

Accelerating Your High Potentials' Preparedness to Lead

Companies today face an unprecedented need for recruiting, developing, and retaining top-tier, high-potential talent.



60%
of new
executives are
unprepared

About 60% of executives say they were not prepared for the strategic challenges they faced upon being appointed to senior leadership roles. It's no surprise, then, that 50%–60% of executives fail within the first 18 months of being promoted or hired.¹

10,000

Baby Boomers
retire each day



On top of this, an average of 10,000 Baby Boomers are retiring each day² and up-and-coming high-potential employees—your future leaders—are liable to leave if not properly motivated, challenged, and recognized. Clearly, companies must work harder than ever to achieve and maintain a competitive talent edge.

Organizations need their next generation of leaders to assume greater leadership scope, responsibility, and complexity at a rate faster than their predecessors. Much will be asked of these future leaders. The concern is, of course, are they ready? What do proven experiences look like that truly prepare high potentials to meet and exceed expectations?

Preparing Your High Potentials

Talent challenges such as these explain why a packed audience attended the latest MDA Leadership Consulting Breakfast Briefing, **Accelerating Your High Potentials' Preparedness to Lead**. The event, led by **Jeff Stoner**, Senior Vice President of Leadership Development and Coaching Services, MDA Leadership, featured two guest speakers—**Jason Ortmeier**, Director of Learning and Development, Mortenson, and **Paul Georgoff**, Director of Talent Development, Dacotah Bank—who presented their high-potential programs.

Mortenson's and Dacotah Bank's high-potential programs are grounded in the fundamentals of **action learning**, which is a process that elevates and accelerates both individual leadership as well as organizational capability (below). The process combines opportunities for high potentials to engage in business-relevant activities, while simultaneously leveraging the meaningful coachable moments that arise throughout the journey. This approach offers a tangible organizational benefit, maximizes individual learning, and creates critical insight into leadership potential.





Jason Ortmeier, Director of Learning and Development, Mortenson; Jeff Stoner, SVP of Leadership Development and Coaching Services, MDA Leadership; and Paul Georgoff, Director of Talent Development, Dacotah Bank presented at the Breakfast Briefing on accelerating high potentials.

Action Learning | Client Case Study with Mortenson

Jason, an “unapologetic action learning evangelist,” shared how action learning benefited and differentiated Mortenson, a \$4 billion, 5,500-employee, national development, engineering, construction, and services firm.

In 2010, Mortenson primarily operated in traditional commercial construction—office buildings, hospitals, higher education, and renewable energy. While the firm was successful, it was not satisfied with its competitive differentiation at the time as Mortenson was viewed much like other construction companies.

Additionally, several leaders of the company were nearing or at retirement age, and individual Mortenson offices throughout the country limited the collective knowledge of the leadership capabilities across the company. Thus, the next generation of Mortenson’s leaders had not been fully identified or prepared to assume broader company roles. With this scenario, leadership capability could have been the company’s greatest limiter of growth.

Mortenson’s top leaders knew that for the company to grow, it needed leaders ready and able to assume expanded roles and take advantage of new geographic and market opportunities, but it needed to be done within the context of Mortenson’s business needs. Thus, action learning became the basis of Mortenson’s program for high-potential leaders called Advanced Leadership Development.

Mortenson’s Advanced Leadership Development program revolves around:

- ✓ **Personal development**—Leaders focus on self-awareness, development planning and execution, and reflection, while receiving support from their career sponsors.
- ✓ **Curriculum**—Five times a year, the leaders learn about topics such as authentic leadership, strategic leadership, talent leadership, and customer leadership.
- ✓ **Action learning**—Leaders gather data and generate ideas for tough strategic challenges facing the business and industry, evaluate options, develop recommendations, and present proposals to the executive team.
- ✓ **Relationship-building**—Peer, group leader, and senior leadership team interactions occur throughout the program, so senior executives can build relationships with the next generation of leaders and these future leaders can develop a company network that can be leveraged throughout their careers.

Impact

Since 2010, Mortenson has more than doubled in size to a \$4 billion organization. Its growth can be attributed to many factors, but one key is building the leadership capability necessary to launch multiple new businesses, create a strong competitive differentiation, and deliver the highest levels of customer satisfaction and team member engagement that the firm has ever had. The senior team views these collective metrics as evidence of program success.

Action Learning | Client Case Study with Dacotah Bank

Similar to Mortenson, Dacotah Bank needed to build its leadership bench strength and expand its business opportunities. Dacotah, a \$2.4 billion, 550-employee banking company based in Aberdeen, South Dakota, has individual offices throughout South Dakota and western Minnesota. Dacotah provides banking, insurance, mortgage, and trust services to over 60,000 customers, and is consistently ranked as one of the top 20 lenders to agriculture in the United States.

Most of Dacotah's senior bank leaders were nearing retirement—without a comprehensive, developmentally-focused succession management process in place. The bank's business was changing dramatically, with new competitors and new regulations affecting “business as usual.” Additionally, the bank's service offerings (banking, trust, insurance) were often siloed with limited expansion of services.

The bank's identification and development of high potentials began with an assessment process, so that the bank could better understand and evaluate its future leadership bench. Analyzing the bank's future leadership strengths and growth opportunities led to an internal awareness of the imperative to build the bank's leadership bench.

From these initial learnings, Dacotah created a high-potential development program that took the form of an Academy with multiple components as follows:

- ✓ **Assessment and feedback**—Conduct individual assessments of program participants, followed by development feedback and planning as well as executive coaching.
- ✓ **Action learning**—Launch action learning projects related to potential business opportunities, execute on these projects in teams, and deliver final recommendations to the executive team.
- ✓ **Development curriculum**—Present on topics such as design thinking and innovation, high impact conversations, change leadership, executive presence, growth mindset, and influence with impact.

Impact

As a result of this work, Dacotah has increased its leadership readiness and bench strength. Seven individuals from the high-potential program have been promoted into positions with greater leadership scope, responsibility, and complexity, and have been well-prepared for their roles. In addition, the action learning projects will show meaningful ROI in the years to come that will justify the program investment.

Jeff Stoner, SVP of Leadership Development and Coaching Services, MDA Leadership shares his expertise at the Breakfast Briefing.





Seek a diverse group of high potentials from across the organization, so that they can learn more from one another and build strong networks across the enterprise.

Key High-Potential Development Recommendations

MDA Leadership and its clients advocate these best practices as they increase the ultimate impact and sustainability of high-potential programs.

1. Think of high-potential development as a business imperative—

Both Mortenson and Dacotah Bank knew they weren't going to get where they needed to go if they didn't do something dramatically different. Senior leadership needs to look at this as a way to engage a core group of leaders in building the organization of the future.

2. Engage senior leadership—Be sure that senior leaders are engaged in and support your high-potential development efforts. Walk them through the thinking and decision-making around your program and involve senior leaders as faculty in developing high potentials.

3. Create a cross-pollination of participants—Seek a diverse group of high potentials from across the organization, so that they can learn more from one another and build strong networks across the enterprise.

4. Emphasize assessment—Empower participants with knowledge about their strengths and development opportunities through assessment, so they can fully leverage program content based on their own context.

5. Accelerate leadership growth and capacity through coaching—

An executive coach can help high potentials understand what is required to be successful at different levels of leadership, gain deep insight into their leadership impact, and translate this insight into action through growth planning.

6. Provide “meaty” action learning projects—Be sure that the action learning opportunities provided are substantive and relevant to the organization's interests.

7. Set participant expectations—Remind high potentials that the value of this work is not entirely from the action learning project and that the organization cares equally about their personal development and growth.

8. Take a long view of ROI—While the action learning projects will likely provide a solid return on your investment, think of high-potential development ROI as a long-term process, spanning 5 to 15 years, in order to see the ultimate impact on the business.

Let's Connect

To learn more about MDA Leadership's leadership development and coaching solutions, please contact us at +1 (612) 332-8182 or by email at info@mdaleadership.com.

¹*Harvard Business Review*, “Executives Fail to Execute Strategy Because They're Too Internally Focused,” November 2017. <https://hbr.org/2017/11/executives-fail-to-execute-strategy-because-theyre-too-internally-focused>

²*Forbes*, “Boomers Are Retiring Rapidly: Are Successors Prepared?,” June 2017. <https://www.forbes.com/sites/forbescoachescouncil/2017/06/28/boomers-are-retiring-rapidly-are-successors-prepared/#35fcc8d34472>



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