Succession Planning:
Five Costly Errors to Avoid

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As the global workforce ages and economic woes abound, employee turnover is on the rise. Naturally, those companies that can withstand the unpredictability and maintain a strong talent base through effective succession planning will gain the greatest competitive advantage. But what exactly is succession planning, and how can you make it work optimally for your organization?

Succession planning is a multi-tiered task: You begin by identifying and monitoring key positions within your company, and then you ensure you have the internal bench strength available to fill those positions consistently over time. The objective? To reduce the negative effects of unavoidable turnover—while working to retain your existing valuable talent through a focus on employee development. In a nutshell, by planning ahead to promote from within, you can avoid the resource expenditures and discontinuity involved in hiring new employees when key positions become vacant. As a result, you not only strengthen your workforce, but you also reduce related costs.

Knowing what succession planning means, however, is not enough. You must also put forth the required time and effort to design and execute effective succession plans. Moreover, you need to understand and avoid the pitfalls that can threaten to derail those plans. This paper will jumpstart your progress by outlining the five most common, and most costly, mistakes that organizations make when working on succession plans. Additionally, we offer advice on how to leverage a unified talent development approach to avoid potential errors altogether. Remember, your due diligence now will ultimately position your organization for greater success in the future.

Five common mistakes—and how to avoid them

1. ## No one works to incorporate succession planning into the corporate culture.

   Any organization looking to build competitive advantage knows the increasing importance of talent development. Yet for some reason, management perceives a lack of alignment between the effort involved in succession planning and the company's strategic goals. The irony? Long-term strategic objectives cannot be reached without effective succession planning. Remind executives that you must have a strong, efficient talent foundation, or you will be repeatedly wasting valuable budget and other resources in filling key positions and training new hires. Changing corporate culture is no small endeavor, but the potential payoff is immense.

2. ## You don't spend enough time on upfront planning or on defining desired outcomes.

   As is true with any major business undertaking, the amount of preparation you put into a project will often dictate your level of success. Take the time to walk through your processes, communicate with key players and managers, and be sure everyone is on board. Begin with a clear idea of how your succession plans will ultimately play out, and revisit those plans frequently to make updates as needed. Moreover, make certain you know how to define and measure success, so you can gauge your progress and ensure updates are as efficient and functional as possible.

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3. After a solid kickoff with a full team of players, planning often falters or ceases to exist.

You know the reality: It takes a lot of work from a lot of people for a plan to reach fulfillment and be effective. True—manpower resources are not easy to come by. But that's why succession planning is so important in the first place. You have to have commitment to the plans you put in place in order to ensure their long-term success. Be sure you have buy-in from key players and managers at the start, so you get the support you need to execute successfully and prevent fumbles along the way.

4. Once established, succession plans are often left unchanged and become outdated or irrelevant.

All your talent development objectives should be consistently aligned with your company objectives. This is particularly true when dealing with succession plans. In order to fill key positions appropriately—with little disruption or cost to the business—you need an accurate understanding of what those positions require and how they relate to current corporate strategies. If your plans don't match those strategies, you run the risk of pulling the wrong employee off the bench, and keeping the right talent out of the game.

5. After benchmarking and talent identification, little emphasis is placed on employee development.

If you're going through the process of succession planning, you have already done substantial legwork in determining which skill sets matter to certain key positions—and you know who your critical talent is. Why stop there? Employee development is absolutely vital to retaining your key players because it engages their interests and proves a commitment to their strategic growth within the company. By incorporating development into your succession planning processes, you can cut preventable turnover substantially—while also bolstering your internal bench strength.

Unified talent development optimizes succession planning

While some pitfalls are inevitable, you can eliminate many risks for error—and actually enhance the success of your succession plans—by working with a talent development suite that unifies learning and performance management tasks across the company. Unlike non-integrated solutions, a unified approach to talent development enables you to:

- **Gain the ability to create and visualize an enterprise-wide talent pool or database of talent information, including links to stored performance appraisal data.** It's easier to align corporate and talent development objectives when you have a clear view of your available resources. Likewise, when you have a more detailed view of the various competencies and skill sets required to fill key positions, you can better focus on developing and engaging existing employees. You'll have the ability to bridge skill gaps with learning programs as needed, and your decisions will be more quantifiable and objective.

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- **Establish a vital link between development plans and other training activities.** A unified solution also enables you to generate reports using performance and learning management data, so you can see how your development efforts are paying off in terms of coursework and training completion. You can map the progress of specific employees as they augment their skills, update development plans as required, and even identify new valuable players to watch.

- **Connect HR with other talent development/learning groups.** A unified software suite facilitates communication between all relevant parties in the succession planning process, so you know who's on board and in the loop. As such, you can mesh HR's role in the performance management process with the Organizational Development and Talent Management group's role in employee development, so you can streamline data-sharing between organizations and keep all objectives current and aligned.

- **Automate the process for a disinterested audience.** Redirecting corporate culture and engaging workers is much easier when many of the tedious administrative details are managed automatically. A best-of-breed, unified software suite not only puts a user-friendly interface on succession planning efforts to boost plan adoption and involvement, but it also offers an intuitive approach to many of the tasks involved in executing plans and promoting ongoing employee development.

Conclusion

As we forge through rough economic times, most companies are realizing the rare value of a committed, skilled workforce. Hiring and onboarding are expensive, time-consuming processes, and the loss of key players can be highly detrimental to achieving corporate objectives. Through effective succession planning that incorporates employee development strategies, businesses can help bypass much of the turmoil caused by turnover, while improving their ability to engage employees and impact retention rates. Moreover, by implementing a unified approach to talent development, companies can work to avoid many common mistakes and help ensure succession plans achieve optimal success.

About the Author:

Richard Oyen directs SumTotal's Customer Value Program, giving customers the practical advice they need to get the most from their talent development initiatives. Richard has over 20 years of experience in HR and Performance Management with renowned companies such as Oracle, Walgreens and Keynote Systems. Richard has also worked as an Adjunct Professor of Human Resources Management at the University of San Francisco. He is SPHR certified and has both a BS from the University of Minnesota and an MBA from the University of San Francisco.

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US Office
SumTotal Systems, Inc.
1808 North Shoreline Boulevard,
Mountain View, CA 94043 USA
Phone: +1 650 934 9500
Toll-free in the US: +1 866 SMTOTAL
Fax: +1 650 962 9411

Europe Office
SumTotal Systems, Ltd.
18 Horton Road, Datchet
Berkshire, SL3 9ER
United Kingdom
Phone: +44 (0) 1753 211 900
Fax: +44 (0) 1753 211 901

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