

Why you must start succession management planning now - a case study

Most leaders don't want to talk about succession planning. *I'm not going anywhere. Oh, we'll get to that eventually. There's just so much going on right now. We'll figure it out when the time comes.* The list of reasons (excuses) can be endless. However, leaders that put this off risk damaging not only their legacy, but also the company's future.



Unexpected events happen all the time. Business changes, sudden retirements, a global pandemic, and much more. Try as one might, you can never predict when it'll be time for a new leader to step in. That's why it's necessary to have a plan in place and have succession planning always on the mind.

To illustrate this point, let's take a look at one company where an unexpected turn of events and an aversion to succession planning turned a manageable misfortune into a ruinous surprise.

The setup

Cindy joined Miller, Inc. as the human resources manager. Miller, Inc. is a small, family-owned software company with 60 employees. Mark, the owner, started the company over 30 years ago and has been the leader from the start. Over the years, his adult children came in and out of the company as senior leaders but didn't quite have the passion that Mark did. Many of the employees within the company have been with Mark since the company

opened and felt loyal to him.

Cindy recently left a large software company after feeling burned out from corporate politics, long work hours, and feeling lost in the shuffle. She saw the role at Miller, Inc. as a chance for her to take on more of a leadership role.

In interviewing with Mark, she expressed her passion for being a strategic leader and wanting to drive change and growth within a smaller organization. She talked to Mark about her extensive background revamping compensation and performance management practices, driving process improvement, and implementing talent management practices. Mark was particularly intrigued by Cindy's diverse background and ability to take charge, which he felt his former human resources manager lacked. Additionally, he was interested in her succession management experience. Mark noted that it's something he should look at more and would want her to spearhead upon her start.

On the job

Cindy accepted the job. In her first week, she began scheduling needs assessments with Mark's leadership team and reviewing current processes in human resources. In her first official 1:1 with Mark, she explained where she saw opportunities and outlined her initial plans. Cindy noticed a cough throughout the meeting, but overlooked it. As the conversation continued, she asked Mark about who within the company he'd foresee taking over if he were to retire. He laughed and said, "You'd have to pry me about of here. I love my work here and can't imagine retiring. I'd have nothing to do all day!"

Cindy laughed knowing that this was something he seemed keen on during their interview and asked if she could schedule time with him next week to talk more about his long-term plan and what that meant for Miller, Inc. He agreed.

The next week, Mark called out saying he wasn't feeling well and for Cindy to talk to his son, Chuck, about potentially taking over. Cindy was surprised by his casual approach. She was also concerned about Chuck's interest and potential in taking over. Although he was currently acting as the Chief Financial Officer, her needs assessments revealed that few leaders felt that Chuck had an interest in taking over as he only tended to work there between other jobs.

Cindy scheduled time to talk with Chuck and he further supported what she had heard. "Listen, Cindy," he began. "My dad's a tough guy and won't be leaving any time soon. I have a potential new job on the line and don't think we need to waste time talking about who would take over. I appreciate your efforts and concern, but think you'd have something else to worry about."

Chuck then told her that there was a woman in research and development who his father trusted and considered his right-hand woman, Aniyah. Cindy met with Aniyah and talked about whether she'd be interested in taking over as an interim leader if something were to happen to Mark.

Finding a successor

Aniyah explained that a few years prior, she had talked to Mark about her career growth at Miller, Inc. At that time, he explained he wanted to keep the business within the family in hopes of Chuck taking over.

Aniyah elaborated, saying that "While I was disappointed to hear that I may not have a future here, I was also surprised since the reason I asked was due to us being approached by a competitor who wanted to buy Miller, Inc., but Mark wouldn't sell. I also get concerned since he knows so much about the business and has these other 'plans' that he keeps alluding to, but won't tell anyone since he's so self-assured that nothing will happen to him that could impact us."

Cindy was surprised that Mark wouldn't sell as, at the time, he would have been about 64. From her conversations with Chuck and Aniyah, she outlined a potential plan for discussing succession further with Mark and rescheduled a meeting for the next week. That next week, she met with Mark who didn't look good and kept coughing. She asked him about the potential acquisition, potentially preparing Aniyah further for taking over, and how they'd handle back-filling Chuck's role since he decided to take a position with another company.

Mark said that he wasn't ready to sell. Nor was he fully comfortable talking further about Aniyah taking over since he was confident that Chuck would come back in the next year so he could retire.

The next few weeks Mark was in and out of the office due to not feeling well leaving Cindy to make decisions on her own while consulting Aniyah and other leaders within the company. While Aniyah was helpful, she was missing critical information as were others. It felt like Mark had kept important information to himself leaving holes across the company. He and Chuck were unavailable for discussions leading a few key customers to cancel orders since the team wasn't able to get them information needed.

An unfortunate twist

A week later, Chuck called Cindy. "This isn't great news, but my dad's in the hospital. It seems like his cough is much more than that and he has cancer. I've been consulting with lawyers and have decided to close the company this month. I don't want to take it over and don't think there's anyone else there who could. I'm seeing if I can revive that acquisition offer. Can you start to create a plan to terminate employees? I'll be in touch with more details later."

Cindy was shocked and angry. She told Aniyah in confidence about what was going to happen. Aniyah shook her head, "I'm not surprised by this. Mark thought he was invincible and resisted thinking long-term and planning for the future. Plus, no one forced him too either. Now both of us and the others will be out of the job. I'm saddened that this is how Mark is leaving his legacy as a leader." Cindy agreed.

Lessons Learned

This case is one that can easily happen to small businesses when they don't make succession management a priority. While Cindy made efforts to start the necessary conversations and act diligently as a human resources leader, her efforts were fruitless due to circumstances outside of her control.

Human resources leaders can use this example as a reminder as to why they need to drive succession management conversations frequently and with vigor. While some leaders may not see the value or need, human resources can be an advocate for ongoing organizational success and be proactive about future-proofing their organizations.