



# PRACTICAL COMPLIANCE

Succession Planning

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UK LIMITED

## Practical Compliance

# SUCCESSION PLANNING

Succession planning is a process for identifying and developing new leaders who can, potentially at short notice, succeed the existing leadership in either a planned or unplanned situation.

### **Eight thoughts for succession planning**

Here are eight ideas to consider when thinking about your own business.

#### **1: Start early**

A common problem is people not giving succession planning the time it deserves unless forced to by an employee resigning or approaching retirement.

#### **2: Be honest**

For those approaching what used to be considered retirement age, start the conversation about what they really want for themselves. Are they looking to leave as soon as possible, or would they like to carry on working, when would they like to retire?

#### **3: Harness internal expertise**

Think about how experienced staff can pass on their skills and expertise so you do not lose the corporate knowledge.

#### **4: Develop your deputies**

Deputies can sometimes be more used to working with their leader and have not had enough opportunity to be challenged in the leadership role before stepping up to the position permanently.

#### **5: Let generations learn from each other**

In addition to mentoring their younger colleagues, more experienced staff relish learning about using technology and new ideas from them.

This builds cross generational trust and respect which can be harnessed to identify tomorrow's potential leadership from staff early in their career.

**6: Explore all options**

Keep an open mind, it may not be a case of appointing an individual successor. It might be a good opportunity to consider how the organisation has developed over time, then redefining the role and maybe splitting it between two people.

**7: Keeping it in the family might not be easy**

The owners of a family business might consider a straight handover to the next generation to be the ideal succession. It may be that is not the right solution, competence and capability enter the equation as is the question if the next generation is interested enough in the business to take it on and move it forward.

**8: Learn to let go**

Possibly the hardest one of all particularly if you have started and developed the business from scratch. Working with your successor over a period can build the trust required to allow you to let go.



## How can we help?

Compliance Matters UK Limited offers cost effective and practical guidance in respect of governance, risk and compliance to firms regulated by the FCA.

**Contact us on:**

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