

Succession: How a business can be harmed 10 ways that business is hurt by lack of succession planning.

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1. Lack of succession planning can damage staff morale and foster a lack of confidence in the company and its leadership.
2. Lack of clarity can make employees obsessed with internal matters and politics, diverting the company's focus from the market, competitors and business strategy.
3. The process of developing an effective succession plan gives a business the opportunity to set out its blueprint for the future. Not doing this sends a clear message that the company has its priorities wrong.
4. Succession planning is common sense, so if a company does not plan for succession it is a symptom that there are serious problems with the way it is being run.
5. Lack of succession planning sends a message to stakeholders that the business leadership is failing to manage.
6. In a company with little or no succession planning, the transition of new leadership will, at best, disrupt or, at worst, completely divert the continuity of the company's strategy.
7. Having no succession plan drives would-be successors from the business because their talent is not being recognised and developed.
8. Lack of planning reflects a lack of accountability by the board and senior management in their role of leading the business.
9. This lack can create problems with the flow of information if executives hoard information as a way of protecting themselves from competition.
10. Reputation. A board and chief executive who discount succession planning should be seriously questioned by all stakeholders.

