

The Importance of Succession Planning

Succession planning is an essential part of doing business, no matter how certain your future appears. It's easy to put off planning when everything seems to be going so well, right? Wrong. Now is the time to begin succession planning. Here are some reasons why it can't — and shouldn't — wait:

- You can't plan for disaster. No matter how good you and your staff are at revenue projections or economic predictions, no one can truly plan for disaster. Whether it's an unforeseen illness, a natural disaster, or a CEO's decision to suddenly retire, the reasons for having a succession plan in place before it is needed are endless. So while you can't plan for disaster, you can put into place a series of contingencies that will help your company stay afloat if, in fact, catastrophe occurs.
- Succession planning benefits the business now. Just as business practices have evolved over the years, succession planning has also grown and changed. It's no longer a plan that can only be accessed when leadership is going to change; a succession plan can be used before its "real" intent is necessary. It can be used to build strong leadership, help a business survive the daily changes in the marketplace, and force executives to review and examine the company's current goals.
- Succession planning gives your colleagues a voice. If you're running a family business, the process of succession planning will give family members an opportunity to express their needs and concerns. Giving them that voice will also help create a sense of responsibility throughout the organization, which is critical for successful succession planning. Resist the temptation to solely carry the entire weight of creating and then sustaining a plan.
- A succession plan can help sustain income and support expenses. Talking about money should be a priority. People generally don't want to work for free and things don't pay for themselves. A succession plan can provide answers as to what you — and your staff — will need for future income, as well as what kinds of expenses you may incur once you step out of the main leadership role. Ask yourself questions about your annual income and other benefits including health and dental insurance for you and your dependents, life insurance premiums paid for by the company, your car, professional memberships, and other business-related expenses.
- Succession planning gives you a big picture. Some companies mistakenly focus solely on replacing high-level executives. A good succession plan can go further, however, and force you to examine all levels of employees. The people who do the day-to-day work are the ones keeping the business going. Neglecting to add them to the succession planning mix could have dire consequences. As you

develop your plan, incorporate all layers of management and their direct reports.

- Succession planning strengthens departmental relationships. When regular communication occurs between departments you are more likely to experience synergy, which breeds a culture of strength. Make sure that you link your succession planning activities with human resources. After all, HR is about people. By including HR in succession planning, you can incorporate elements like the employee-evaluation process, which can help when deciding whether to fill vacancies with internal candidates.
- Succession planning keeps the mood buoyant. Change — a major component of a succession plan — is exciting and can bring a company unforeseen rewards. Still, change can be a source of tremendous stress, especially when people's livelihoods are at stake. As you put your succession plan together, consider its positive effects on the business. Planning for the future is exciting and, if done correctly, can inspire your workers to stay involved and maintain company loyalty. It's true that a plan is often put into place to avert catastrophe, but it's also a company's way of embracing the future — a business strategy that is essential for survival.

Please Note >> Millenium Staffing does not claim or imply any ownership of content on links or in articles viewed. The information contained in articles and links is informational only, and are not an endorsement of the opinions, products, or services presented. Millenium Staffing is not responsible for the legality or accuracy of information on these sites, or for any costs incurred while using these sites.