SUCCESSFUL SUCCESSION PLANNING FOR DISTRIBUTORS

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Succession planning involves savvy talent management, with the goal of ensuring that the right people are in the pipeline for future leadership roles. While it can be stressful to think about leaders stepping down or moving on, your strategy for ensuring the future of your business doesn't need to be complicated. When thinking about succession planning for your distribution company, the main idea is to create leadership pathways throughout your entire workforce, from entry-level to executive level.

According to the MassMutual 2018 Business Owner Perspective Study, most business owners say they have chosen a successor. Yet, only about half have a written succession plan, and one in four say their successor doesn't know they've been chosen.

Succession planning can be complex, but it's an important consideration for business owners and leadership teams when planning for the future. Here are a few ways that distributors, manufactures and other companies can build smart succession plans and allow smooth transitions when the time comes to fill executive roles.

Align the team on business culture

Ensure that the invested future leaders are aligned with the overall business culture and strategy. Succession planning is often most effective when influenced by senior leadership. Executives, HR directors and managers can all be involved and accountable for grooming future leaders. What's more, this can be an opportunity to align the entire team on business culture and values. Common skills for growth include communication, negotiation, presentation and time management. These skills become even more important as employees progress in their future executive roles. To ease future transitions, it's important to ensure that these skills align with the company's culture.

Plan ahead

Giving yourself enough time to plan a good executive succession plan is ideal. Scrambling to replace an executive can be costly to the organization and may cause negative effects throughout the entire organization. Furthermore, making changes without a solid plan can hinder a company's growth and productivity. Instead, plan ahead as much as possible. Start early by identifying and developing candidates within the organization, and make sure the leadership team is in communication with succession decision-makers. Think of the transition as a marathon, not a sprint, and plan to take the time to make the best decisions for the company.

Be clear on job criteria

When considering your succession plan for particular positions, take time to outline the job criteria. This helps clarify the characteristics and experience required to be successful in the role. Job descriptions can be adjusted over time as needs and technology changes, but it's important to have a framework to start from.

Provide training opportunities

Provide candidates with education and training in order to help them be successful in future executive roles. Carefully balance training employees in their current job and molding them for future executive positions within the organization. These opportunities may include mentoring, coaching and hands-on learning experiences, as well as highlighting opportunities for joining industry associations and member-based organizations. Developing employees for current and future roles benefits both the employees and the organization's succession plan.

Create mentorship opportunities

When grooming teams for growth, it can be helpful to identify mentors who have experienced some of the same challenges or followed similar career pathways. Mentorship can bring a new perspective on growth and provide different insights for employees who are ascending the ladder. Leaders can help by pairing employees within the organizations, or by encouraging their teams to join associations or look for mentors elsewhere within the industry.

Don't overlook millennial talent

Consider cultivating millennials as rising leaders within the workplace. One way to encourage millennials along their career path is to identify career goals and encourage them to grow their network within the organization. Millennials are often educated and passionate workers seeking meaningful growth in their professional lives. They have strong values and show a desire for frequent, career-centered feedback. This generation offers great leadership potential.

Lead by example

Current leaders have a unique opportunity to set the right example for future leaders. Consider how your current leaders operate when planning for future succession . This might involve setting performance goals, assigning additional responsibility, and promoting employees with new job titles and financial incentives. In return, ensure you are leading by example and giving your future leaders the encouragement and mentorship they need to help them succeed.

Make it an ongoing commitment

Make sure succession planning is an ongoing commitment within your organization. Follow up with your managers and teams to ensure that employees with the best skills are growing in the right jobs at the necessary times. Place future leaders in real business situations to grow their capabilities and improve their real-world skills. They will rack up new skills in the process, grow their confidence, and ideally enhance their commitment to your organization.

To ensure a smooth transition, it's important to set up your business for success. That means minimizing your company's dependency on a single leader. When seeking new employees, recruit individuals that have skills that align with your organization's culture, strengths and needs. Be sure that your organization is ready to flourish when key leaders step down or move on. View your succession plan as an insurance policy, as well as an opportunity to help your company grow and thrive.

About the Author

Karina is a senior-level global executive with over 10 years of international experience in building successful teams, organizing resources and directing global operations to achieve profit, product and service objectives. She helps individuals, teams and organizations recognize and realize their potential and align them with overall corporate and individual goals. Karina currently leads global Empowerment at ENAVATE.

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