

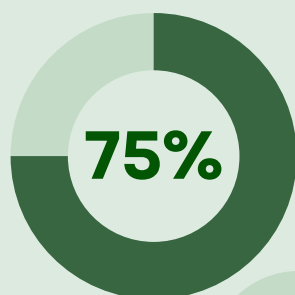
SUCCESSION PLANNING



What kind of leaders will you need in the future?



Over 2,000 CEOs left their positions in 2024 - up 16% from 2023.¹



of companies **prioritize internal hires** for leadership roles, but only

of HR leaders say they agree they **have the talent** to fill their key positions²

THE COST

\$1 trillion

³ **a year** is lost through poor succession transitions

This cost comes from:

1. **Underperformance of companies** with ill suited successors
2. **Loss of intellectual capital** from leadership turnover
3. **Underperformance of an unprepared successor**³

Outsourcing is not always the solution either. Outside hires are **paid 15% more**, yet have an **84% greater chance of turnover**.³ It's time to be strategic about succession planning.

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PLANNING FOR SUCCESSION

Prioritize roles that are both **vulnerable and critical**⁴ - those that do not have a successor and that have a high impact on company mission.

Strategy and succession planning go hand in hand.

When one changes, so should the other. When assessing candidates, reference **specific business outcomes** and consider **future scenarios**.¹



Take notice of **skill gaps between positions** - develop potential successors along these key capabilities.⁴

BEST PRACTICES¹

- **Cohort model**, so successors feel supported
- **Assessments**, so successors become more self aware
- **Individual coaching**, so successors feel recognized
- **Lateral interactions**, so successors gain a wholistic view of your organization



Maintain diverse boards⁵ to minimize the implicit bias of selection and to ensure you have the best candidate pool.

If you have to hire from the outside, hire at a lower position and **develop the successor internally**.⁴ Creating someone who has new ideas but understand the company culture.

References

1. [Where Traditional Succession Planning Falls Short | Harvard Business Review](#)

2. [HR Insights Report 2025 | DDI](#)

3. [The High Cost of Poor Succession Planning | Harvard Business Review](#)

4. [Succession Planning: A Step-by-Step Guide | NIH](#)

5. [The Power and Importance of Succession Planning | Harvard Business Review](#)