



Succession Planning: Development beyond the immediate need

Ron Magnus
April 10, 2014



CENTER FOR STRATEGIC LEADERSHIP
Building Exceptional Leaders



Succession Planning: Development beyond the immediate need

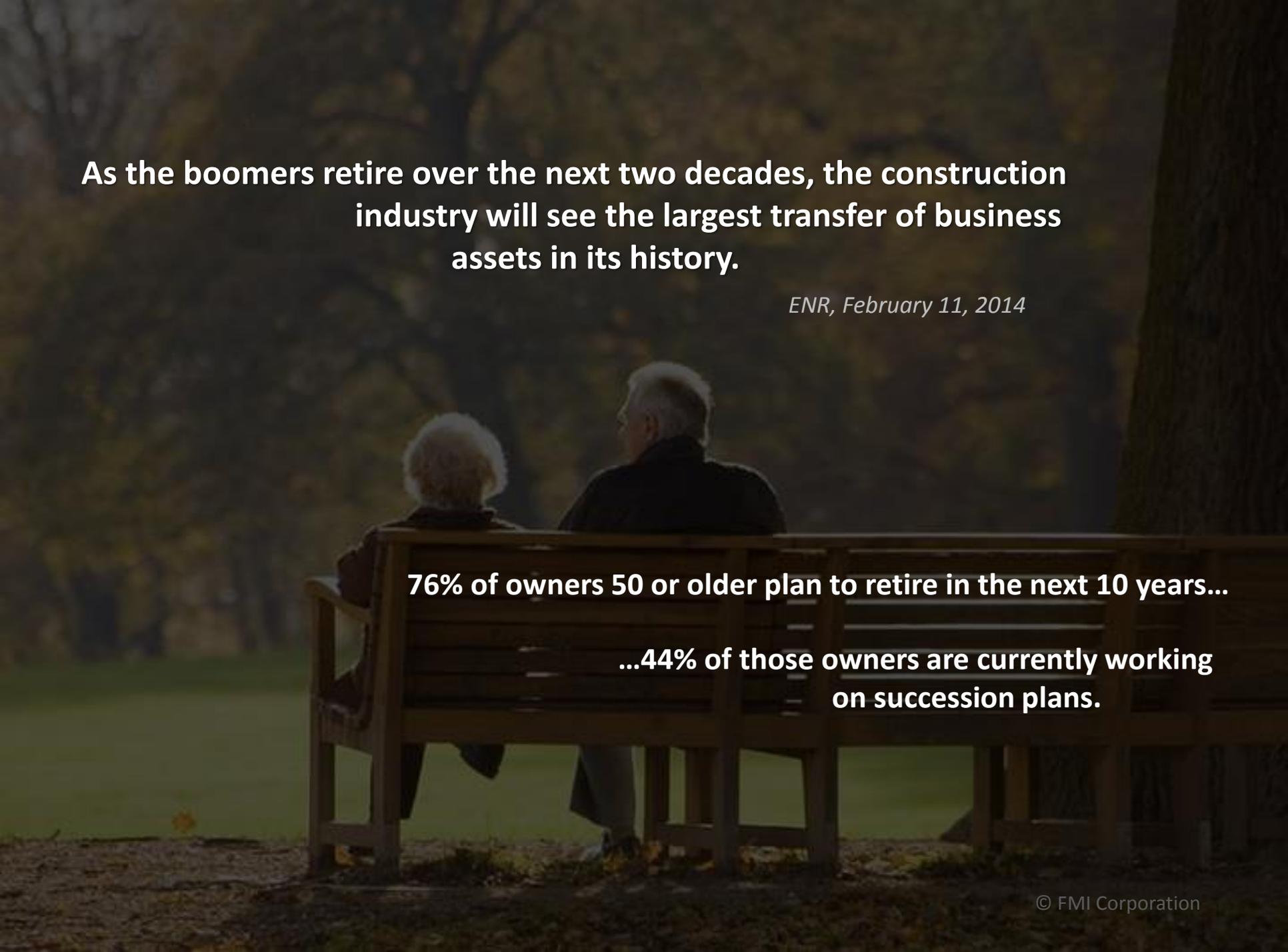
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Learning from history



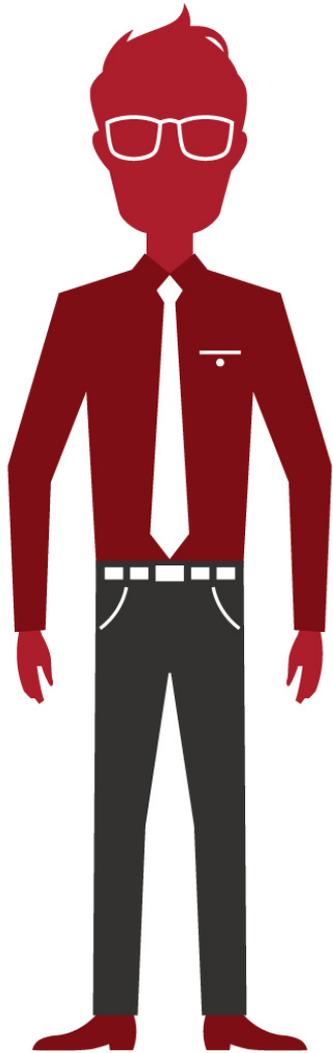


As the boomers retire over the next two decades, the construction industry will see the largest transfer of business assets in its history.

ENR, February 11, 2014

76% of owners 50 or older plan to retire in the next 10 years...

...44% of those owners are currently working on succession plans.



BY
2030
MILLENNIALS
OUT NUMBER
BOOMERS



BY
22
MILLION



Trend Implications:
1. Succession planning
2. Create a pipeline of strong leaders

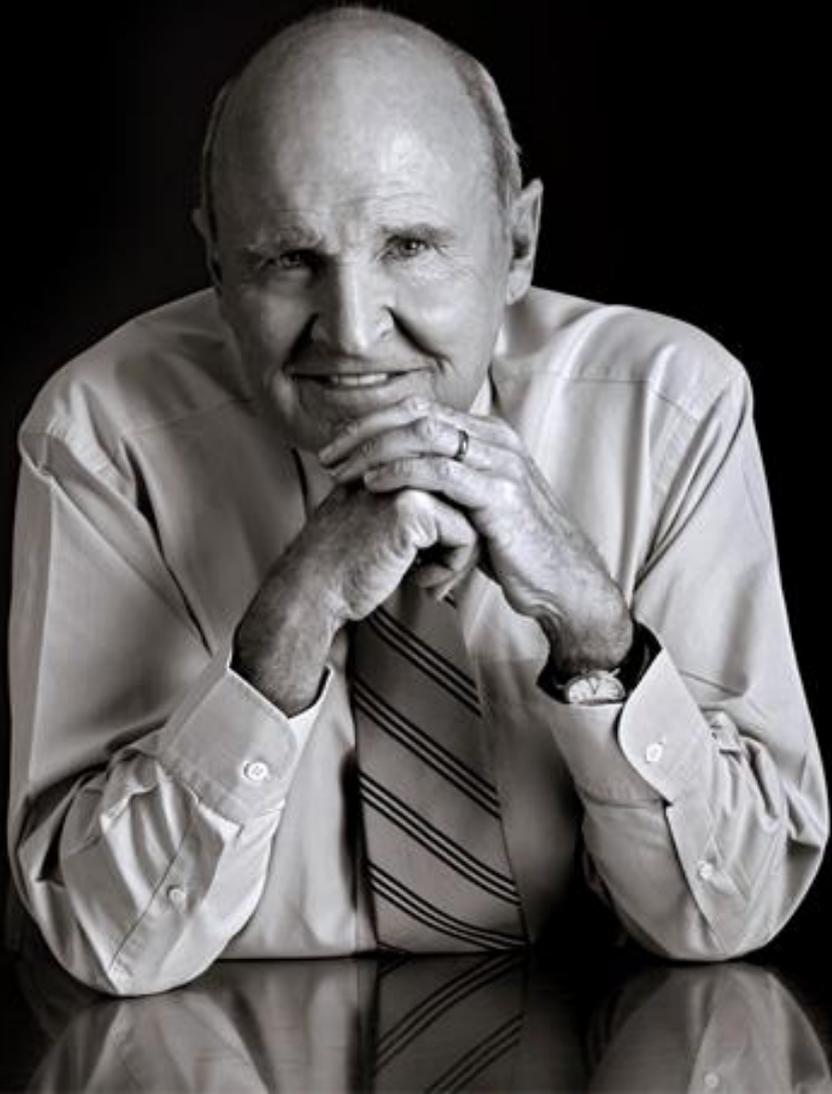
What's a succession plan?
Getting the right people in
the right place at the right
time



Group Activity

Write down your answers to the following questions:

- What is your organization's codified **Purpose and Values**? How have you shared it throughout your organization?
- What are the greatest issues facing your business over the **next 10-20 years**?
- How are you intentionally building your leaders through coaching, mentoring, and training **right now**?
- If you disappeared **tomorrow**, what impact would that have on your organization?



“From now on, choosing my successor is the most important decision I’ll make. It occupies a considerable amount of thought almost every day” - *Jack Welch, 1991*

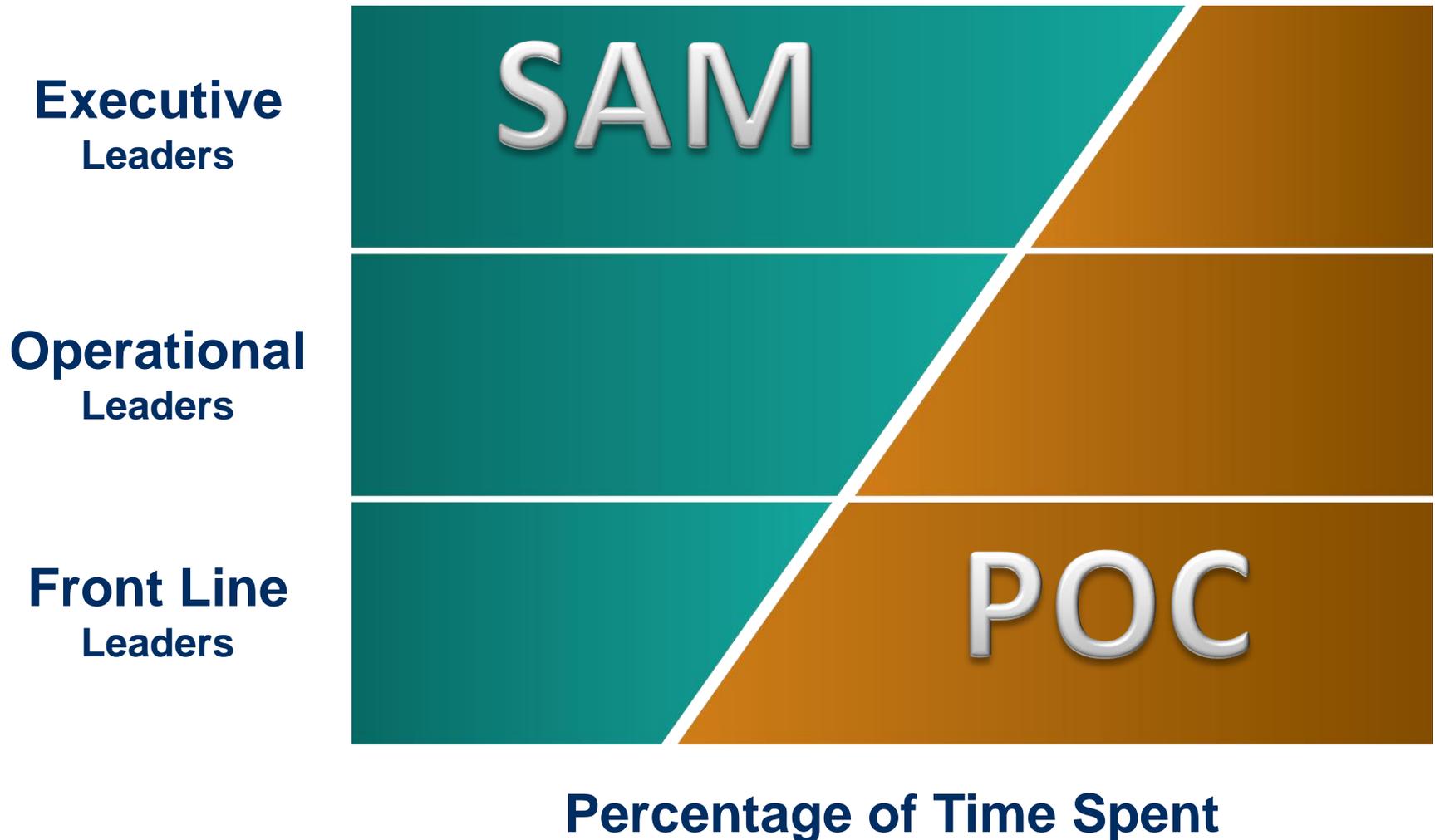
Peak Leaders



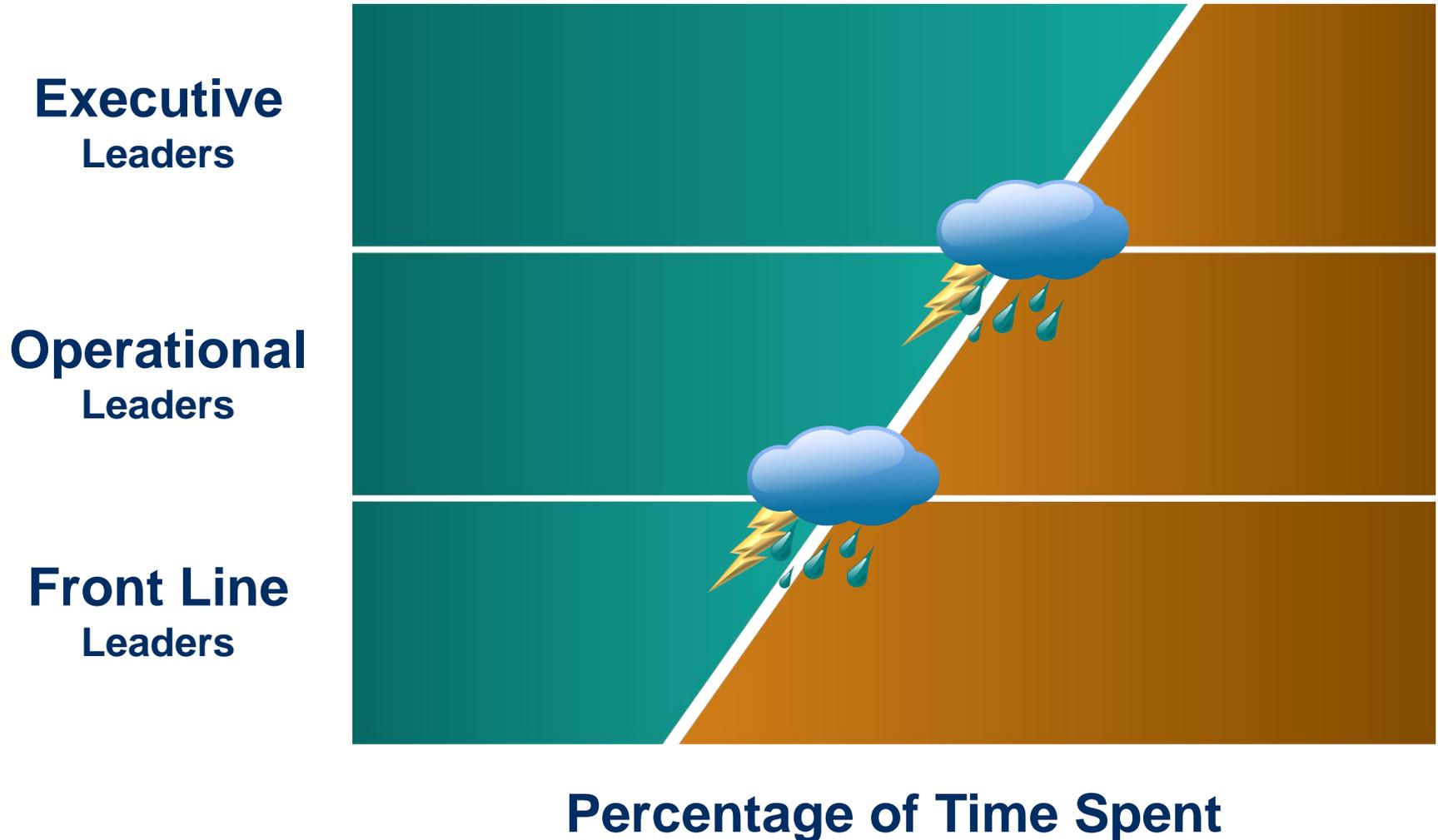
Peak Leaders



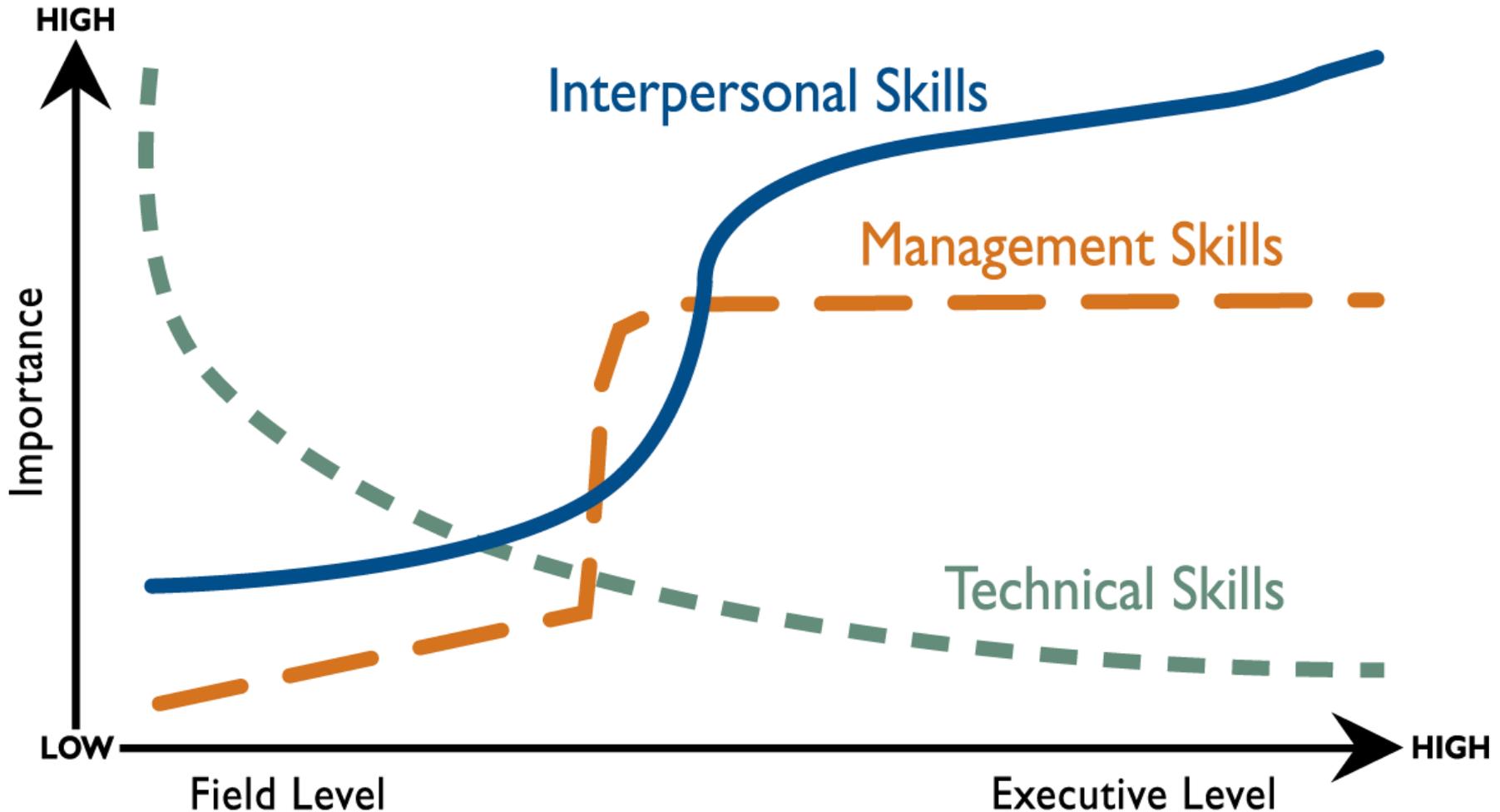
Management & Leadership



Management & Leadership



Relative Importance of Skills



Candidate Pool

- **Succession planning is about having candidates ready to fill vacant positions**
 - Typical Focus: Executives
 - Important: Focus on plans to fill any vacant position



Key Leadership Positions

Example

Leaders

Positions	Have Now	Will Still Have	Need in Future
Director	1	0	1
Division VP	2	1	4
Sales	1	0	2
Estimating	3	1	2
Engineering	3	1	2
	10	3	11
Gap		8	

Discussion

- How do you currently assess your people?
- How aligned are your key leaders with the vision and values of the organization?



Individual Assessment

- **Individual assessment of your people is critical**
 - What knowledge, skills, and abilities do your people have?
 - Do they have the supporting attitudes that will lead to success?
 - What will need to be developed?
 - What talent must be brought into the organization from the outside?

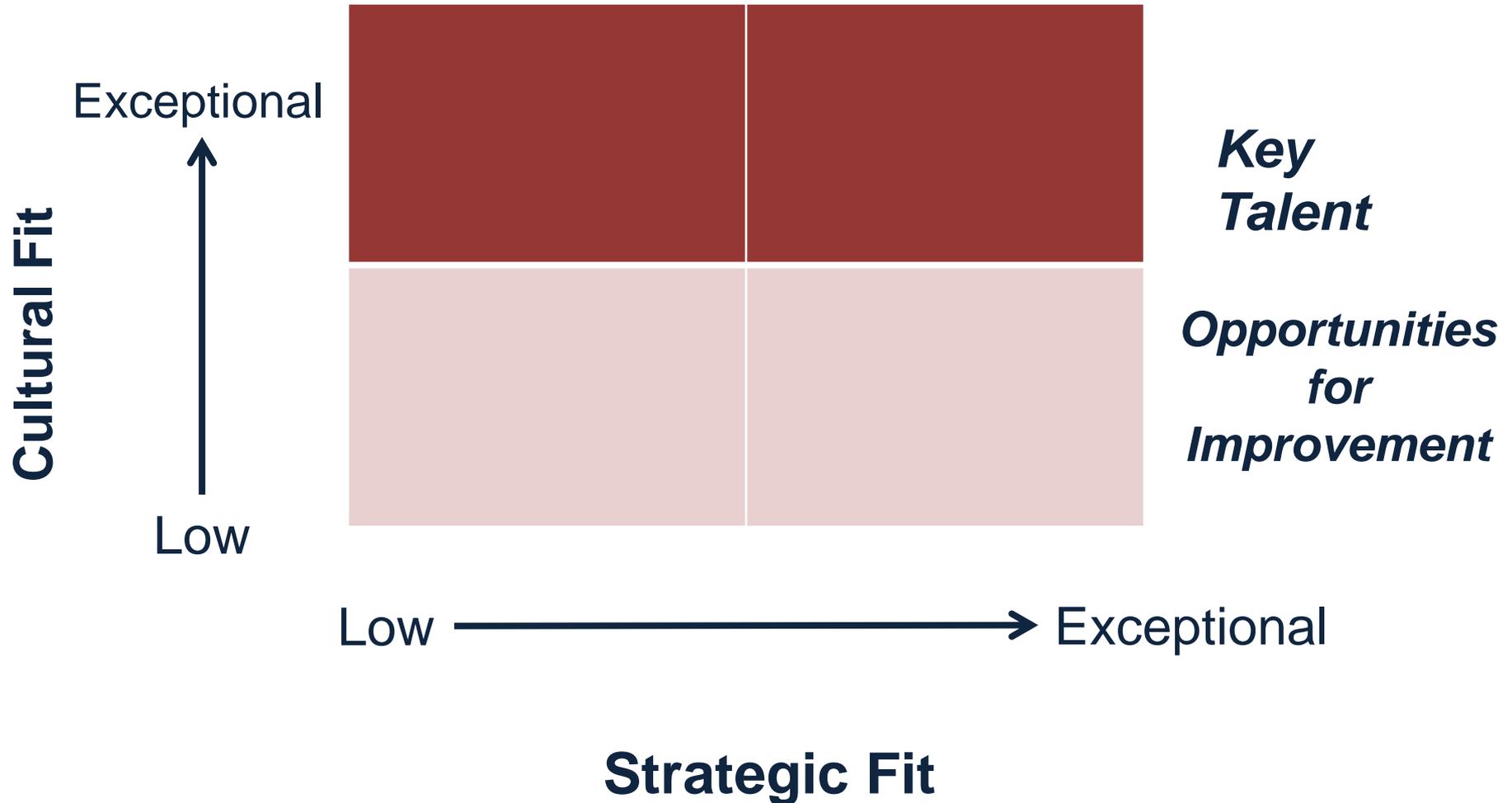


Identifying Potential Successors

What is the probability that they will succeed?

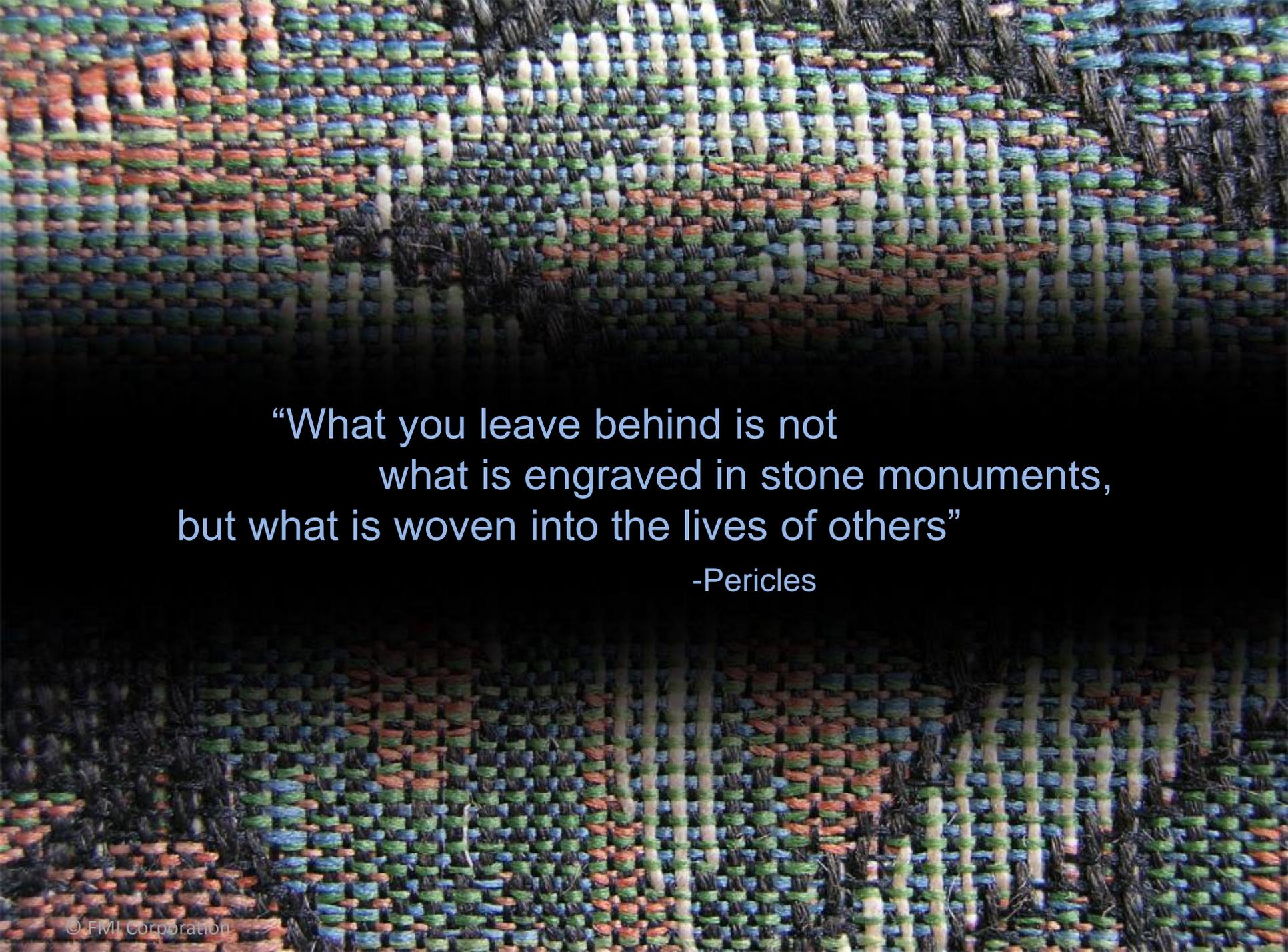


Talent Assessment Matrix





Developing the Leadership Pipeline



“What you leave behind is not
what is engraved in stone monuments,
but what is woven into the lives of others”

-Pericles

Action Planning

A black and white photograph of a hand holding a pen, writing on a document. The pen is a dark, sleek ballpoint pen. The hand is positioned over the document, with the pen tip touching the paper. The document has some faint, handwritten text visible, including the words "I will...". The background is dark and out of focus.

I Will...

One to three areas of focus

Positive statements

Specific

Developmental versus business goal



Developing Exceptional Leaders One at a Time

About FMI

FMI is the largest provider of management consulting, investment banking and research to the engineering and construction industry. We work in all segments of the industry providing clients with value-added business solutions, including:

- Strategy Development
- Market Research and Business Development
- Leadership and Talent Development
- Project and Process Improvement
- Mergers, Acquisitions and Financial Consulting

Founded by Dr. Emol A. Fails in 1953, FMI has professionals in offices across the U.S. FMI delivers innovative, customized solutions to contractors; construction materials producers; manufacturers and suppliers of building materials and equipment; owners and developers; engineers and architects; utilities; and construction industry trade associations. FMI is an advisor you can count on to build and maintain a successful business, from your leadership to your site managers.

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THANK YOU