

# Succession planning in event management companies

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# Key roles or key people

- Corporates tend to look at key roles and then review and develop their talent pool around those key roles.
- SMEs tend to look at their key people and shape roles to fit them, which can lead to sub-optimal decisions.
- For SMEs the solution is to identify the key roles critical to the business, and step back to see if the key people are able to step up into the requirements of the key role both now and in the context of any market changes in the foreseeable future.

# Performance v potential

## Performance

- Historic track record of delivering results
- High performers give added value of between 50-100% over average performers
- In theory based on achievement against objectives
- Often subjective – the halo effect. SMEs don't always have the infrastructure to measure performance
- Can be difficult to separate out individual achievement from collective effort

## Potential

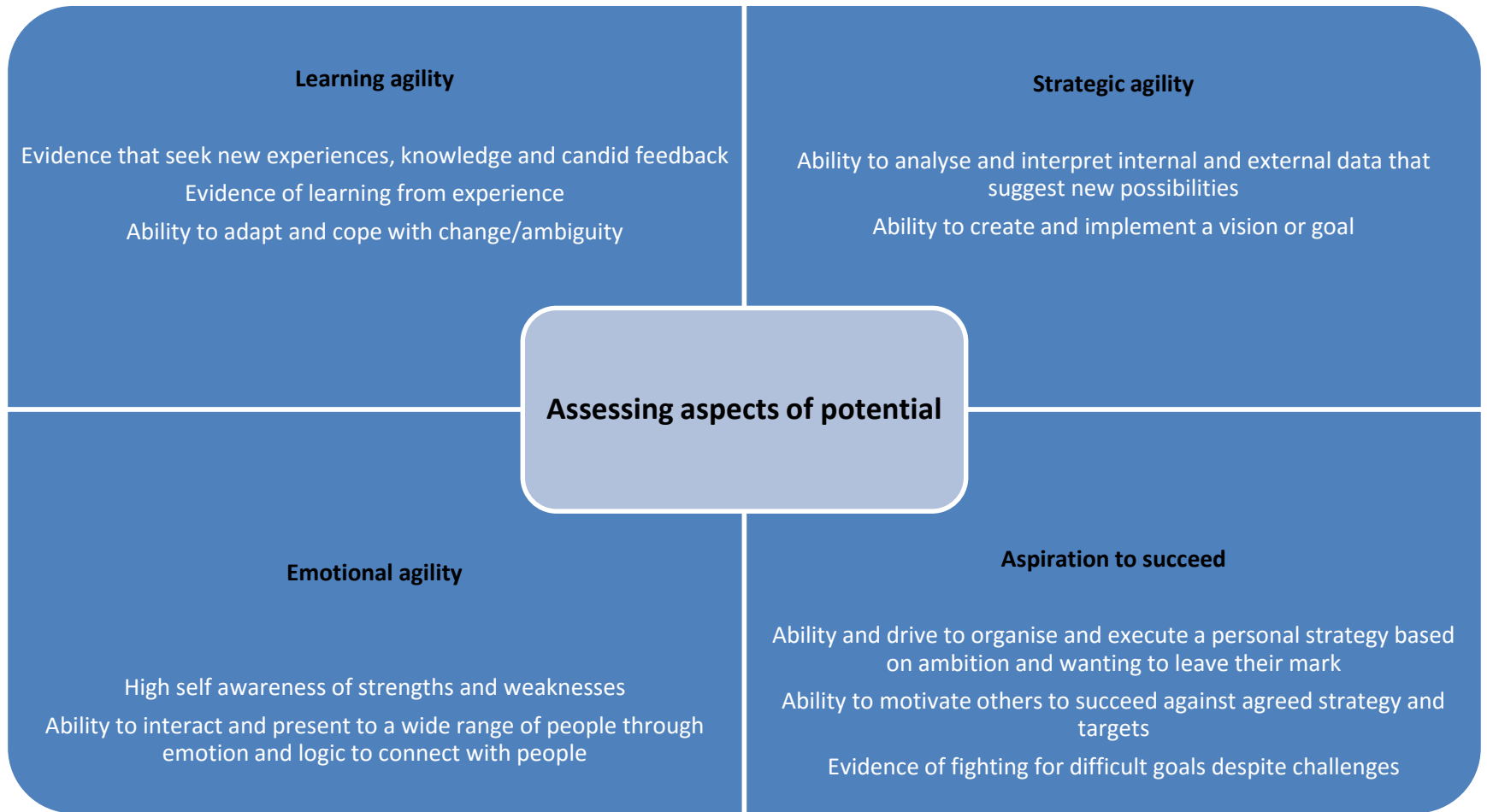
- Future looking
- How will the person do in the new, bigger, changed role? Difficult to be sure.
- Consider the context the company will be operating in, in the future
- Measuring potential – some aspects to consider:
  - Learning agility
  - Strategic agility
  - Emotional agility
  - Aspiration to succeed

# Key questions for the MD

- How effectively are 'leaders' performing? Who are the 'A' players?
- Who has the capacity to be effective beyond their current level in more challenging roles – how far and how fast?
- Who is ready to move to the next level or into specific roles – how prepared are they and what gaps need to be filled?
- Who is best suited (internal or external) for an immediate role with its specific business context and culture?

# Starting to assess potential

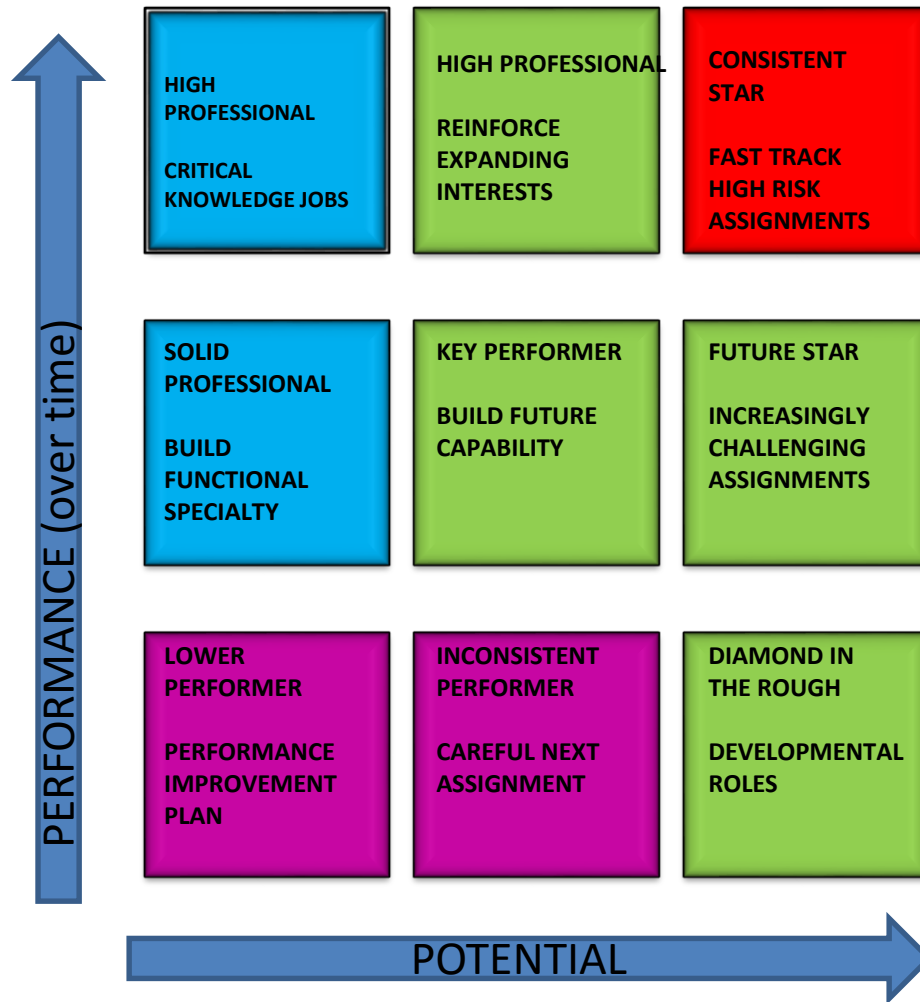
- Consider profiling to focus a conversation around strengths, gaps enabling external assessment of person's capabilities
- As MD reflect on the following:
  - What commercial/business skills and capabilities will the business need in 3-5 years time
  - Start to assess whether your 'key' people score well on the questions on the next slide



# Some dilemmas in assessing performance vs potential

- 71% of high performers are not high potentials
- 93% of high potentials are also high performers
- 30 -50% of high potential managers and executives derail
  
- Confusing performance and potential can have a damaging effect on the organisation and the employee
- High performers can move to positions for which they are unsuited/incompetent
- High potentials are overlooked and leave

# Mapping people onto a performance/potential matrix





# Securing key people

## Do:

- Objectively analyse people you consider to be key
- Define what you mean by that – are they great operationally or have they the potential to grow the business (use the gap analysis/business planning tool – next slide)
- Consider profiling people as the basis for development and as a benchmarking tool
- Consider coaching, mentoring and specific development tasks
- Conduct regular performance reviews – outcomes + manner and means of achievement
- Allow yourself time to develop the person and be prepared to accelerate timescale or change message
- Reward on the basis of incremental performance improvement

## Avoid:

- Subjective extrapolation – they perform well now so they are ready for a bigger role
- Giving away large bonuses/salary increases or equity as an inducement to stay or take the bigger role.

# Consider a gap analysis/business planning tool

- What skills/behaviours/competencies are required in the bigger role in the future?
- What is the individual's current skills/behaviours/competencies?
- Suggest look at the following core aspects of most senior jobs:
  - Revenue (profit) generation
  - Operations
  - Client winning/development
  - Team/individual development
- Use appraisal, objective setting, task assignment to develop skills/behaviours and competencies

# Securing key roles

- Develop internal capability to fulfil key roles
  - Split key roles in two where suitable internal expertise
  - Development plans to grow capability largely based around work-based tasks
  - Diarise quarterly progress reviews to focus on feedback and development of potential in bite-sized chunks
- Resource externally
  - Recruit expertise from marketplace
  - Consider interim fixed term appointment as internal candidates mature into role
  - Retain an expert on a consultancy basis depending on budget to plug gap and/or mentor internally