

# 6 STRATEGIES TO MAKE SUCCESSION PART OF YOUR BUSINESS MODEL

## 1 Develop a learning culture

Having a learning culture means you **use every win and loss in your business as an opportunity for your team to learn and grow**. This is an attitude that must come from you, as the leader, and be shared throughout the entire staff.



## 2 Encourage open communication

Being able to share your wins and losses is reliant on **having an atmosphere of open communication where there is no danger of 'shooting the messenger'**. Staff need to know they can discuss all aspects of the business – good and bad.



## 3 Share your vision

Open communication will also allow you to **ensure the business direction, strategy, vision and broad objectives are clearly and regularly communicated to the team**. This ensures your team is engaged with the culture and that it will filter down. It also means any potential leaders in the team are well aware of your succession and/or exit plan (if you have one) and what it will mean for them.



## 4 Share responsibility

Imagine a key staff member leaves your business who, for the past 10 years, has been solely responsible for managing customer relationships with your top 10 customers. Most of what they know about these customers has not been shared. In this situation **you have a real problem in terms of business succession and, hence, business value**. The loss of that staff member and their accumulated knowledge would represent a massive blow to your ongoing operations.



## 5 Identify key roles and assess risk of gaps

As a business leader, ask yourself:

- What **capabilities** does this business need to run effectively?
- How **lean/exposed or covered** are those capabilities?



## 6 Identify potential leaders

Larger businesses usually have board meetings on a once-a-month or once-a-quarter basis. Part of the board's governance process involves **examining the senior positions within the business and then looking for bright stars in the lower ranks** who have the potential to move up. These business people actively plan how they will **nurture those 'bright stars'**. They do this by ensuring each individual has the right **professional development program**. Successful SMEs adopt a similar talent identification and development strategy.

