

# Now Is No Time to Ignore CEO Succession Planning: Axiom Consulting Partners Advises Board of Directors to Take 3 Key Steps

**CEO succession planning requires building leaders' skills so they are prepared to execute strategy going forward.**

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The board of directors needs to handle CEO succession planning on their terms -- Dr. Aaron

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Sorensen, Axiom Consulting Partners

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Recent discussions about CEO [succession planning](#) at Apple, Berkshire Hathaway and Yahoo, Inc. underscore the importance of building a deep pool of leadership talent, according to [Axiom Consulting Partners](#). Too often, however, companies start too late, neglect to build their bench strength, and look to the past rather than focusing on the skills required to lead the company forward.

“From the outside, succession planning can look like a horse race,” said [Aaron Sorensen](#), Ph.D., a principal at Axiom who has helped scores of companies develop succession plans. “But in the best case, companies facing major succession decisions have already identified the leadership capabilities needed to drive their strategy, evaluated the strengths and weaknesses of their emerging leaders, and then helped those executives fill in the gaps.”

Over the last two-and-a-half years, just over 100 U.S. companies a month have changed CEOs for a variety of reasons, reports Challenger, Gray & Christmas. According to Sorensen, boards of directors must heed that upheaval and prompt management teams to focus on succession planning.

In an uncertain economy, with all the difficulty in delivering results, Axiom sees far-sighted companies focusing their succession planning on three key areas.

First, ensure that [succession planning](#) is tied to the strategy. That may seem obvious, but according to Sorensen succession planning is often done in an HR organizational silo. High-potential leaders, identified a few years ago with the qualifications to drive growth in a vibrant market, may not be a great fit when conditions call for cost-cutting and risk management.

“It is important to regularly map those company assets that create value with the strategy, talent and organization that are required to actually deliver results,” Sorensen explained. “When the alignment of those three factors shifts, either because of market conditions or the departure of key leadership, succession plans have to keep pace.”

Second, identify the gaps in experience or skills that future leaders need to fill in so that they are capable of executing the current strategy. Leadership assessment tools and techniques such as 360-degree reviews, behavioral interviews, case studies that simulate realistic challenges can be useful. But according to Sorensen, it is a combination of multiple assessment techniques that provide different lenses to assess leadership capabilities and potential that yields the greatest insights.

The third step is to help executives fill in their gaps in experience and capabilities. According to Sorensen, the best approach is to give potential leaders the opportunity to learn outside their comfort zone. For example, if cost-efficiency is high strategic priority have the CIO work directly with the leaders of supply chain management to truly understand what factors driving costs. If geographic expansion is a strategic imperative, have the COO of a high-performance business unit take on the challenge of working in an emerging market.

“One of the most effective ways of integrating leadership development with strategy execution is to give future leaders the time to work on strategic responses to emerging business challenges,” said Sorensen. One \$7 billion global business-to-business company, Sorensen points out, supports its growth strategy with a six-month development program. Leaders spend 50% of that time working on major business challenges and emerge with specific strategic recommendations that they present to the board of directors.

“The board of directors needs to handle succession on their terms, not be at the mercy of factors outside their control,” Sorensen said. “Having a deep bench of talent to draw upon can be one of the best investments a company makes to win the war for talent and shockproof itself from rapid shifts that affect their competitiveness.”

#### About Axiom Consulting Partners

Axiom Consulting Partners is a management consulting firm that helps clients achieve sustainable, profitable growth by working with leaders to align business strategy, organization and talent to improve execution. Taking a practical, fact-based approach to analyzing and solving complex business issues, Axiom focuses on removing the disconnects that commonly exist between the boardroom, middle management and front line employees, resulting in dramatic improvements in financial performance. Axiom's partners have an average of 20 years experience across a variety of industries and have served clients in North America, Europe and Asia.

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