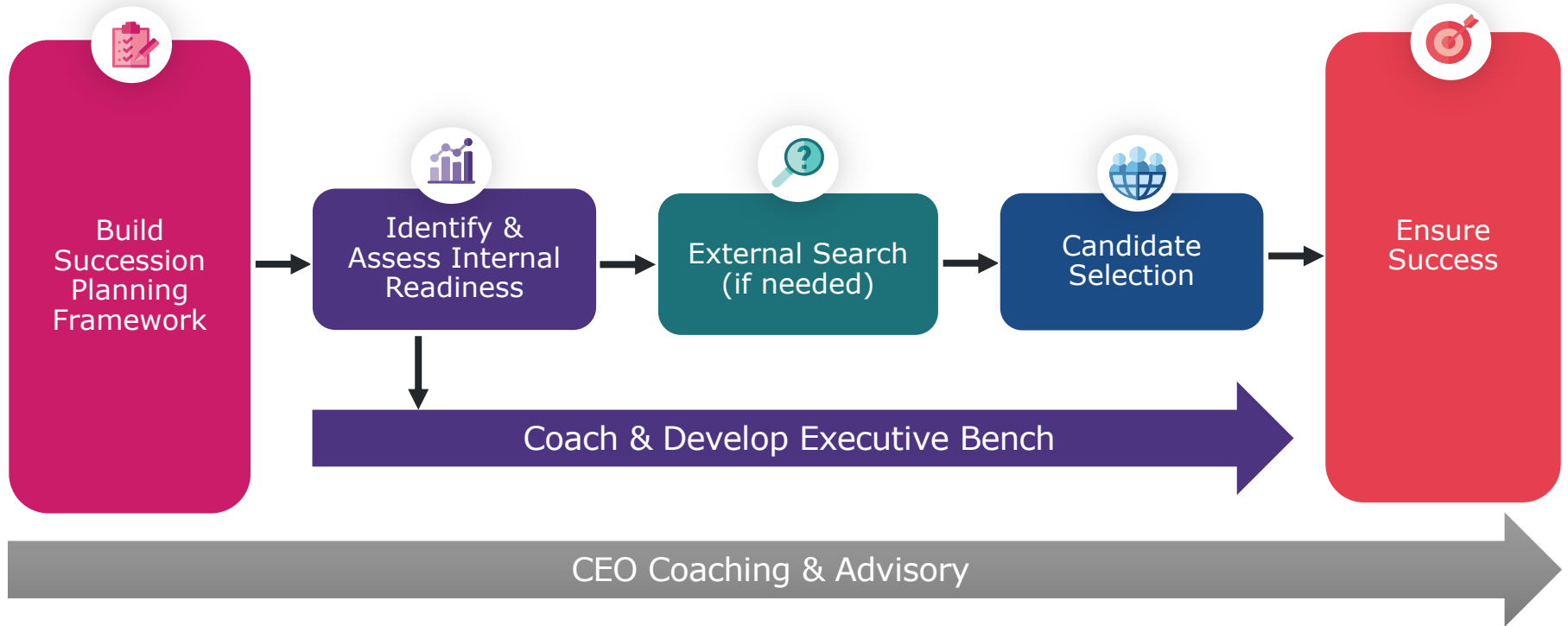
- Design and develop a CEO Profile and Leadership Framework that reflects their unique culture to be used for all executive succession planning
- Advise the Board Succession Committee on best practices in executive development and succession and recommend ready-now candidates
- Assessment of CEO and ELT candidates and provide a bench-strength report to the succession committee
- Provide executive advisory and transition coaching to internal successors

Impact

- Through our board advisory and development of the CEO Profile, it was clear they needed to promote from within, however their options were limited because of insufficient succession planning, putting a successful CEO transition at risk
- The CEO profile, leadership framework and succession model we created closely aligns with their culture and for the first time in their history, provides the company with confidence in how they develop and promote executive successors.



Engagement At-a-Glance



Leadership Profile for C-Suite



People Leader

- **Attracts & Retains Talent**
- **Fosters a Talent Dev Culture**
- **Develops Strong Teams**



Sustains a World Class Reputation

- **Builds & Maintains Trusting External Relationships**
- **Fosters Innovation**



Culture Enabler

- **Promotes Transparency**
- **Demonstrates Self-awareness and EQ**



Drives the Business into the Future

- **Translates and Communicates Vision and Strategy**
- **Drives Change**

Key Takeaways

What Can You Do Next?



- Build the business case to gain senior leader support
- Critically assess where you are and where you want to go
- Identify your objectives, but break into achievable milestones (6 months, 12 months, 18 months, 2 years)
- Use future back thinking – where will the organization be in 3-5 years? What capabilities will be needed?
- Identify critical roles, in addition to leadership plans
- Keep it fresh



- Use multi-method approach with simulation
- Ensure transparency in the process
- Provide guidance and clarity for talent pool criteria – are you missing key talent?
- Review data on an organization, group/team and individual level

What can You Do Next?



- Set metrics and measure progress
- Create organization, group/team, individual development plans that are part of promotion, performance and talent discussions
- Provide meaningful development experiences (70/20/10)
- Remember the domino effect – develop those the next level in the organization (5 + years out)



- Keep it simple
- Integrate throughout your talent processes (Selection, Development, Promotion, Compensation)
- Make it easier for managers to engage
- Measure and reward managers for developing talent – include in goals, communicate success stories

What does it look like when succession is working?



You have developed a **strong set of criteria** that evaluate the leaders of the **future**



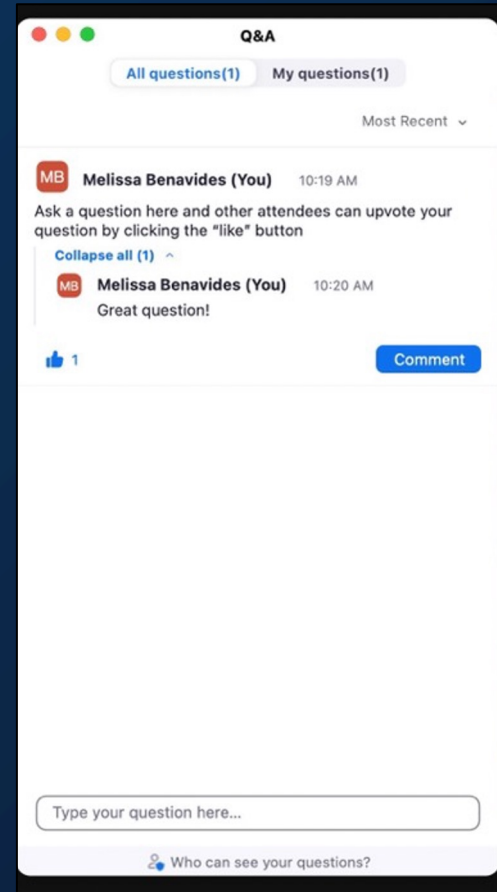
You have robust pipeline and **real, valuable data** on leaders



Everyone **understands and trusts** the process, knows their path and development plan

Q&A

Please submit your questions and comments in the **Question Box** on your control panel for our presenters.





Thank you for joining us today!

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Appendix

Identifying C-Suite ready leaders in the oil and gas industry



Client need

A major independent oil and gas company was concerned about the future leadership and their ability to thrive in their dynamic industry. They were losing some key leaders who were targeted to be in line for C-suite roles, and they were concerned they did not have the bench strength or depth to successfully execute on their longer-term strategy. The CEO and CHRO were looking for help in assessing and understanding the ready successors in the pipeline and identifying who would be best positioned to step into these important roles.



The solution...

BTS was engaged to pressure test known successors for CEO, CFO and COO. We leveraged our tools and frameworks to see how these leaders would respond to leading the company in a future direction, through developing Leader Profiles and Playbooks in conjunction with Leader Labs. We evaluated how well the potential leaders understand the business and how they work in teams as well as individual assessments.

The solution included:

- A 4 Day experience comprised of custom a custom business simulation, 2 live role plays, a 'moments that matter' simulation, and before/after team assessor calibration/debrief conversations with each participant

Impact



“We are getting better assessment data because it shows readiness against OUR strategy and future direction and my team gets even more aligned to our top priorities and evolving business.

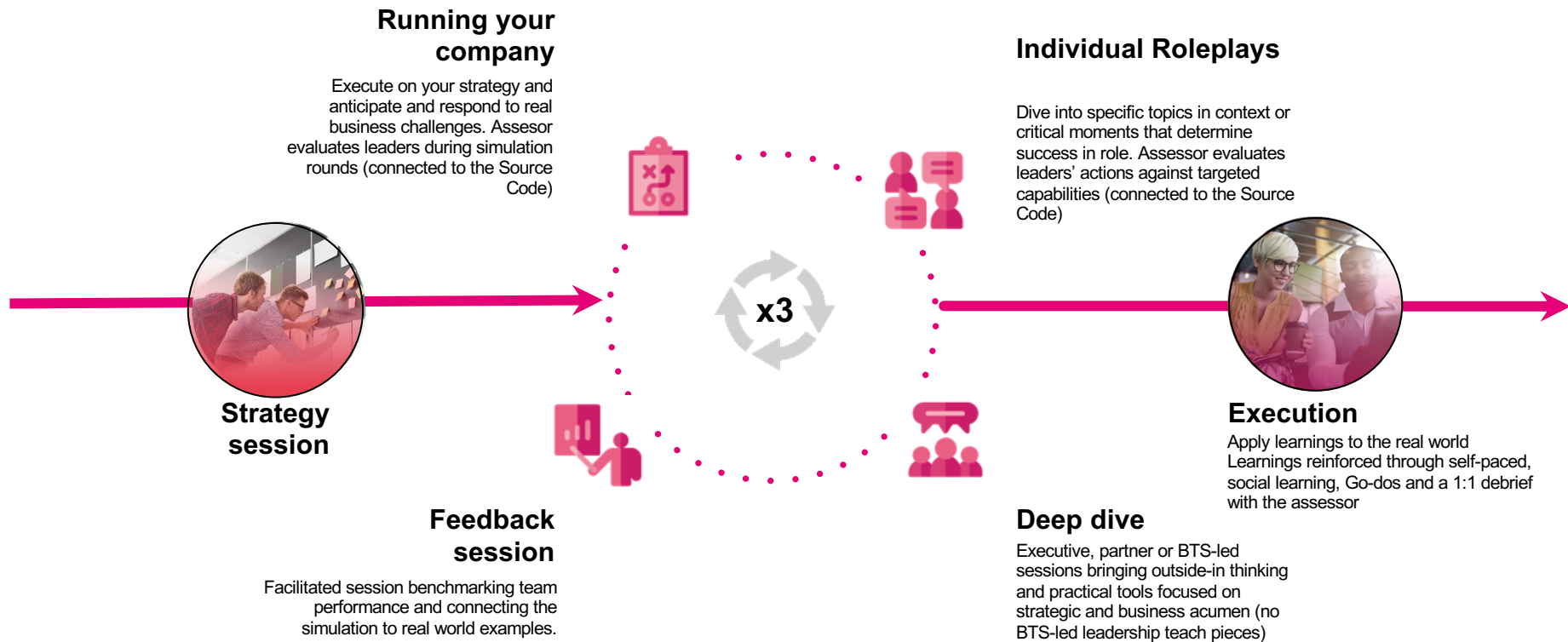
We should use this for more leaders for both reasons and I'm sure that some 'diamonds in the rough' will emerge as potential succession candidates that we are not considering right now.”

- CEO, Oil and Gas company



The rigorous evaluation process uncovered some surprises that challenged the thinking of the CEO, the CHRO and the Board, and changed the course of their succession plan as well as their perspective who should lead the company. The “sure-bet” candidates performed behind others, and the leader who came out ahead for the CEO role was an unexpected winner who turned out to be stronger in the areas deemed most important for the future of the business.

Enterprise Simulation

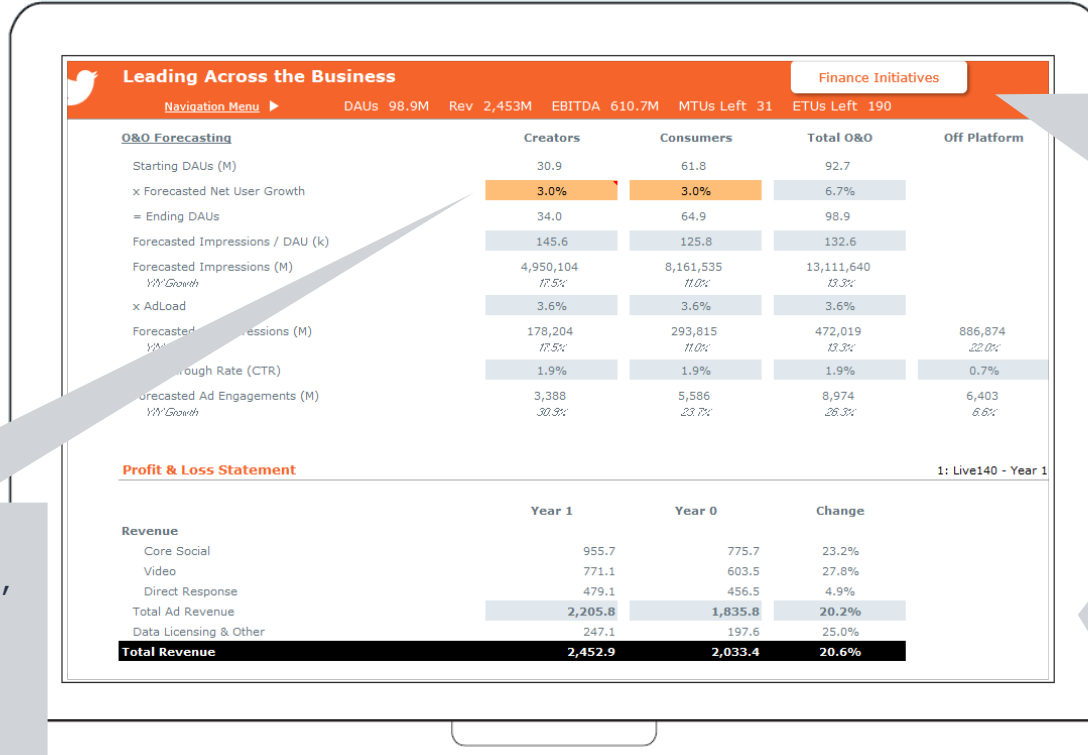


Leaders compete in an immersive experience running the global business into the future

The Enterprise Simulation covers all relevant ingredients within your Executive Profile, such as..:

- **Solution Thinking & Selling**
- **Digital fluency & design thinking**
- **Customer experience trends & solutions**
- **Customer mindset/centricity**
- **Strategic demand planning**
- **Leading organizational culture & alignment**

Teams make decisions and investments to drive growth, access, product launches, collaboration, patient outcomes and other key metrics.



The dashboard updates in real time as teams make decisions and tradeoffs (Revenue, expense, etc.)

Along the way, teams deal with unexpected business events and scenarios which will occur throughout the program. Multiple opportunities for team effectiveness, peer and observer feedback.