

THE BUILD IT BACKWARDS SERIES

**THE** Book On ...  
**SUCCESSION  
PLANNING  
SYSTEMS** (SPS<sup>SM</sup>)

The 30 Secrets  
To Leadership Development

DANIEL FEIMAN



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# **THE Book On SUCCESSION PLANNING SYSTEMS (SPS<sup>SM</sup>)**

## The 30 Secrets To Leadership Development

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PART I

# What Is At Stake?



# 1

## Why Succession Planning Matters

**S**uccession planning is not just a strategy—it’s a critical safeguard for your organization’s future. Without it, your business risks operational disruption and lost opportunities both during leadership transitions and from the sheer lack of leaders in critical positions.

You have two options:

- create, implement, and regularly update your succession plan and gain all the benefits that go along with this
- not do the above, and risk disappointment, missed opportunities, and potential firm failure

Do you remember that old adage, “live by the five *p*’s”? For those of you who don’t remember, the five *p*’s are:

- proper
- planning

- prevents
- poor
- performance

Failure to plan for the future means allowing fate to dictate outcomes, often resulting in chaotic leadership transitions that can cripple an organization's operations and morale. However, with comprehensive succession planning, you can be prepared for it, you can control it, and you'll be closer to achieving your ideal future. Effective succession planning empowers you to steer your organization toward sustained growth and stability, ensuring that leadership transitions are seamless and strategically aligned with your long-term goals, and you get to choose the next generation of leaders for the firm, regardless of whether you stay or move on. This invariably leads to a more successful firm. It is living the five *p*'s.

If you want your organization to be where you ideally need it to be in the future, you have two choices: either (a) you can hope it happens, or (b) you can make it happen. Succession planning is actually creating a leadership development program designed to allow you to take your organization to a place at any point in the future you want. Succession planning is strategic. It involves looking one to five years or more into the future, enabling you to foresee and shape the direction of the organization. You have objectives and you have measurable goals to be able to recognize when you achieve these. Where you are today is not good enough for where you want the organization to be in the future.

What you want is to have a team in place that can take on more responsibility, can make the organization better, can help

you grow, and can take on new responsibilities as people change roles, leave the organization, retire, or whatever happens. This is why succession planning really matters.

Embrace succession planning as your strategic advantage. It's not just about filling leadership roles but about envisioning and securing your company's future.

Here is a story that illustrates this point. Once, a remarkably successful service company's long-time CEO announced they were stepping down from their role. Immediately a variety of people in the firm decided they were the ideal candidate, even before the board launched a formal search for the CEO's replacement, and even though there was no job description or defined career path that led to the CEO position.

The result: sheer chaos. The board was frozen with indecision; the firm began to suffer from the infighting, with employees picking sides. This led to growing dissatisfaction, a gradual reduction in productivity, and poor customer service. The firm was in free fall.

The board asked themselves:

- Should we go outside to find the next CEO? Should we pick one of our existing senior staff? Which option is better?
- Who is the best candidate?
- What does the ideal candidate look like?
- How do we choose?
- What attributes do we really want in the next leader?

- What about the other leadership positions? Who can/should fill those?

And it went on and on.

Eventually, the board chose one of the internal candidates who was a “safe” compromise. The company suffered during the process because no one, including that internal candidate, was prepared for this eventuality. Nor was the firm prepared. They failed to get ready for the inevitable. They failed to create a succession plan or even recognize the need for one.

The firm gradually stabilized and improved its performance under this new leader but never achieved its prior level of success. There was no succession plan at any level, including the most senior positions. Had the firm created a succession plan, the entire process of the CEO stepping down would have been better planned for and relatively seamless, and the transition could have been very smooth without losing momentum. The other roles in the firm, likewise, would have been filled without the drama that ensued.

It is clear that succession planning is essential. *Do you want your firm to risk what happened to this example firm?* The results of planning are always better than not planning—the five *p*'s at work.