

# interactive dialogue

The “**Prepare for the Future: Succession Planning**”  
webinar will begin at 10:30 am CT

To listen to the audio portion of the webinar, please dial  
1-800-536-9136, access code: 9038709#.

- A sign-in sheet and materials were attached to the program reminder email sent Monday, March 5, 2018.

- To submit a question before or during the webinar, please use the chat pane on the left-hand side of your screen.
- A replay of this webinar will be available upon request.



# interactive dialogue

## Prepare for the Future: Succession Planning

Tedi Roach  
Fred Pabst  
Mike Droke

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# a brave new format

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**Tedi J. Roach, MS, SPHR,  
SHRM-SCP**  
HR Division Manager  
Pacific Northwest Farmers  
Cooperative (PNW)  
Tel: (208) 285-0371  
Email: [tedi@pnw.coop](mailto:tedi@pnw.coop)



**Fred Pabst**  
Partner  
Herd Freed Hartz  
Executive Search  
Tel: (206) 713-6677  
Email:  
[fred@herdfreedhartz.com](mailto:fred@herdfreedhartz.com)



**Mike Droke, Partner**  
Food, Agriculture &  
Cooperatives  
[droke.michael@dorsey.com](mailto:droke.michael@dorsey.com)  
(206) 903-8709

# Start with...

- **What if...**
  - CEO got hit by a bus today
  - Executive's spouse has medical emergency and they quit quickly
  - Board chair &/or members ineffective or hard to recruit
  - High turnover
  
- **Who is *THE* perfect person?**

# Benefits of a succession plan

- **Well-prepared with list of candidates (subject to change)**
- **Frequent review of candidates & strategies**
- **Continued good reputation**
  - **People see through transparency how preparing for future, growth & strength of the organization**

# Pitfalls of succession plans

- **Superficial if not done whole-heartedly**
- **Selecting people**
  - Not qualified, unmotivated or uninterested
  - Wearing blinders in selecting
  - List of candidates goes stale
- **Lack of pre-planning**
- **Legal risks**

# Three Options When Replacing a Key Executive

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- **Promote from Within:** This is the best option if you have the right in-house candidate.
- **Conduct Your Own Search:** If you have the capacity and a talented recruiter or recruiting team then this is a good option.
- **Retain an Executive Search Firm:** Research and interview retained executive search firms. Utilize a consistent set of questions throughout your process to determine which firm is best suited to assist you. Ask them, and yourself a few key questions:
  - Who will be actually leading the search?
  - Am I comfortable with this individual as a reflection of my brand in the market?
  - What is their track record of success with similar searches? (CHECK REFERENCES!)
  - What is their methodology to involve key internal and external stakeholders, recruit passive candidates and screen them?
  - Will they assist in the design and execution of the interviewing process?
  - What is their guarantee should the selected candidate be terminated or quit?

# Three Phases

- **Pre-planning – sooner than later mentality**
- **Creating & Implementing – the plan itself**
- **Filling the Position – hiring & follow-up**



# Preplanning

- **Qualifications**
- **Qualities**
- **What does success look like?**
- **Job description?**



# Upfront Planning Strategy

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**Defining success and a game plan for your recruitment provides clarity and alignment.**

- **Discovery process:** Meet with *all* of your key stakeholders (Board, staff and external partners) to learn what makes your organization, your culture, and the role unique. These conversations, along with other position and organization information, should be reflected in a comprehensive position specification that contains an ideal candidate profile.
- **Outcomes vs. Activities:** Focus on the role's key outcomes in the first year which provides clarity and focus in candidate assessment. Reflecting on an executive's performance after one year in the role, what would success look like?
- **Assessment:** Consider behavioral profile assessment options. Most useful if there is an instrument your organization is familiar with and has proven to be of use.

# Create written plan

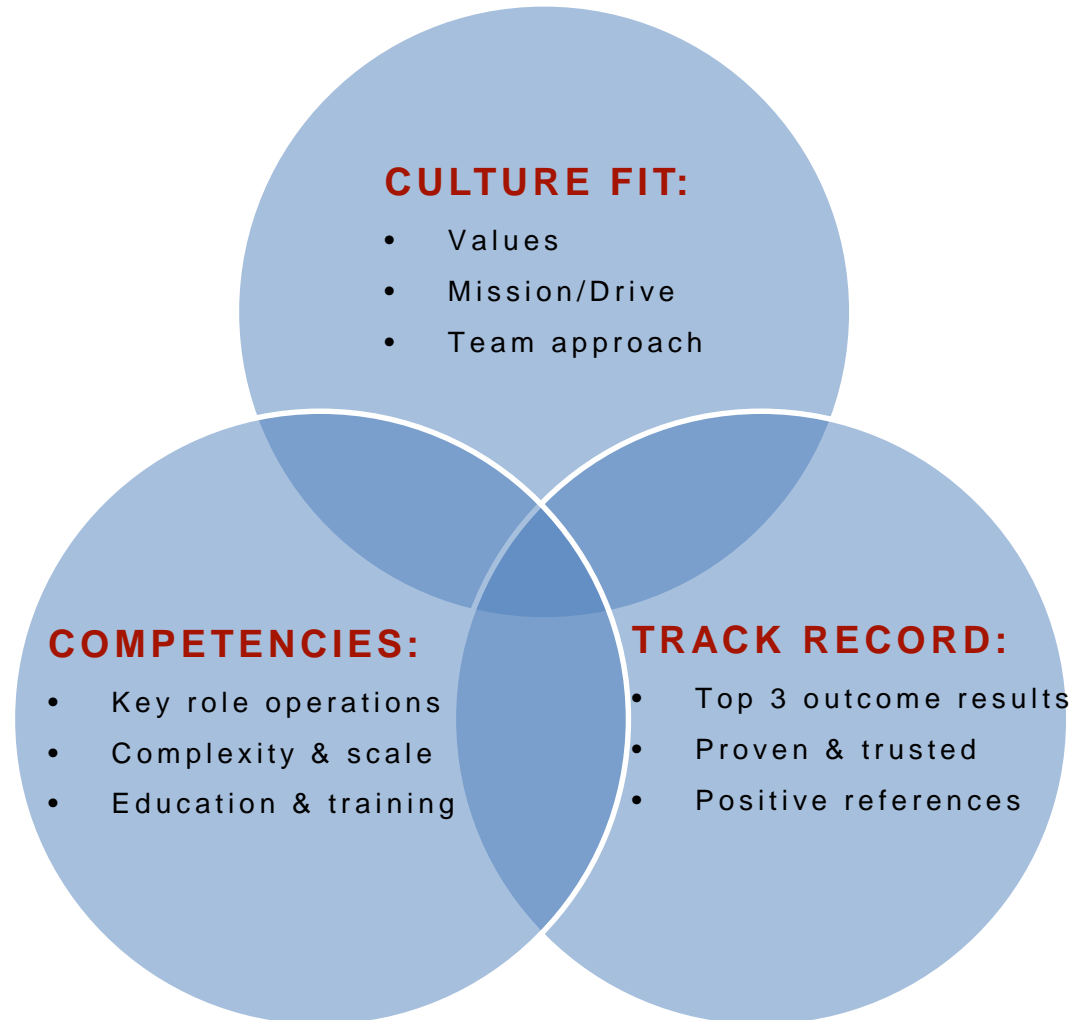
- **Must maintain disciplined approach**
- **Gives foundation for process**
- **Keeps you on track**
- **Allows CEO to modify their role &/or activities**
- **Creates/maintains open communications between CEO & BOD**
- **Evaluate job descriptions, compensation & benefits**
- **Review calendar of key activities**

# Incumbent's role picking the successor – benefits and risks?



# CULTURE FIT matters most

Candidate Assessment focusing on three key areas:

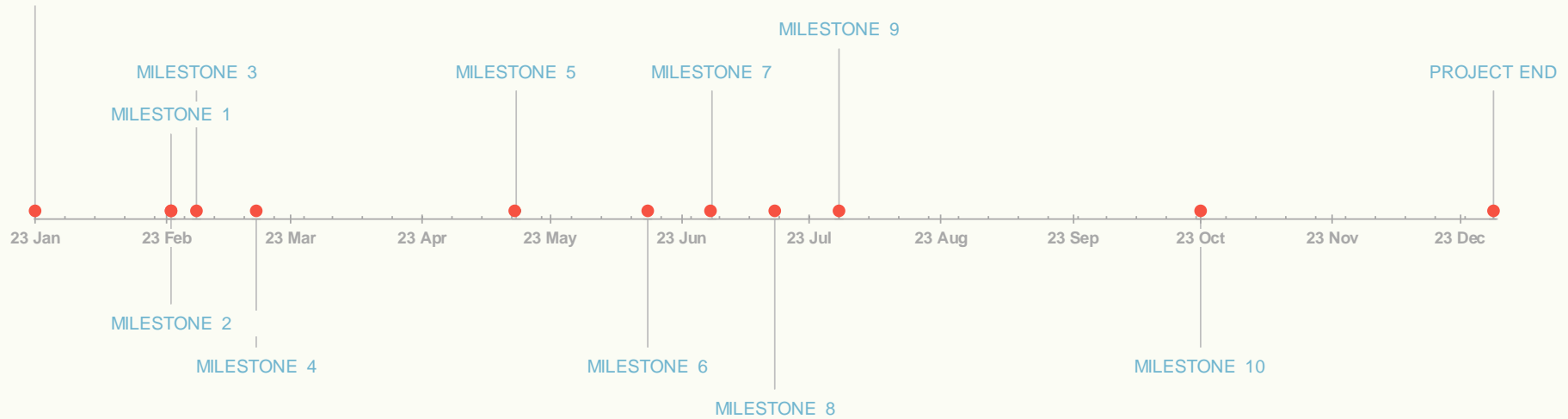


# Creation phase

- **Create your timeline**
- **Appoint search committee**
- **Communicate**
  - **Key stakeholders**
  - **Members**
  - **Employees**
- **Initiate recruiting activities**
  - **Search firm or not**
  - **RFPs**
    - **Bidding process requirements**
    - **Timing: company submittals to BOD; decisions by BOD**

## TIMELINE

PROJECT START



## PROJECT DETAILS

DATE	MILESTONE	POSITION
1/23/2012	Project Start	25
2/24/2012	Milestone 1	10
2/24/2012	Milestone 2	-10
3/1/2012	Milestone 3	15
3/15/2012	Milestone 4	-15
5/15/2012	Milestone 5	15
6/15/2012	Milestone 6	-15
6/30/2012	Milestone 7	15
7/15/2012	Milestone 8	-20
7/30/2012	Milestone 9	20
10/23/2012	Milestone 10	-15
12/31/2012	Project End	15

**Project Timeline Tips:**

The role of the Position values in the Project Details table is to prevent the Milestone labels from overlapping each other on the timeline. Use positive numbers to position labels above the timeline and negative numbers to position them below.

To add additional Milestones, either insert new rows within the table or start typing below the last table entry and the table will automatically expand to accommodate your newly added data.

# New York CLE Code

**“We have some NY lawyers participating today. In accordance with NY CLE Rules, the New York Verification Code for this program is**

**”**

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# Special recruiting considerations

- **Learn from the oil industry**
- **Candidates reside elsewhere**
- **Educated unemployed numbers low**
  - **Doctorate & professionals 2.8% ave**
  - **+ masters 3.35%**
  - **Nat'l 4.1%**
  - **Idaho 2.9%**
  - **WA 4.5%**
  - **OR 4.1%**
- **Designate company ambassadors**

# Selection phase

- Create matrix for ranking candidates based on criteria
- Rate/rank candidates
- Determine key people for succession plans

	Criteria #1	Criteria #2	Criteria #3	Criteria #4	Criteria #5	Average
Waldo	4	3	3	4	5	3.8
Tom	2	2	3	2	1	2
Sarah	5	3	2	4	3	3.4
Pete	5	4	4	4	5	4.4

Source: [www.russellreynolds.com/content/practical-guide-ceo-succession-planning](http://www.russellreynolds.com/content/practical-guide-ceo-succession-planning)

# who wants more credit? CLE credit, that is

Complete the sign in sheet included in the reminder email (sent yesterday) and return to [hubble.michelle@dorsey.com](mailto:hubble.michelle@dorsey.com).

We will send CLE Certificates to those who return the form.

# questions?



**Tedi J. Roach, MS, SPHR,  
SHRM-SCP**  
HR Division Manager  
Pacific Northwest Farmers  
Cooperative (PNW)  
Tel: (208) 285-0371  
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**Mike Droke, Partner**  
Food, Agriculture &  
Cooperatives  
[droke.michael@dorsey.com](mailto:droke.michael@dorsey.com)  
(206) 903-8709

# references: Labor market information

- <https://fortress.wa.gov/esd/employmentdata/reports-publications/economic-reports/monthly-employment-report/map-of-county-unemployment-rates>
- <http://lmi.idaho.gov/EmploymentUnemployment/CivilianLaborForceLAUS.aspx>
- <https://www.qualityinfo.org>

# references

- **3 Succession Planning Best Practices.**  
<http://www.talentintelligence.com/blog/bid/296450/3-Succession-Planning-Best-Practices>.
- **Census Bureau.**
- ***The 7 C's of Effective Hiring!* eBook by Alan Hall.**  
<http://www.alanehall.com/ebook/>.
- ***Guidelines to Successful Succession Planning.* Carter McNamera, MBA, Ph.D.** <http://managementhelp.org/staffing/succession-planning.htm>.
- ***The Strategies of Succession Planning.* Dana Baldwin.**  
<http://www.cssp.com>.
- ***Agriculture will have to recruit from new groups, say analysts.* Mary MacArthur, November 13, 2014.**  
<http://www.producer.com/2014/11/agriculture-will-have-to-recruit-from-new-groups-say-analysts/>.

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- ***Succession Planning: How Everyone Does it Wrong.*** Stephen A. Miles, 7-30-09. <http://www.forbes.com/2009/07/30/succession-planning-failures-leadership-governance-ceos.html>.
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- ***Worker Shortages – a white paper.*** Michael Smith, November 21, 2012. <http://www.ag1source.com/ag-1-source-news/worker-shortages-a-white-paper/>.

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- ***Taking a Structural Approach to Board Succession Planning.*** BoardWorks International, August 2010, Issue 4. <http://www.boardworksinternational.com>.
- ***6 Ways to Recruit Talent in the Agriculture Industry.*** Cheryl Cran, January 3, 2012. <http://www.cherylcran.com/2012/01/6-ways-to-recruit-talent-in-the-agriculture-industry/>.
- ***Board Succession Planning & Skills Analysis.*** Conscious Governance, Non Profit Strategic Planning for CEO's, Executives, & Non Profit Boards, 2009. <http://www.conscious-governance.com>.
- ***Solicitation for vendors to submit their service.*** Confluent forms. <http://www.confluentforms.com/2013/05/requests-for-proposals-rfp.html>.
- ***How to Create a Request for Proposal (RFP).*** OnBase by Hyland. <https://www.onbase.com/learn-ecm/choosing-ecm/creating-an-rfp.aspx>.



# Recruiting websites

- **Ag-related**
  - [www.ag1source.com](http://www.ag1source.com)
  - [www.agri-search.com](http://www.agri-search.com)
  - [www.agcareers.com](http://www.agcareers.com)
- **Other websites**
  - **Monster**
  - **Career Builder**
  - **Zip Recruiter**
  - **The Ladders**
  - **Indeed.com**