



Legacies That Endure

As a business leader, how will your legacy measure up?

Your leadership legacy matters. It motivates people in the way they think and behave, today, and in the future. A lasting legacy sets a course: it adds value, creates positive meaning, and empowers others to carry on—with or without you.

History reveals it is not uncommon for crisis to create or accelerate significant changes at the top:

- During the 2008-2009 financial crisis, more than 2,000 CEOs of publicly-traded companies were replaced, according to Challenger, Gray & Christmas (CGC).
- In 2018, CEO turnover reached 18% in the 2,500 largest companies worldwide. According to the study published in [Harvard Business Review](#) (May-June 2021), 20% were “forced out” for ethical lapses.
- January 2020 set records for CEO turnover with 219 vacancies in a single month. Subsequently, 1,133 CEOs retired (up 11% from 2020) or moved on to new opportunities (up 17.4% from 2020) during 2021, report CGC. The industries most affected include non-profit (including education, transportation, and charities), technology, and health (including health care manufacturers).

Without a clear succession plan, organizations are left to scramble. While some of the vacancies are temporarily filled by former employees or next-generation relatives, others remain open. Legacies fail, or die.

Legacies at Risk

Based on the succession planning research of Yo-Jud Cheng, Boris Groysberg, and Paul Healy,

A Message from Nancy...

Let me ask you:

- Are the people on your team engaged and committed or just collecting a pay check?
- Do you have the right people in the right seats on the bus? Are *you* in the right seat?
- Is the high cost of turnover eating away your organization’s bottom-line?
- Are your processes and procedures (or lack thereof) delivering productive and efficient results?
- How comfortable are the members of your senior team managing and leading others?



In today’s highly competitive environment, it’s no surprise that “*what got you here may not get you there.*”

At **Proffitt Management Solutions** we are fully committed to providing a unique blend of team and individual development and executive coaching sessions where participants achieve more focus, a sense of purpose, and better results in their leadership roles.

Find out how services such as individual or team coaching and development, motivational and skills workshops, seminars may help you better answer those 5 questions and benefit you...

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published in *Harvard Business Review* (May 2020):

- 63% of private companies do not have a CEO succession contingency plan in place.
- 69% of companies with less than \$50 million in annual revenues lack a plan.
- The need for a succession plan is often more acute in small firms, especially start-ups.

According to the researchers, 45% of all the U.S. companies they surveyed do not have a contingency plan for CEO succession, and 46% do not have an effective plan process for CEO succession. The industries most at risk include healthcare (61% without a CEO succession contingency plan), media (61%) IT and telecom (59%), and Consumer staples (53%).

Creating a lasting legacy is no easy feat. Those who succeed develop other executives: they understand what it takes for a successful leader to develop the capabilities to take a complex organization into the future, even in times of uncertainty.

The Makings of a Great Legacy

Your leadership legacy is how people remember you. It's what they think and feel about you when you leave the room—today, and tomorrow. A great legacy is comprised of five elements:

1. **Vision:** a leadership vision is a testimony to the leader's core values and sets the tone for direction and company operations. Leaders who are able to address issues conceptually, think strategically and creatively, and translate complex concepts into reality create a legacy vision.
2. **Self-awareness:** leaders who are self-aware are sensitive to their blind spots and bias. Great leaders are curious and able to gain new skills and knowledge to address challenges.
3. **Relationships:** leaders who have the desire and ability to understand others—not just what they say, but the meaning and feelings behind the words—enhance relationships, creativity, and collaboration. When we feel connected to others, especially in a work environment, we experience greater security, are more willing to share confidences, feel encouraged to take risks, and can support one another freely.
4. **Perseverance:** with the right knowledge (wisdom)

and attitude (emotional resilience, realistic optimism, commitment and celebration of small wins), great leaders persevere to achieve positive results.

5. **Leadership pipeline:** great leaders take responsibility for building their organization's leadership pipeline. They hold themselves accountable in the process of growing leaders, and recognize and support their developmental needs.

To be sure, employees, managers, and leaders are facing pressure and challenges like never before seen in our lifetime. They must maintain a steady balance between big-picture, long-term thinking with daily demands and problem solving. Building a strong leadership pipeline is important, but it often falls into the category of non-urgent.

Succession Planning in Large Organizations

In larger organizations, a lasting leadership legacy is funneled by line, department, or operating managers. After all, they are in prime position to identify potential, recognize developmental needs, and mentor emerging leaders. They encourage rising stars to take on new responsibilities, even if it means moving onto other lines, departments, or business units.

These front-line managers also support senior executives in defining and creating a diverse, equitable, and inclusive leadership development system for the entire company. They identify challenges, issues, and practical solutions, passing on important knowledge and information.

Succession Planning in Small Business

In small business, a lasting leadership legacy is one of the biggest challenges.

Most family firms fail to remain a family business past the second generation, report the authors of "The Key to Successful Succession Planning for Family Businesses," (*Harvard Business Review*, May 2020). For those that do, gaining support of non-family employees for the next generation of leadership is a key challenge. However, research indicates that family successors are often preferred, **as long as they support the existing culture and are well-equipped for leadership.**

Preparation, transparency, and accountability are critical for success. When prospective employees understand any foreseen limits in their opportunities for advancement, they won't feel blind-sided when family members are appointed in leadership positions. Plus, next generation family members who work side-by-side with non-family members can benefit from their experience through training and mentoring. This also allows the next generation family members to demonstrate their competence and accountability.

Develop Your Future Leaders

Great leaders are very mindful and intentional about leadership development. They understand that while financial results define where a company has been, leadership is a key indicator of a company's future.

The quality of leadership—at every level—has a huge impact on everyday operations, and it determines every employee's level of engagement. That's why the best leaders *invest in their own development*. They:

1. **Practice self-awareness.** Understand your impact, limits, and challenge yourself to grow.
2. **Balance here/now with there/future.** Know what got you here. Be fully present.
3. **Put people first.** Practice compassion and encourage and equip others to succeed.
4. **Listen more than they speak.** Practice humility; seek to understand, rather than to be understood.

Great leaders also invest in the development of future leaders. They understand how managers grow. You see, they know that training alone is not the key to development; it is job experiences, coupled with coaching, feedback, and mentoring.

Build a Legacy Model

Here is a simple five-step model you can adapt for your organization, regardless of size:

1. **Review** your methods (and criteria) to identify leadership talent.
2. **Identify pathways to leadership:** sequences of responsibilities that build capabilities and meet daily operational needs.
3. **Recognize** each future leader in ways that

highlights their strengths, personality, and contributions.

4. **Track** and assess results, **provide** feedback and coaching, and when necessary, **adjust** for changes.
5. **Provide** future leaders with opportunities to build relationships. When applicable, introduce future leaders to board members.

Line/department/business unit managers should be an integral part of the process. Clear assignment, roles, and responsibilities are key to success.

Empower Your Managers

It's not unusual for managers to feel uneasy with the emotional and personal involvement effective talent development requires, especially during times of crisis, uncertainty, or change. Even in the best of times, discussing people's talents and potential may seem intrusive. Providing solutions, advice, and answers becomes the default mode. However, engaging with a coaching style is more effective.

Probing, one-on-one conversations to identify values, motivators, career goals, and what is needed to be more successful requires skill, practice, and a coaching mindset: empowering others to do their own thinking in ways that lead to new insight. A simple checklist can help:

- **Frame the conversation.** Set the context by agreeing on the discussion's purpose, process, and desired outcome. Identify issues, behaviors, habits, etc., to discuss.
- **Understand the current state.** Explore the current state from the coachee's point of view. Expand the coachee's awareness of the situation to determine the real coaching issue. Use open-ended, non-leading questions and active listening.
- **Explore the desired state.** Help the coachee to articulate a vision of success in this scenario. Explore multiple alternative paths (and barriers) before prioritizing methods of achieving this vision.
- **Lay out a success plan.** Identify the specific, time-bounded action steps to be taken to achieve the desired results. Determine milestones for follow-up and accountability. Ask for commitment.

Great leaders exist in every generation. It's just a matter of finding—and keeping—them. Preparation is the key to filling the leadership pipeline and creating a legacy that endures.



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