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Succession Planning Worksheet

The purpose of this worksheet is to help you assess the degree to which succession is being planned in your business. More specifically, it will focus your attention on a series of specific issues that need to be addressed in the short term if an orderly succession is to take place. It will also assist you in determining the best candidate for succession and the training and experience that person needs in order to be successful.

1. List the names of those individuals within the business whom you consider to be potential candidates for the top leadership position. Next to each candidate's name indicate the extent to which you feel they are ready to take over the top job today. (H = high readiness, M= medium readiness, L = low readiness).

Candidate's Name	Degree of Readiness
1.	
2.	
3.	

Senior Lecturer John A. Davis prepared this worksheet.

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2. In the first column of the following table, place a check (✓) next to each skill area or understanding that you consider to be essential for a successor to understand and master before s/he becomes a company leader.
3. In the right-hand columns (labeled #1, #2, #3) please indicate how effectively each successor candidate you have identified is able to perform in the skill or understanding areas below (H = high effectiveness, M = medium effectiveness, L = low effectiveness).

✓	Skill or Understanding	#1	#2	#3
	1. Understanding of company products			
	2. Understanding of customers			
	3. Understanding of competitors and industry			
	4. Understanding of company culture			
	5. Understanding of company accounting practices			
	6. Understanding of company marketing practices			
	7. Understanding of company sales practices			
	8. Understanding of company financial policies and practices			
	9. Understanding of customer service practices			
	10. Understanding of company production/operations practices			
	11. Understanding of company information technology			
	12. <i>General management skills:</i>			
	a) strategic planning			
	b) human resource management			
	c) financial management			
	d) accounting			
	e) oversight of legal work			
	f) design of management information systems			
	g) economics			
	h) other:			

✓	Skill Areas	#1	#2	#3
	<i>13. General Leadership Skills</i>			
	a) the ability to define a vision of the future and specific goals to be attained			
	b) the ability to motivate others to pursue company goals			
	c) conflict resolution skills			
	d) the ability to make decisions			
	e) public speaking			
	f) team building			
	g) other:			
	<i>14. Other Business Skills</i>			
	a) Understanding of real estate			
	b) general computer literacy			
	c) ability to work with banks			
	d) negotiation skills			
	e) other:			
	f) other:			

4. For each successor candidate, list his or her weak skill areas (all those marked "L" in the previous table). Identify ways to strengthen each candidate's weaknesses.

Candidate #1:

Weak skill areas:

-
-
-

Strategies to strengthen areas of weakness:

- -
 -
-

Candidate #2:

Weak skill areas:

-
-
-

Strategies to strengthen areas of weakness:

- -
 -
-

Candidate #3:

Weak skill areas:

-
-
-
-

Strategies to strengthen areas of weakness:

- -
 -
 -
-

5. Indicate if you have reliable information about the abilities and competencies of each successor candidate.

Candidate #1 Yes____ No____

Candidate #2 Yes____ No____

Candidate #3 Yes____ No____

6. If your answer is "No," consider the following ways to gather information and indicate the successor candidate(s) who would benefit most from each strategy.

Strategy	Candidates
A) Move candidate to a position with clearly defined performance goals for which s/he would be accountable within a year.	•
B) Assign a trusted non-family manager to mentor the candidate and give a realistic assessment of his/her performance potential.	•
C) Place candidate in charge of short-term "special project" for which you want to see measurable results.	•
D) Develop a short term performance assessment program with a number of specific "hurdles" designed to give you an accurate reading of the candidate's talent and skills	•
E) Do a performance evaluation that includes (a) the candidate's own self-evaluation, and (b) anonymous evaluations of the candidate by subordinates, peer, and superiors.	•
F) Compile a written performance history of the effectiveness of the candidate in the various positions s/he has occupied since entering the company.	•
G) Other strategies:	•

7. List the positions in the company that the current business leader and successor candidates will likely occupy in the next three to five years. Indicate when a successor candidate will become the business leader and when the current business leader will retire from active operational management.

Individual	Year: Position #1	Year: Position #2	Year: Position #3
Current Business Leader			
Candidate #1			
Candidate #2			
Candidate #3			

8. Indicate the extent to which you feel the groups listed below now trust the ability of each of the successor candidates to serve as the future business leader. (H = high confidence, M = medium confidence, L = low confidence).

Successor Candidate	Board of Directors	Family Members	Non-Family Owners	Senior Non-Family Managers	Key Clients	Company Employees	Banks
#1							
#2							
#3							

9. For each candidate, develop a strategy to strengthen his or her relationships with these key groups who were currently rated at a low level of confidence.

Successor Candidate	Key Group(s)	Strategies to Strengthen Relationship
#1	<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • • •
#2	<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • • •
#3	<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • • •