

Industry insight

How to make a success of succession

Our industry expert outlines the many benefits of succession planning – and why the modern electrical business shouldn't leave it to chance when it comes to handing over the reins

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In my 20-plus years in the construction industry, I've seen many successful businesses come unstuck through their failure to properly plan for the succession of key personnel. Even those who have developed their succession plans are often thrown into disarray when the unexpected happens, such as a rising star deciding their future lies elsewhere or a key player stepping aside because of ill health.

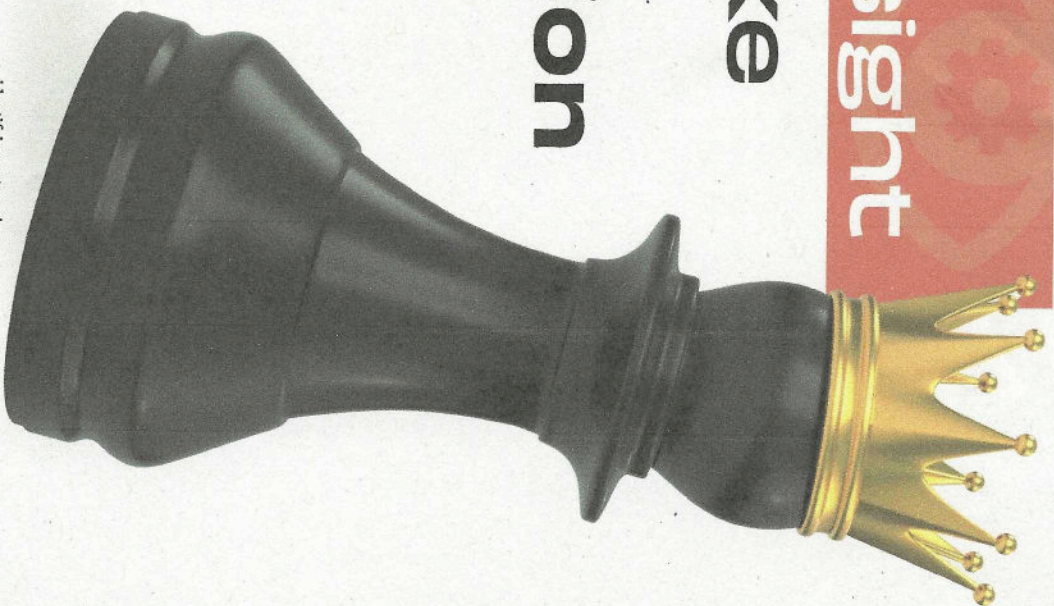
I'm not suggesting that it's possible to plan for

every eventuality, but the laissez-faire approach to succession planning that many businesses take is really asking for trouble.

A proper succession plan, effectively communicated to all the key players, will go a significant way to helping any business cope with unexpected staff shocks.

WHAT IS SUCCESSION PLANNING?

Succession planning is the process of identifying and developing employees within an organisation and/or



key employee leaves the organisation or retires, and there is a well-defined succession plan in place, the transition of leadership is less disruptive to the organisation, and there is less chance of a power vacuum being created. This allows the business to continue operating seamlessly, without any loss of productivity or impact on staff morale.

Retention of top talent – when employees see that there is a clear path for career advancement within the organisation, they're more likely to stay with the company long-term. This helps businesses reduce turnover and the costs associated with recruiting and training new employees. In my experience, not seeing a clear pathway is one of the main reasons talent leaves a business.

Improved employee engagement and morale – employees who are part of a succession plan are likely to feel more engaged and motivated. Knowing that their employer is invested in their development and has a plan for their future can boost employee morale and loyalty, leading to increased productivity, improved quality of work and higher levels of customer satisfaction.

Reduced recruitment costs – a well-defined succession plan reduces the need for external recruitment, saving on costs such as advertising, agency fees and interview expenses. Internal promotions also tend to result in faster onboarding



Planning for the future can ensure a smooth transition of leadership

and training times, as the employee is already familiar with the company culture and processes.

Continuity of company culture and values – by developing employees from within the organisation, new leaders are likely to already share the same values and beliefs as their predecessors. This helps to maintain the company's culture and values, which is an important factor in attracting and retaining customers and suppliers.

Better decision-making – as employees are developed and trained for leadership roles, they're given the opportunity to gain experience and exposure to different aspects of the business, helping them develop a broader perspective and deeper understanding of the organisation. This results in better decision-making as the leaders have a more holistic understanding of the business and can make better informed decisions.

Improved business performance – by developing

and promoting employees from within, businesses can ensure that they have a strong leadership team with the right values, skillset and experience necessary to drive growth and success and increase revenues, profitability and market share.

IN CONCLUSION

Successful succession planning is an essential process for the long-term success of any business. Investing in such planning now can help your business

build a strong pipeline of capable and well-prepared leaders who are ready to take on key positions when you need them to step up.

Failure to properly plan in advance for this succession can lead to dips in business performance, staff exodus and, in some cases, business failure.

As a business leader, you need to be planning your own succession plan and that of your key players NOW. Failure to do so puts your operation at needless risk. ■

Employees will feel valued if they are part of their firm's long-term strategy



"EFFECTIVE SUCCESSION PLANNING IS ESSENTIAL FOR THE LONG-TERM SUCCESS AND VIABILITY OF ANY BUSINESS"

Paul McDrewitt is Managing Director of McDevitt & Co, an experienced business consultancy that helps to help people, improve productivity and increase profits in the construction industry. Find out more and contact him at www.mcdevitt.co