



Succession Planning: Does Your Organization Have a Qualified CEO Successor?

An organization's potential for growth is significantly enhanced by the success of a qualified CEO successor. The process of grooming a successor marks a pivotal moment for a company, and involves a succession plan that thoroughly establishes the grounds for a seamless transition. However, the risk mitigation associated with strategic succession planning is essential to ensuring that your organization is not afflicted with critical gaps. Are you prepared for the possible risks?

Having a succession plan in place can diminish any risks associated with a CEO's unexpected exit or retirement. This document will speak to the importance of advanced planning for succession, the assessment and identification of potential candidates, and what is needed to identify a future leader.

Planning – The Framework and Benefits

Successfully identifying a qualified CEO successor is rooted in your company's attention to detail and preparation. In order to establish the foundation for a seamless transition, the board should review its succession plan on a regular basis. These reviews will include the assessment of succession protocols, critical organizational guidelines, and any baseline qualifications that will be relevant for the CEO successor. The plan should also be formally labelled to serve as a working guide for the incumbent successor's requirements.

In addition, your organization's direction and strategy should be examined to determine the prerequisites of the successor. These include the risks, challenges, and opportunities presented, and offer keen insight into any potential gaps within your organization. This also takes into account all stakeholders, such as clients, competitors, and investors as major facets that can impact the board's success in the future.

The process of identifying a successor ensures that you are choosing the best possible candidate to fulfill your organization's vision, taking into consideration all aspects that will prepare a successor for the role. An in-depth observation of the success of C-Suite individuals, both inside and outside of your organization, should be taken under consideration for desirable traits. This comprises critical knowledge of your organization, including operating history, expectations, clients, regulations, and investors, which should be shared with the successors in order to provide them with the baseline capabilities for the role.

Once this valuable knowledge is shared, a review of the list of capabilities of the potential candidates, in conjunction with your organization's current C-Suite talent, is crucial. The current talent and desirable candidates should be measured against each other to determine gaps, and ensure that the candidates can execute against the company's goals. This will essentially define your company's future, ensuring a higher potential for growth and profitability.



The board should also have access to timely information regarding any internal candidates, their leadership potential and development, any potential hindrances or challenges to their leadership capabilities, and a methodology for execution against the company's goals. This is a pivotal aspect of the process, as in many cases, grooming a successor can take a number of years to fully integrate the selected candidate into your organization's vision and culture.

In addition to these factors, it's vital that the board should maintain a succession plan for the current CEO, and other leading members of the organization, to oversee the development of candidates that have the requisite skills, diversity of thought and perspective, experience, and additional requirements of the role.

In the long run, the benefits of rigorous planning will fill in critical gaps within your organization. Smooth transitions act as reassurance to the board, investors, clients, and employees involved in future business endeavours. This gives your organization the opportunity to adjust the CEO role and requirements, based on changes in your business and trends within your industry.

The Assessment and Identification of Potential CEO Candidates

Providing that there is not a sudden or unexpected exit of the CEO, the board should meet to discuss the incumbent successor no less than one year before the transition takes place to ensure proper preparation. In addition, succession planning should also be revised and prioritized on a regular basis, in the event of CEO retirement, or disability.

The assessment of the finalists must be thorough and include high-touch, extensive, in-person meetings, assessments, and insight from others within the organization, in order to include colleagues who may report to the CEO directly. This will ensure that the

selected candidate has a core understanding of your organization, including its vision, strategies, and ability to execute.

After the assessment, the board's final decision will revolve around discovering the best possible candidate for succession from both an internal and external candidate pool. Internally, a committee established by the board, along with the Chief Human Resources Officer, will often call on the expertise of an external executive search firm to help identify and shortlist the most appropriate candidates in the organization, or nurture a potential candidate who understands the establishment's culture and dynamics.

Identifying a Future Leader

Rosin Executive Search is often approached for CEO searches, as we are skilled in this area. Through our experience, we have well-honed skills around succession identification and implementation. In addition, our firm has established a search methodology that includes mapping and identification of CEO candidates. This weighs candidates against the benchmark of a successful CEO, including the role and responsibilities assumed by the predecessor. In the event that one





lead candidate does not emerge internally, the board may look towards external candidates to compare their characteristics and experiences. This is a key factor in identifying and appointing the most compelling future leader.

In conjunction, Rosin Executive Search provides a unique and intrinsic instinct to help identify non-verbal cues that result in a more complete overview of candidates' characteristics and capabilities to be a successful leader. We actualize this process through thorough screening and an exclusive methodology, before offering the best possible choices to fit our clients' needs. Your organization requires experience, natural instinct, and keen insight to assess each situation. Rosin Executive Search strives to communicate authentically, maintaining positive, forward-thinking action that provides clarity to the overall succession process.

The ultimate decision for a CEO successor should be based on a detailed evaluation, outlining the reasons why the selected candidate is the best possible choice

for succession. It is essential that the board has direct exposure to the candidates in order to establish a comprehensive evaluation against the candidate's skills. All phases of the final assessment are based on credible, researched techniques, complemented by a wealth of experience that provides an extensive profile of the most qualified successor.

Conclusion

An agreed upon, detailed succession plan will ensure the future success of your organization. By planning ahead, you are mitigating your risk when unforeseen situations present themselves, offering a deliberate approach to your people strategy. This complements your business strategy, which ensures a continuation of your business long before the need for a successor is even identified.



www.rosinsearch.com
647-313-6301