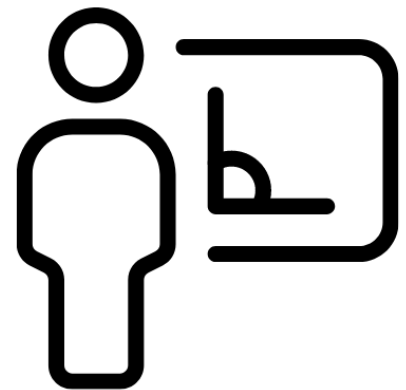


# Instructors Guide



On the following pages is a sample module from our Instructor Guide. It provides the instructor with a copy of the material and a Lesson Plans box.

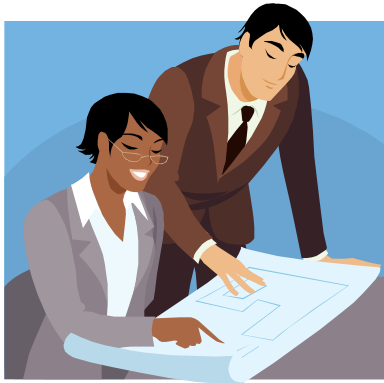
The key benefit for the trainer is the Lesson Plan box. It provides a standardized set of tools to assist the instructor for each lesson. The Lesson Plan box gives an estimated time to complete the lesson, any materials that are needed for the lesson, recommended activities, and additional points to assist in delivering the lessons such as Stories to Share and Delivery Tips.



*Change is the law of life. And those who look only to the past or present are certain to miss the future.*

*John F. Kennedy*

## Module Two: Succession Planning vs. Replacement Planning



Succession planning and replacement planning are two different things. Replacement planning is focused on identifying immediate understudies, while succession planning is focused on developing talent to move forward.

### What is Business Succession Planning?



Successful succession planning is related to leadership development. It develops a pool of talent so that there are numerous qualified candidates throughout the organization to fill vacancies in leadership. Succession planning used to concentrate on developing leadership at the top level, but now it is building a strong talent base, which helps to increase employee loyalty and ensure the longevity of the company. This strategy requires recruiting qualified talent, creating a talent pool, and instilling loyalty.

#### Benefits of succession planning:

- Decreased turnover
- Increased employee satisfaction
- Improved commitment to company goals
- Enhanced image of the organization

#### What does succession planning require?

- **Identify the long-term goals and objectives of the business:** The long-term goals directly relate to succession planning. Is the company's goal to grow or maintain its current position? Will it expand into other fields? All of these questions need to be addressed before creating a succession plan.
- **Understand the developmental needs of the company and identify employees who fit these needs:** The responsibilities of employees change over time. Some positions may be eliminated in the future, while others will be added.
- **Recognize trends in the workforce and engage employees to build loyalty:** Understanding workforce trends will help you predict the needs of your organization. For example, are your key employees nearing retirement? Have you invested in talented employees to take on additional roles?

<b>Estimated Time</b>	10 minutes
<b>Topic Objective</b>	Introduce and define succession planning along with its benefits and requirements.
<b>Topic Summary</b>	This exercise allows participants to define succession planning for themselves and how it fits in with the needs and plans of their organizations.
<b>Materials Required</b>	<a href="#">Worksheet 1: Succession Planning</a>
<b>Planning Checklist</b>	None
<b>Recommended Activity</b>	<p>Explore the main ideas of succession planning as a group. Share the statistics to emphasize the importance of business succession planning before having the students complete the worksheets individually.</p> <p>Call on a few participants to provide their answers and brainstorm ideas as a class.</p>
<b>Stories to Share</b>	According to a report from Hewitt Associates and Human Resources Planning Society, 85 percent of top performing companies make employee development a top priority. However, only one-third of companies have business succession plans.
<b>Delivery Tips</b>	Limit the amount of time to complete the worksheet. The completed worksheet can be explored in small groups of three or four, depending on the size of the class.
<b>Review Questions</b>	What are the benefits of business succession planning? What percentages of

	organizations make use of this strategy? Why?
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**What Is Replacement Planning?**

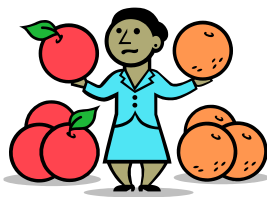


Replacement planning works under the assumption that the structure of the organization will not change. This is easier to apply in small family businesses that do not have any goals to expand or grow in the future. There are typically two or three “replacements” identified in the organization chart. Each backup is listed with their ability to replace an existing leader. The employees are not necessarily developed to understand the new working environment or smoothly transition into his or her new responsibilities.

<b>Estimated Time</b>	10 minutes
<b>Topic Objective</b>	To understand replacement planning and what type of company uses it.
<b>Topic Summary</b>	Read through the Organization Chart. Identify positions on the chart that could change over time.
<b>Materials Required</b>	<p>Organization Chart</p> <pre> graph TD     CEO[CEO] --- VP_Sales[VP Sales]     CEO --- VP_Marketing[VP Marketing]     CEO --- VP_Production[V.P. Production]     VP_Sales --- Sales_Manager[Sales Manager]     VP_Marketing --- Production_Manager[Production Manager]     VP_Production --- Marketing_Manager[Marketing Manager]         </pre>
<b>Planning Checklist</b>	None
<b>Recommended Activity</b>	<p>Identify at least two positions that could change if the company were to grow, and explore how this would affect the replacement strategy.</p> <p>Break into small groups of three or four and discuss the risks of keeping the replacement plan as it is.</p> <p>Carefully examine the chart above. Identify positions that could change and</p>

	<p>how this would affect the replacement plan. Discuss your findings with your classmates.</p> <p>The VP of Sales, Marketing, and Production are potential replacements for the CEO. The VP of Production has been with the company the longest, but the VP of Sales has better people skills.</p>
<b>Stories to Share</b>	<p>Note: This story is fictional but familiar. You can tell a similar story that you experienced personally to increase your emotional connection with the story.</p> <p>A project manager who managed to inspire his employees to great improvements in productivity recently retired. His supervisor wanted to increase productivity even further while cutting the bottom line. She replaced him with a qualified candidate who increased workloads while limiting the budget for valuable resources. The department quickly turned over, and months were spent training new employees who did not have much loyalty to the company.</p>
<b>Delivery Tips</b>	If you are pressed for time, discuss the differences as a single group.
<b>Review Questions</b>	How does replacement planning choose successors? What are the pros and cons of simple replacement planning?

## Differences Between



Many executives believe that they are engaging in succession planning, but in reality they are still using replacement planning.

The Main Differences:

- Replacement planning focuses on finding suitable replacements only for top executives.
- Succession planning means that the company is easily able to fill vacancies throughout the business because employees are being empowered and developed.
- There is a short list of candidates in replacement planning.
- Succession planning builds a large talent pool.

Succession planning takes a little more time and effort from those in leadership, but it yields a high return on such an investment.

<b>Estimated Time</b>	10 minutes
<b>Topic Objective</b>	Understand the difference between business succession planning and simple replacement planning.
<b>Topic Summary</b>	Examine the Worksheet: Comparison. Circle all of the items that apply to your company's goals.
<b>Materials Required</b>	<a href="#">Worksheet 2: Comparison</a>
<b>Planning Checklist</b>	None
<b>Recommended Activity</b>	Read the differences between replacement planning and succession planning. Circle all items that apply to your business situation, now or in the future.  Share your discoveries with the class.
<b>Stories to Share</b>	Tell the story of Alverno College. The school encourages life-long learning by evaluating student performance rather than grading tests. Passing is not easy because students need to continually demonstrate their abilities. This encourages self-evaluation and awareness. What can businesses take away from the story when evaluating and developing employees?
<b>Delivery Tips</b>	If you feel you have time, split the participants into small groups to discuss the differences related to their companies. Write any common concerns on the board or flip chart.
<b>Review Questions</b>	Do all companies that claim to use succession planning actually put it into practice? What are the main differences you notice between the two?

## Deciding What You Need

There are several different factors that indicate when a company needs to implement or re-evaluate succession planning.

- **Turnover becomes critical:** The number of high-potential workers leaving is higher than average workers leaving. (This can happen in any economy.)
- **Employees feel undervalued:** When a majority of your employees feel that there is no room for advancement, or that you choose too many outside hires, there is a succession-planning problem.



- **There are no replacements for key talent:** Should a valued member of staff suddenly leave, there is no one able to take their place.
- **Managers notice that there are not many candidates for promotion:** Employees who are not developed for leadership will never be promoted.
- **The time to fill metric is high or unknown:** The time to fill metric is the average length of time that it takes to fill a position. A high number means that the company needs to focus on succession planning.
- **The retention risk analysis is high:** A risk analysis uses different factors to determine the potential number of employees who will leave. These will factor in retirement and other trends.

<b>Estimated Time</b>	10 minutes
<b>Topic Objective</b>	Evaluate your business needs in succession planning.
<b>Topic Summary</b>	Read the Trends worksheet. How many of these trends do you see in your company?
<b>Materials Required</b>	<a href="#">Worksheet 3: Trends</a>
<b>Planning Checklist</b>	None
<b>Recommended Activity</b>	Use the indicators for succession planning to fill out the worksheet. How critical do you think succession planning is to your business?  Pair up with another participant who has a score similar to yours. Discuss ways that succession planning will benefit you.
<b>Stories to Share</b>	It is predicted that there will be a drop in qualified middle and senior managers in the next few years. International companies such as Dow Chemical are focusing on strategies to attract and retain qualified managers in China as well as America. Training and compensation are two strategies used to retain talent in a growing field.
<b>Delivery Tips</b>	If you are short on time after the exercise, do not break into small groups, have a brief class discussion.
<b>Review Questions</b>	What indicates the need to change succession planning?

## Practical Illustration



Jacob had to plan for the scenario that there may be a vacancy within the company. First, he inspected the actual requirements of the company. After seeing record breaking sales and profit, it was safe to assume they should expand. This called for his plan to be one of succession rather than replacement. Given the current talent base he had to work with, he knew that there were many employees who required only a little training in order to become the next successful leaders of the company on the occasion of a vacancy.



## Module Two: Review Questions

1) Which of the following statements is true?

- a) Succession planning and replacement planning are the same thing
- b) Replacement planning is focused on identifying immediate understudies
- c) Succession planning is focused on identifying immediate understudies
- d) Replacement planning is focused on developing talent to move forward

Replacement planning is focused on identifying immediate understudies, while succession planning is focused on developing talent to move forward.

2) Succession planning is focused on developing leadership, but it also builds a strong:

- a) Financial base
- b) Organizational base
- c) Cooperating base
- d) Talent base

Succession planning used to concentrate on developing leadership at the top level, but now it is building a strong talent base, which helps to increase employee loyalty and ensure the longevity of the company.

3) Replacement planning works under the assumption that:

- a) The structure of the organization will not change
- b) The finance of the organization will not change
- c) The business partners of the organization will not change
- d) The goals of the organization will not change

Replacement planning works under the assumption that the structure of the organization will not change.

4) Replacement planning is easier to apply in:

- a) Large organizations
- b) Small family businesses
- c) Organizations with goals to grow and expand
- d) There is no rule – it can be easily applied anywhere

This is easier to apply in small family businesses that do not have any goals to expand or grow in the future.

- 5) Which of the following statements IS NOT true?
- a) Replacement planning focuses on finding suitable replacements only for top executives
  - b) Succession planning builds a large talent pool
  - c) There is a short list of candidates in replacement planning
  - d) Succession planning takes a little less time and effort from those in leadership

The main differences between succession planning and replacement planning: Replacement planning focuses on finding suitable replacements only for top executives. Succession planning means that the company is easily able to fill vacancies throughout the business because employees are being empowered and developed. There is a short list of candidates in replacement planning. Succession planning builds a large talent pool.

- 6) Succession planning means that the company is easily able to fill vacancies throughout the business because:
- a) It counts on more employees
  - b) Employees are being empowered and developed
  - c) Employees feel obligated to work harder
  - d) Employees participate in more activities

Succession planning means that the company is easily able to fill vacancies throughout the business because employees are being empowered and developed.

- 7) Which of the following IS NOT one of the factors that indicate when a company needs to implement or re-evaluate succession planning?
- a) There are no replacements for key talent
  - b) The retention risk analysis is high
  - c) Employees are often in private arguments
  - d) Managers notice that there are not many candidates for promotion

There are several different factors that indicate when a company needs to implement or re-evaluate succession planning. Turnover becomes critical. Employees feel undervalued. There are no replacements for key talent. Managers notice that there are not many candidates for promotion. The time to fill metric is high or unknown. The retention risk analysis is high

8) When the turnover becomes critical, it means that:

- a) The number of high-potential workers leaving is higher than average workers leaving
- b) The number of low-potential workers leaving is higher than high-potential workers leaving
- c) The number of average workers leaving is higher than low-potential workers leaving
- d) The number of high-potential workers leaving is higher than low-potential workers leaving

Turnover becomes critical: The number of high-potential workers leaving is higher than average workers leaving. (This can happen in any economy.)

9) \_\_\_\_\_ planning and \_\_\_\_\_ planning are two different things.

- a) Meal, Replacement
- b) Succession, Meal
- c) Succession, Replacement
- d) Successful, Replacement

Succession planning and replacement planning are two different things.

10) Successful succession planning is related to \_\_\_\_\_ development.

- a) Leadership
- b) Profit
- c) A and B
- d) Neither A nor B

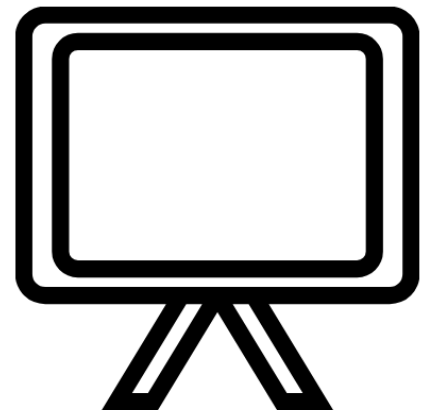
Successful succession planning is related to leadership development.

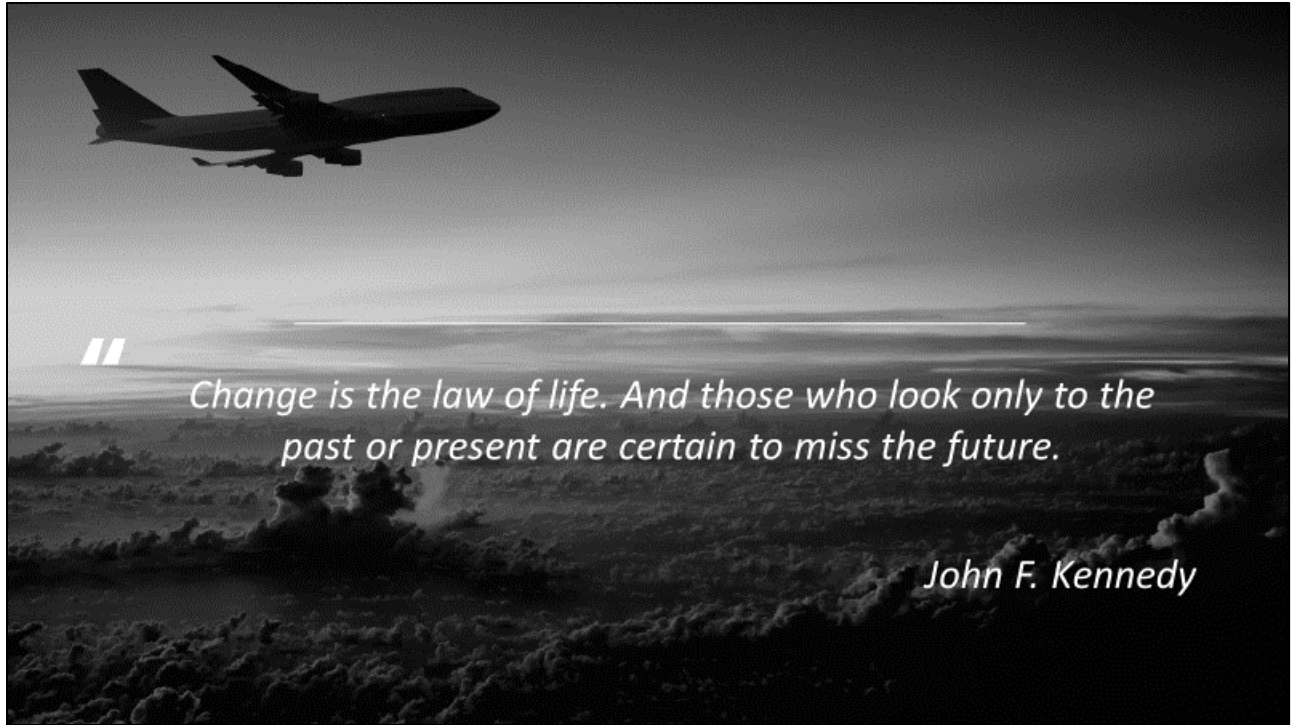
# PowerPoint Slides



Below you will find the PowerPoint sample. The slides are based on and created from the Instructor Guide.

PowerPoint slides are a great tool to use during the facilitation of the material; they help to focus on the important points of information presented during the training.





## MODULE TWO

# Succession Planning vs. Replacement Planning

Replacement planning focuses on identifying immediate understudies.

Succession planning is focused on developing talent to move forward.



## What is Business Succession Planning?

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Successful succession planning develops a pool of talent so that there are numerous qualified candidates.

## What Is Replacement Planning?

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Replacement planning is easier to apply in small family businesses.





## Differences Between

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Many executives believe that they are engaging in succession planning, but in reality they are still using replacement planning.

## Deciding What You Need

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There are several factors that indicate when a company needs to implement or re-evaluate succession planning.



## Practical Illustration



- What is Business Succession Planning?
- What Is Replacement Planning?
- Differences Between
- Deciding What You Need

## Module Two: Review Questions

1. Which of the following statements is true?

A. Succession planning and replacement planning are the same thing

B. Replacement planning is focused on identifying immediate understudies

C. Succession planning is focused on identifying immediate understudies

D. Replacement planning is focused on developing talent to move forward



# Quick Reference Sheets



Below is an example of our Quick Reference Sheets. They are used to provide the participants with a quick way to reference the material after the course has been completed. They can be customized by the trainer to provide the material deemed the most important. They are a way the participants can look back and reference the material at a later date. They are also very useful as a take-away from the workshop when branded. When a participant leaves with a Quick Reference Sheet it provides a great way to promote future business.



# Business Succession Planning Quick Reference Sheet



## Business Succession Planning

### BENEFITS OF SUCCESSION PLANNING:

- Decreased turnover
- Increased employee satisfaction
- Improved commitment to company goals
- Enhanced image of the organization

### WHAT DOES SUCCESSION PLANNING REQUIRE?

- **Identifying the long-term goals and objectives of the business**
- **Understanding the developmental needs of the company and identifying employees who fit these needs**

Recognizing trends in the workforce and engaging employees to build loyalty



## Deciding What You Need

- **Turnover becomes critical:** The number of high-potential workers leaving is higher than average workers leaving.
- **Employees feel undervalued:** When a majority of your employees feel that there is no room for advancement or that you choose too many outside hires, there is a succession-planning problem.
- **There are no replacements for key talent:** Should a valued member of staff suddenly leave, there is no one able to take their place.
- **Managers notice that there are not many candidates for promotion:** Employees who are not developed for leadership will never be promoted.
- **The time to fill metric is high or unknown:** The time to fill metric is the average length of time that it takes to fill a position.
- **The retention risk analysis is high:** A risk analysis uses different factors to determine the potential number of employees who will leave.

## Develop a Mission Statement

- Statement of Purpose:** This explores the purpose of the company.
- Statement of Strategy:** The statement explains how the business strategy connects with employees and customers.
- Statement of Value:** This links the strategies of the organization with the values of employees and consumers.
- Statement of Behavioral Standards:** Employee behavior is linked to the company's values in this statement.
- Statement of Character:** The culture of the company is outlined in this statement.

## Develop a Vision Statement

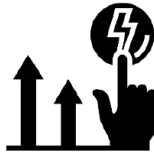
- **Determine the values of the company:** Ask people how they feel about the future of the organization and its values.
- **Discover future goals:** Find out what vision people have of the company in the future. Attempt to create specific future goals.
- **Write and rewrite:** Vision statements should be able to change. Once a vision statement is drafted, it can and should be altered as the market changes and the company develops.

## SWOT Analysis

### Identifying Strengths

#### TYPICAL COMPANY STRENGTHS

- Customer loyalty
- Products
- Customer service
- Financial gains
- Employee loyalty
- Research and development



### Identifying Weaknesses

#### TYPICAL WEAKNESSES:

- Inefficient customer service
- Poor finances
- Low quality products or services
- High employee turnover
- Disloyal customers
- Bad relationships with vendors



### Identifying Opportunities

#### TYPICAL OPPORTUNITIES:

- Growing markets
- Advancement in technology
- Economic stability
- Demographic changes
- Mergers



### Identifying Threats

#### TYPICAL THREATS

- Price wars
- Buyers markets
- New competitors
- Demographic changes
- Advancement in technology (makes your product obsolete)



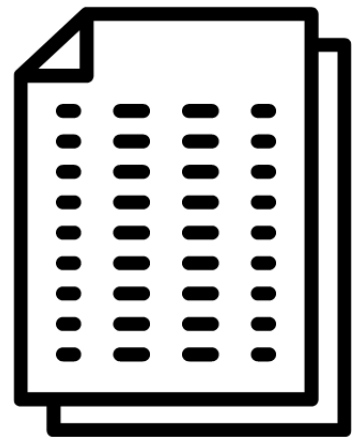
# Handouts



Each course is provided with a wide range of worksheets.

Worksheets help check your participants' understanding. If a lesson calls for a worksheet, it will be listed in the Lesson Plan box under Materials Required. All worksheets are customizable and can be found in the Appendix of the Instructor Guide and the Training Manual.

As a trainer, icebreakers give your participants the opportunity to get to know each other better or simply begin the training session on a positive note. Icebreakers promote collaboration, increase engagement, and make your training more light-hearted and fun. Below is an example from the Icebreakers folder.



## Sample Worksheet 1

# *Succession Planning*

Answer each question based on your current business plan.

1. What are the long-term goals of your company?

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2. What impact will these goals have on key positions in the company?

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3. How does your company currently attract qualified candidates and develop employees for future leadership? How would you like the company to do this?

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## Sample Worksheet 2

# Comparison

Circle the items that apply to your business. How much succession planning do you already use? Is this how you want your company to operate?

	<b>Replacement Planning</b>	<b>Succession Planning</b>
<b>Time Frame</b>	6 months	6-36 months
<b>Candidates</b>	Readily available	Those with the best potential
<b>Selection</b>	Moves vertically through chart	Moves through the talent pool
<b>Development</b>	On the job	Action plans developed ahead of time
<b>The Decision</b>	Made by an executive or committee	Made by multiple managers

## Sample Worksheet 3

# Trends

Rank where your company falls in each category on a scale of one to five. One is ideal and five is high risk.

### Turnover

1      2      3      4      5

### Valuing employees

1      2      3      4      5

### Replacements

1      2      3      4      5

### Qualified candidates

1      2      3      4      5

### Time to fill metric

1      2      3      4      5

### Retention risk analysis

1      2      3      4      5

NOTES \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## **Icebreaker: Group Résumé**

### **PURPOSE**

To help participants get acquainted and start talking to each other.

### **MATERIALS REQUIRED**

1. Name card for each person
2. Markers

### **PREPARATION**

Have participants fill out their name card. Divide participants into groups of four to six.

### **ACTIVITY**

Ask participants to create a composite résumé for their group. They might include such things as:

3. Total years of experience
4. Education
5. Skills
6. Positions held
7. Outside interests

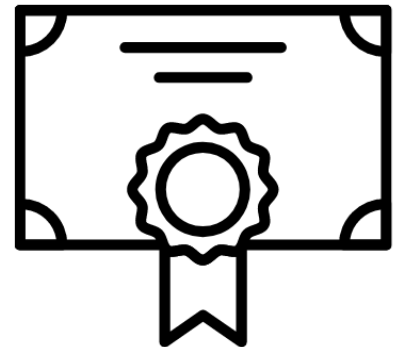
Ask each group to present its résumé to the rest of the participants.



# Certificate of Completion



Every course comes with a Certificate of Completion where the participants can be recognized for completing the course. It provides a record of their attendance and to be recognized for their participation in the workshop.



CERTIFICATE OF COMPLETION

**[Name]**

*Has mastered the course  
Business Succession Planning*

Awarded this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

Presenter Name and Title

\_\_\_\_\_