

Secrets of Successful Succession Planning

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By Mortimer R. Feinberg

Earlier this year, the good news for stock analysts was that Armand Hammer, 92, finally designated a successor to take the helm of Occidental Petroleum. The bad news was that Dr. Hammer left the date of succession open.

So, while the venerable industrialist/statesman upheld one cardinal rule of succession planning, he hedged on another. Granted, succession planning is not easy. But it has been recognized as essential since no less a figure than Moses was directed by God to instruct his successor Joshua on how to carry on.

Moses and Armand Hammer notwithstanding, sensible succession planning is by no means the exclusive concern of up per-echelon personages. For managers at every level, the lesson is this: If you haven't prepared someone to step into your shoes, you're not ready to take a successful step upward.

All too often, this essential task is botched, even when there is ample time to do it right. In fact successors from inside the firm often get the skimpiest preparation: One insurance company administrator laments: "Because I was already with the company, nobody thought I needed any looking after.... No one thought to offer me any assistance in adjusting to my new responsibilities." This complaint was typical of many I heard while looking into this topic at firms across the country.

The following points may help to smooth the bumpy road of transition:

- **Choose early, disclose late.** Keep the lid on your successor's identity until it's time to set the changeover in motion officially. Otherwise, as former Avis President Robert Townsend observed, you "paint a bull's-eye on your heir's shirtfront." Avoid the inadvertent indicators of heir-apparency: disproportionate one-one meetings, undue attention at conferences, informal delegation ("Clear this with Lee.")
- **Draw the "invisible" organization chart.** On the official chart, a row of boxes-and their incumbents-look equal in influence and potency. Actually, there are likely to be significant variations you have detected through experience. Share these character analyses with your heir.
- **Identify the "hidden influential."** In most organizations there are people with out impressive titles whose support is important-sometimes crucial. These include office managers, human-resources people, researchers, secretaries. Acquaint the newcomer with these pockets of power. In making the necessary introductions, use your accumulated good will to endorse your successor.
- **Spell out the unwritten rules.** Every organization has an infrastructure of pecking orders, hidden agendas and accepted norms that add up to the culture of the group. Even if your replacement comes from within, he may not have perceived the fine distinctions hidden from most of the staff. You can help by describing nuances: "In our internal meetings we often brainstorm ideas as soon as they come into our heads. But in the divisional meetings you have to be ready to quantify-and defend your idea. Otherwise, it will be ripped apart." Or, "You won't find this in the policy manual, but 'finance' has veto power over new product introductions."
- **Control the bloodletting.** As rivals vie to be chosen as your replacement, there may be a lot of internecine combat. Some bosses seem to enjoy this, presiding like Nero giving thumbs-up or thumbs-down to gladiators in the Coliseum, The result may be an organization so gutted by strife that it's impossible for your successor to lead effectively. You can't stamp out office politics. However, you can channel some of the competitive fervor into more productive endeavors. One way to do this is by forming task forces to work together in attacking special problems.
- **Free your replacement from restrictive commitments.** Your designated successor may have gone along with some of your policies because of duty or loyalty rather than wholehearted agreement.

Make it clear that you expectâ even welcome-independent thought and action after the changeover. Let's face it successors eventually institute their own programs, and this can sting the ego of the predecessor. It's natural for you to hope for continuity of everything you've been doingâ but it's not realistic.

- **Share your observations about people, but don't impose them.** When you talk about those with whom the newcomer will have to work, acknowledge your biases. "I've had predecessors in jobs bad-mouth co-workers terribly and be totally oblivious, that they were even doing it," confides an advertising copy supervisor. Edward Uhr former chairman of Fairchild Industries, says, "It's a hard pill to swallow, but you must accept that a newcomer may be able to establish a better rapport with certain people."
- **Let the successor's credentials speak for themselves.** Overpraise at the outset can be the kiss of death. "My worst memory was having my predecessor trumpet my arrival out of all proportion-and there I was with no choice but to try to live up to these unrealistic expectations," says Lyman Wood, president of Brennan College Services. Unrealistic expectations often result in anger and depression. Skip the full some introduction. Your successor will, have a much better chance of creating a distinct impression.
- **Plunge the newcomer into the deep end.** During the transition, immerse your replacement in the hardest issues at once, even at the risk of overwhelming the person. "I always wanted to start out knowing the toughest challenge," notes Dennis Bottorff, president and chief operating officer of Sovran Financial Corp. "That way, I could start to get a handle right away on what the job really entailed."

Ultimately, there's no way you can ensure the success of your successor. Lay the groundwork, set the timetable-and then get out of the way.

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