

Breaking the Unwritten Rules

Cultural Pitfalls of Succession Management

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ABOUT SOUTHWESTERN

160 Years of Excellence



- We have successfully been recruiting, training, and motivating salespeople since 1855.
- Currently, we have over 20,000 salespeople in various industries between our 12 companies.
- Trained over 200,000 top-producing salespeople worldwide.



ABOUT SOUTHWESTERN

Family of Companies

Established in Nashville, TN, Southwestern is a diversified, growing, international, employee-owned company.



ABOUT SOUTHWESTERN CONSULTING



- 6,000+ people coached.
- Consulting clients in 42 countries.
- #1 Wall Street Journal and #2 New York Times bestselling book.
- Our Experts are regularly featured in major media.



The Challenge of Simple and Easy

Technical Complexity vs. Level of Comfort

If you are planning for one year, grow rice. If you are planning for 20 years grow trees. If you are planning for centuries, grow men.
-Chinese Proverb

Succession Planning

A Human-Capital Management Issue

More strategic and less income producing

Long term vs. Short term

Private company vs. Public company

Upper management working themselves out of a job

What is the cost of *NOT* Planning?

By failing to prepare, you are preparing to fail. -Benjamin Franklin

Cost of *NOT* Planning

- ▶ Lack of continuity of vision/values/systems
- ▶ Constant having to reinvent the wheel
- ▶ Always retraining
- ▶ Migration of knowledge and infrastructure
- ▶ Loss of value of company
- ▶ Bad leadership
- ▶ Difficulty in getting financing

It does not do to leave a live dragon out of your calculations, if you live near him."
— J.R.R. Tolkien, *The Hobbit*

Why Succession Planning Fails

1. It's not important
2. Doesn't affect the bottom line
3. Focuses on filling positions not people
4. Lack of recognition of current resources
5. Momentum of the business
6. Lack of Human capital plan
7. Timing never seems right
8. *The Unwritten Rules of your Company*

If you don't know where you are going, you will wind up somewhere else. -Yogi Bera

What are Unwritten Rules?

CULTURE

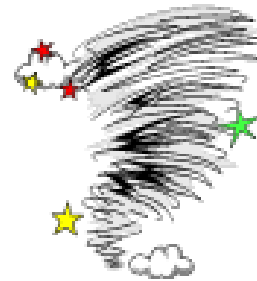
- ▶ Define who belongs and who doesn't
- ▶ Social contracts
- ▶ Establish how we work together
- ▶ Declaration of values that we think important
- ▶ *Habits of the mind*

Be careful how you think; your life is shaped by your thoughts.
- Proverbs 4:23

Unwritten Rules

that hold us back

Momentum



Possibility

The Unwritten Rule of Importance



It's not about you
Think win/win
Re-examine purpose

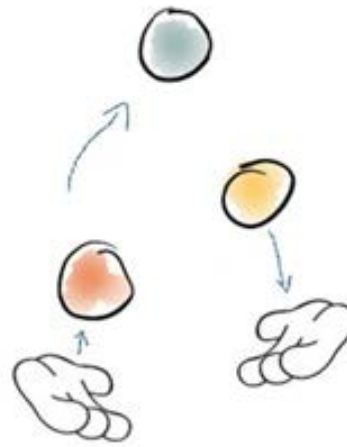
Developing the Plan

The Unwritten Rule of Growth

Incremental steps

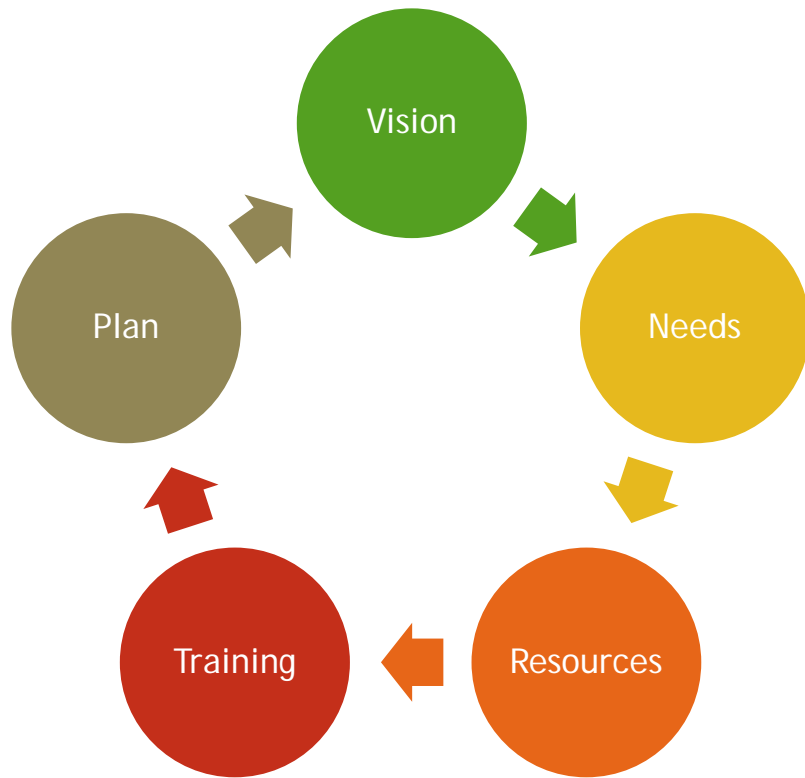
Failure

Practice



"We are what we repeatedly do. Excellence, then, is not an act, but a habit."
-Aristotle

Strategic Planning for Human Capital

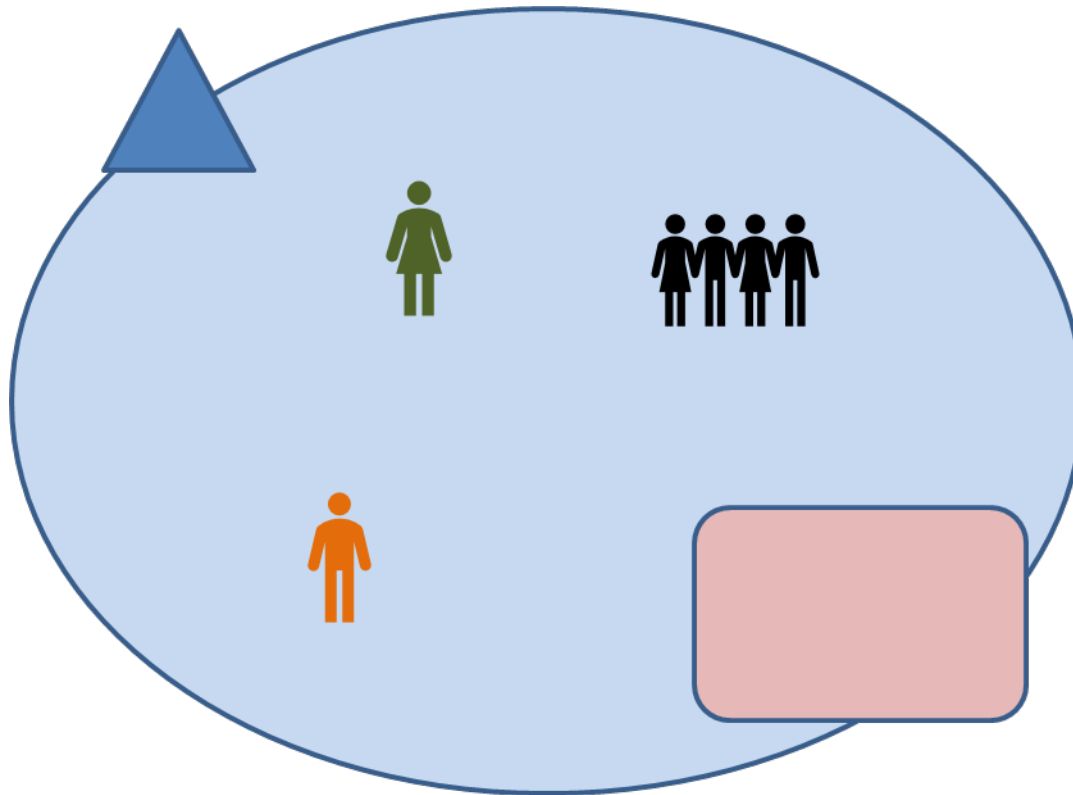


Understand

1. Who you are
2. Where you want to go
3. What you need to get there
4. What you already have
5. What's the plan

Success is where preparation and opportunity meet.
- Bobby Unser

Assessing Human Capital



Where we are
Where we want to go
5-10 year plan

Characteristics of a GREAT Plan

- ▶ Developed Collaboratively
- ▶ Based on Vision and Values
- ▶ Is focused on both in and out sourcing
- ▶ Is active not static
- ▶ Involves Identification, training and evaluation
- ▶ Looks at people not just positions
- ▶ Sees the potential and develops it

"It is not the strongest of the species that survive, not the most intelligent, but the one most responsive to change."
Charles Darwin

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Southwestern Consulting's Leadership Institute

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