



What Makes PeopleThink

Succession Planning – A Must-Have for Corporate Sustainability

As the economy begins to rebound and more opportunities become available, many companies will be faced with the harsh reality of losing their brightest stars. Worn down from increased workloads and fewer perks and growth opportunities, high potential employees will be quick to answer the call to greener pastures. Combine this with the impending exodus of seasoned Boomer managers and executives and the outlook for unprepared companies is dim indeed.

Companies succeed in large part because of strong leadership. And yet, according to a recent ASTD (American Society for Training and Development) study, fewer than half of the companies surveyed had plans in place to ensure ongoing leadership strength. Of those who did have succession plans in place, only 14% characterized their succession plans as effective.

Succession Planning Benefits

- Prepares your “bench strength” for the next level of responsibility
- Engages top talent and improves employee loyalty
- Identifies and develops critical skills and competencies
- Uses training dollars more efficiently
- Saves money by reducing turnover

Effective succession planning involves four key steps:

1. **Identify the critical talent needed**, i.e., key skills and competencies
2. **Create individual development plans** for high potential employees, based on the key skills and competencies needed, and connect those plans to corporate goals
3. **Communicate the succession plan** to targeted individuals so they know they have a stake in the future of the company and vice versa
4. **Validate and improve the program** through employee feedback and measurable results

As companies focus less on how to *survive* and more on how to *thrive*, succession planning becomes a key strategic lever. Knowledge and wisdom from retiring leaders needs to be transferred to those on the bench. High potential employees need to be retained and developed to guide the organization to the next level. And a plan for continually supplying the leadership pipeline needs to become a part of the culture. Succession planning is not a *nice to have*. It is a *must have*.

See related article on the high cost of turnover, Page 2.

A company without money can always borrow it.
A company without leadership is bankrupt."

- Edward Gubman,
The Talent Solution.

Check Out These New Articles on Our Website

- [Is There a Bully in the Office?](#)
By Jane Schuette
- [Updating Your Resume— Don't Just Add On—Overhaul!](#)
By Leslie Flowers

People Think is Growing!

PeopleThink is happy to announce that Leslie Flowers, principal of WordShapers, Jane Schuette, president and managing owner of Jane Schuette and Associates, and Laura Erkeneff, founder of Training for Techies, Inc., are now part of the PeopleThink team.

Leslie Flowers is a career coach, resume consultant and writer who helps job seekers and entrepreneurs attract opportunities through focused positioning and compelling, well-crafted messaging.

Leslie uses **The Get Real Guide to Your Career** as a tool to help job seekers create and implement a focused, strategic and actionable plan to find the work they want.

Jane Schuette has been helping individuals, teams and leaders achieve personal and organizational success for 25 years. A professional educator and coach, her areas of expertise include: leadership, individual and team effectiveness, communication, creativity, and organizational transformation.

Jane uses PeopleThink's **The Get Real Guide to Your Career** in her work to help both individual contributors and leaders build career plans that optimize their individual strengths and align with personal and organizational goals.

Laura Erkeneff is a consultant and coach who helps technical professionals integrate technology, business practices and people for improved business results and professional development. Laura's particular focus areas include: creating high performing development cultures; developing multi-industry, high-potential coaching programs focused on global leadership; and developing technical professionals as leaders.

Laura partners with PeopleThink in leadership development programs, and uses **The Get Real Guide to Your Career** with her coaching clients.

New Webcasts Now Available

If you've been laid off and/or are considering a career change, you'll find helpful hints and tips in our two new Webcasts:

- [From Layoff to Onboarding—What Executives Need to Know to Navigate the Process](#)
- [Transferable Skills—Mapping Your Skills to a New Opportunity](#)

"Before everything else, getting ready is the secret of success."

- Henry Ford



Need Help Figuring Out That Next Step?

Contact us:

415-440-7944

www.PeopleThink.biz

<http://www.linkedin.com/in/karencolligan>



The High Cost of Turnover

Losing high potential employees to other opportunities not only threatens the *future* of the organization, it has a huge impact on the bottom line today. Studies estimate that employee replacement costs range from 50% of annual salary for entry level employees, to 150% of salary for mid-level employees to **250 – 400% of annual salary for senior leaders and executives.**

Measurable replacement costs include recruiting/hiring, travel and relocation, new hire processing and signing bonuses.

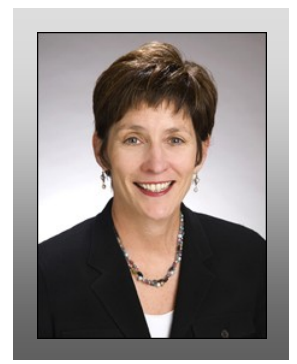
Additional impacts are harder to measure: loss of clients or other employees loyal to the departing leader, loss of key business relationships, loss of deep corporate experience and mindshare, and deteriorating employee morale.

If we use a mid-level employee with \$75K annual salary as an example, it would cost \$112.5K to replace that employee, not counting the cost of the additional impact.

Can you afford it?

Retain your high potential employees and secure the future leadership of your organization. PeopleThink can help.

[Build Your Bench Strength](#)



Karen Colligan is the founder and principal of PeopleThink™ and author of the popular **The Great Real Guide™ to Your Career.**

Karen has focused her career on the human capital issues in organizations and is a leader in the fields of career, leadership and team development.