

A Blinding Flash of the Obvious

Marketing Driven Succession Planning

PSMA Breakfast
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 8:00 – 10:00 am
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Future Shock
Demographic Trends

In 2012 4.6 adults turned age 65 each minute.
 By 2020 that will be 8 per minute.

In 2012 more than 50% of the available work force was over 40.
 By 2020 more than 50% of the available work force will be over 55.

Future Shock
Client Retention

By 2020 the available work force between ages 35 and 55 will decline by 5.7%.

With less partners, many professional service firms face a 20% drop in partner/client relationships.

Professional service firms should actively implement client retention strategies.

Future Shock
The Brain Drain

Based on current trends, many organizations face a 20% drop in skilled workers due to retirement.

However a recent SHRM study found only 12% of Human Resource managers were actively implementing knowledge retention strategies.

You need a "knowledge inventory" of key knowledge assets such as customers, services and people.

Future Shock
Lack of Planning

In recent surveys only 26% of professional service firms have formal succession plans in place.

More than 60% are relying on an informal or ad hoc process if needed.

This is primarily because 77% of senior professionals do not want to retire or transition matters to others.

This is also because 45% regard succession planning as an awkward and difficult subject to deal with.

Succession Planning

Step 1: Link Strategic and Workforce Planning Decisions

This step involves:

- Identifying the long-term vision and direction of the organization
- Analyzing future market demands for products and services
- Connecting succession planning to the market objectives of the organization

Succession Planning
Step 2: Analyze Gaps

This step involves:

- Identifying core competencies and technical requirements
- Determining current supply and anticipated demand
- Determining talents needed for long term continuity issues
- Developing a strategic business plan based on long-term talent needs, not on position replacement.

Value Migration

Value migrates from outmoded business models to those better able to satisfy customers' priorities.

- Travel Agencies
- Water and Coffee
- Legal Services

For Whom the Bell Tolls
Value migration in professional services

New competitors with new business models arrive.

Incumbents choose to ignore the new players.

Eventually one of these "disrupters" achieves a level of quality acceptable to the middle of the market thereby undermining the position of existing market leaders.

Frequently the current market leaders will be caught by surprise.



Strategies for Growth

Revenue Growth Strategies come in 3 ways:

- Require revenue growth from all professionals.
- Provide current rainmakers support to expand key client and referral relationships.
- Recruit laterals who bring new revenue streams and opportunities to enhance our "bench strength".

Strategic Planning Example

Goal: Revenue Growth

Objectives:

- Increase individual contributions.
- Increase client contributions.
- Recruit lateral professionals.

Strategies:

- Require every professional to create a personal business plan illustrating revenue growth options.
- Use team selling and practice groups to create revenue growth from existing clients.
- Cultivate recruiting focus for laterals with clients in targeted practice areas.

Succession Planning
Step 3: Develop Succession Strategies

This step involves:
Identifying development/learning strategies:
 Planned job assignments - Formal development
 Coaching and mentoring
 Assessment and feedback - Action learning projects
Identifying recruitment strategies:
 Recruitment programs
 Retention strategies
 Quality of work life programs

Developing Leadership

Who are your leaders now?
Who could be future leaders?
Create opportunities for leadership
Governance and Structure
Training, Mentoring and Measurement

The leader's contribution

Identify needs
Provide solutions
Focus on execution
