

Lead by example

How to execute a succession plan built on leadership development initiatives

For many organizations, there's certainly no denying the risks associated with poor succession planning when passing the so-called "business baton" from one executive to another: profit loss, clashes in agenda, service failures, just to name a few. But there are strategies and approaches that can be used to avoid, or at the very least alleviate, these tremendous risks.

The objective of every succession plan is to facilitate a smooth and successful transition of management responsibilities to the successor.

Smart Business sat down with Dave Buss, Vice President of Global Operations for AIT Worldwide Logistics Inc., to find out how to implement a smooth transition of power.

How would you define succession planning as it applies to leadership?

Because there's no set formula, matrix, policy or procedure that is universally utilized, succession planning can't be clearly defined in objective terms. Oftentimes, it's a bit ambiguous. On some level, each succession plan must be customized according to the particular job candidate and the skill sets required for his or her new role within the company.

When designing a business succession plan with an emphasis on leadership, the command and control of upward mobility does not belong solely to high-level executives; rather, a certain level of accountability and decision-making power also falls on the successor. The succession plan then becomes a reciprocal process — employees have the freedom to determine and define the specific initiatives, tasks and demands that their new position requires rather than merely relying on the 'top dogs' to dictate those initiatives for them. Some of the best ideas and strategies come from employees, after all. Instead of simply asking their superiors, 'What's next, boss?' they become proactive enough to suggest, 'Here's what should happen next, boss.'

From a service standpoint, customers are more likely to buy from forward thinkers. It becomes only logical and



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strategic that employers are more inclined to hire and promote those forward thinkers.

When you have identified leaders within your organization using this approach, you will see the entrepreneurial aspect of succession planning come into play.

Once the succession plan is executed, how do you determine whether or not the candidate is a leader rather than just a hard worker?

There are several questions you must ask yourself as the new candidate acclimates to the job: How well does he or she understand the dynamics of those he or she is managing, how fairly are responsibilities being delegated and how much respect is the new leader earning from his or her subordinates?

Over time, you are more likely to gauge whether or not these employees can handle their newfound job demands. Essentially, you can distinguish the leaders from the hard workers based on how they work when they don't know all the answers.

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Another good test is discovering whether or not they have a positive and strong sense of self-awareness. They may have demonstrated they've got the skill sets required for the job, but have they tackled the self-examination concept that is so critical to the succession planning process? Self-mastery is necessary — not only to align themselves with their personal career goals but also with the overall visions of the organization.

Communication skills must also be taken into heavy consideration. A lot of people stress the importance of not personalizing business because it could lead to favoritism and/or hostility in the workplace. I couldn't disagree more, particularly when devising succession management strategies. Personalizing your business approach lends itself to better communication, especially when you are in the service industry — even if it's delivering bad news to an employee or telling a customer that there's been a service failure.

How do you train leaders to contend with shifts in the economy and swings in business?

Businesses go through cycles in the economy, cycles in success and cycles in profitability. It's a natural progression that is literally unavoidable — it seems that companies these days increasingly need to do more with less from a people resources standpoint.

When you lead by example and groom a staff of diversely qualified candidates, you're positioning the company to implement innovative and effective ways not only of surviving but of developing new business in the face of a down economy.

A healthy competitive work environment emerges, where employees are more willing to give back to the company. They maintain the quiet confidence of knowing there are always going to be new opportunities for them on the horizon so that today's loss is tomorrow's gain. <<