



# THE SOURCE

## **The Succession Challenge...The 3 P's**

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Every organization, whether a Fortune 500 company or a \$2 million family business, is concerned about the future. Do we have the right technologies to remain competitive? Do we have the right strategies? Do we have the right financial and organizational structure? The answers to these questions, among others, are essential for future success. But there is no more critical question than, "Do we have the right leadership for tomorrow?" This question gets to the heart of the succession challenge: Are we certain that we will have the leadership talent necessary – in 2 years, 5 years, or even 10 years – to lead high performance?

There are proven ways to improve the probabilities that you will have leadership talent when you need it to ensure your company's future performance. At TalentQuest, we believe that companies that focus on the 3 P's – *Potential, Performance, & Preparation* – will make the best decisions and be best prepared when it comes to the succession challenge.

*Potential* refers to the personality characteristics and intellectual aptitudes – the "right stuff" – that are consistent with future leadership requirements. Is the individual a strong critical thinker? Take-charge? Mature and responsible? Self-aware? Emotionally intelligent? Appropriate and valid psychological tools can answer these questions and can give you an indication if the individual has the potential to be a strong future leader.

*Performance* reflects the current capabilities of the candidate. Does the individual have the skills and competencies that are consistent with future leadership requirements? To answer this question, one must make an explicit link between the challenges that the business faces several years out from today, and the skills and knowledge required of leaders to handle these challenges. Given globalization, rapidly changing technologies, and increased competition, the skills required of tomorrow's leaders are often quite different from those of today's. There are objective methods to define these skills and then to measure candidate's capabilities in performing against these dimensions.

*Preparation* answers the question, "Does the individual have the experiences that are necessary for tomorrow's success?" Often, we see leaders promoted, who have great potential, but who are unprepared for the role. Frequently, they derail because they have been advanced too quickly, and, consequently, missed opportunities to learn the lessons of experience. Experiences such as managing increasingly large budgets and numbers of people, working in a staff role or having matrix responsibilities, leading a start-up, acting as a general manager, and many others, provide the foundation for future success. Of course, the most important experiences will vary from company to

company, and there are techniques to objectively define and measure the experiences that make the greatest impact on a candidate's future performance in key roles.

As you consider the critical question of who in your company will be the leaders of tomorrow, remember the 3 P's: *Potential + Performance + Preparation = Successful Succession*.

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