

Succession and who will lead us into the future?

March 2020



Eugene Ivory

Over my career, I have led the selection of the new business leader, someone to direct and lead a business to its next level of evolution. And while sectors vary and challenges change, one question remained the same.

Who will steer us into the future? Who will fill the 'Big Chair'?

All too often this question is asked at the 11th hour! We need a new leader/CEO and we need them now! It is a reaction to a situation, almost unexpected. It is a defensive position.

Sometimes that is unavoidable. Businesses can face a leadership change crisis for lots of different reasons. Nevertheless, one of the pieces of council, that a wise mentor of mine - with over 40 years corporate experience gave me, comes to mind. **'Plan early and Often'**

His philosophy was that a CEO/MD/Business leader should start looking for their own replacement almost from the moment that they, themselves, take-up the position of Leader. It seems counterintuitive, but in the long run makes sense for the business and the leaders career development.

However, before doing that, one needs to know what the business requires, today, and more importantly what it will require, into the future!

Impossible! How can anyone foretell the future? Who would have guessed the challenges facing business now, 10 years ago?

Of course, this is true, there is a limit to what we can foresee. However, without strategic business planning, how can any business, set or meet its targets? And without some sense of the business direction, how can we know what the business needs now and what is required over the next 10 years?

Something that a lot of smart/intelligent executives/board are now doing, is limiting the Leadership tenure. After ten years of strong successful leadership, a business' board will probably not be challenging the leadership nor the business in the necessary way, so as to move it forward.

And what happens to the outgoing CEO? *"We can't lose all that experience and expertise."* Would they not make a good new Chairperson perhaps? Leading the board in a manner to challenge the incoming CEO?

Good Governance dictates that a board's leadership, just as the executives', needs renewing, in order to push the business through its next set of challenges.

Limit the Executive & Board leadership to 10 years.

Strategic Plan:

Only by understanding where the business is and where it will be – targeted to be - can executive/board, begin to plan for what the leadership is now and what it will be. The smart thinking is to hire, not for now, but for what the challenges will be over the coming 10 years. This in turn will help inform the profile of the leadership position now, as well as what it needs to be for the next incumbent. Defining the Profile for now, for the next 10 years challenge, and then what the business will need then, is critical. **Hire for the future, not now!**

Limiting the CEO/Leadership tenure sets a limit for the challenge and achievement. It also is unrealistic to expect a leader to perform at the very top, for longer.

This sort of planning, solves two issues. The leader of the Executive, as well as the Board's leader. It provides a progression plan for the Senior Executive too. Recruiting internally, or at the very least, developing hi-potential talent for the CEO position, while allowing the CEO develop into the Board lead.

*“Hire for the future,
not now!”*

Succession Planning:

Succession plan, done properly provides a development strategy for the senior executive to focus on the executive leader. Identifying and developing your executives' skills are important. It also allows the business to address gaps in the senior executives' skill set. Using internal resources, external consultancy, such as PSD Partners, allows the business to evolve and challenge their senior managers, while training and developing them. This contributes to retaining the best team, as well as pushing the senior executive to challenge the leadership to reach for those objectives. Done properly, the organisation is focused and set for the next 20 years, at least, in terms of its leadership both at executive as well as board level. It also provides the vision and strategy to develop mid-managers to the senior levels.

As the time for Change-over arrives:

When the times comes for the move up, the business should be in a positive position, with a set of strong internal candidates. External candidates are also critical, in challenging any 'group-think' that may develop, as well as ensuring the best/most appropriate candidate is appointed. Businesses don't operate in vacuums. There may be others outside the structures, that can bring something different/critical to the business. It is important that the organisation takes account of that.

Done properly, the senior management team will acknowledge and accept the new lead (be they an internal or external candidate) is the best for the job.

Eugene Ivory has over 30 years' experience managing and supporting multinational to early-stage business. He has successfully served clients across a broad spectrum of companies from financial services and consumer packaged goods to Medical and Technology.

Contact: info@psdpartners.com or at +353 1 536 32 96