

# Succession Planning – Organizing the Future of Your Company



Succession planning is the process of identifying and training selected people who qualify as potential leaders of a company or organization. It helps to pinpoint possible successors of primary leaders who plan to leave the organization for good. In a family business, the usual successors are the sons and daughters of those leaders who serve as their heirs. On the other hand, other companies evaluate work performance and promote employees' leadership abilities and other relevant skills. The company's stability is at stake during successions; thus, passing the torch to reliable people is a must.

Successions in companies are never easy, not only for the succeeding person but also for the company. Statistics show that 10-15% of companies appoint new CEOs as a contingency plan every year. Reasons can be the possible resignation, retirement, dismissal, sickness, or disability of a leader. With this explained, you need this planning and management tool called a successful organizational chart. Begin to make one as we share with you these valuable tips.

## 1. Create a List of Potential Successors

Make a list of the people who can manage the business operations for the next generation. People who are usually part of this list are those who have performed beyond expectations and have the knowledge and skills to run the company prosperously. You can get help from the human resource department of your company to check the employees' performance evaluations over their stay in the company because they have records of the talent management of all the employees.

## 2. Determine Success Rates

All the people on your list are potential leaders. They cannot be called potential successors otherwise if they have not proven their capabilities as individual employees. If you have kept an eye on them, label them with scores, percentages, or ratings. This way, you can identify those who are progressively performing their best.

## 3. Prepare the Organizational Chart

Refer to your company chart and arrange everyone according to the positions they are the best suited to be in the hierarchy. Separate them by division so it will be made clear. Put their names and their ratings so you can start comparing them. Have a simple chart design that would be pleasing to the eyes, so you will not frown while looking at it. The important thing is you can coherently use the chart for this plan. You may follow a monochromatic color theme and the company logo.

## 4. Prepare the Chart for Presentation

Set up your organizational chart as a PowerPoint presentation so the board of directors may see the employees of the company who are potential new leaders. Start the decision-making and proper succession planning in everything to keep the company as functional as possible. Get more planning and management tools for your company here at [template.net](http://template.net) and steer your organization towards greater fortunes.