

# Boardroom questions

## Succession planning

Board Leadership Center (India)

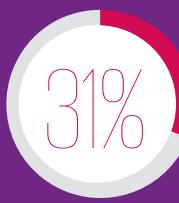


### Why succession planning?

**Effective succession planning is more than just a replacement planning process. Apart from identifying successors for critical roles, it includes implementing a comprehensive leader-development system.**

**Keeping that in mind, it is imperative that organisations prepare potential successors for these expanded responsibilities and broaden their capacity to be effective in leadership roles. This is the essence of succession planning.**

The importance of succession planning is further highlighted in the survey report titled Building a great Board: Global Pulse survey.<sup>1</sup> The survey states that despite the wide recognition of the importance of succession planning in achieving optimal board composition, few boards have a formal succession plan in place.



reported having a formal succession plan in place or in process.

1. Building a great Board: Global Pulse survey, KPMG International, 2018

### Evaluating management, talent and development:

#### Determine leadership requirement

- Analyse business objectives and demands
- Identify unique roles and critical functions
- Define parameters for identifying relevant potential
- Design leadership strategy



#### Assess talent supply

- Evaluate existing talent pool
- Standardise the available talent against business goals
- Ascertain the key priorities and possible risk factors



#### Develop leaders

- Determine internal and external talent pool
- Provide specialised development interventions
- Consistently assess, evaluate and alter strategy based on the need



# Key boardroom questions

1. What is our business strategy and what will it take to win in the market?
2. What roles or positions will become most critical for us to achieve our future goals and help us win?
3. Given the business strategy and priorities, what is the requisite profile (skills, experience, traits etc.) to ensure success in the CXO/'critical position' role in the future?
4. Do we currently have the 'right talent' in the CXO/critical position?
5. Is our successor pool ready to take on the future role? Have they been sufficiently developed and coached?
6. How do we ordinarily manage expectations of potential successors, along with managing the impact on other individuals and the organisation as a whole?
7. Do we have a contingency plan in case someone is required to carry on as a successor on an interim basis?
8. Are we objectively measuring the readiness and fitment of the successor pool?
9. Are there retention issues on the part of current or future critical position holders? If so, what steps should be taken to ensure retention?
10. What are the three success factors that allow organisations to make an informed selection decision about a candidate?
11. How does the Chief Human Resource Officer assist the new role holder/successor chalk out the strategic, organisational and business action plans to ensure success in the new role?

## Actions for boards to consider

1. Ensuring alignment of business strategy and goals
2. Identifying significant business challenges for the next one to five years and chalk out an action plan to meet those challenges
3. Identifying critical positions that will be needed to support business continuity
4. Identifying people and pools of successors for critical roles in order to maintain pipeline. Investing in and developing successors
5. Involving the Chief Human Resource Officer in promoting the use of assessments for the development of internal talent pool. Further, leveraging industry benchmarks and designing robust development plans to identify gaps that the board must focus in the long-term
6. Identifying the 'risk of loss' for critical position holders and assessing the readiness of the selected talent
7. Selecting the competencies individuals will need to be successful in CXO/critical positions and ensure that the same is clearly defined and managed throughout a formal process wherein individuals understand their role and know what is expected of them.

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