

Accelerating Executive Readiness in This New Era

SUCCESSION MANAGEMENT



Leading succession management in This New Era

Much will be asked of your high potentials as they lead through a dynamic new era of transformation and reinvention. Are they ready?

Given the shifting business and talent landscape, it is critical to define high-potential leadership for your organization and identify your future executives, so that you can focus on developing and retaining your top talent for leadership continuity.

Your next generation of executives must take on greater leadership scope, responsibility, and complexity at a rate faster than their predecessors. What proven best practices will truly prepare your high-potential leaders to meet the heightened leadership expectations they face?

MDA Leadership can help you to design an enterprise succession strategy that delivers the talent you need to lead your organization now and in the future. Together we can create your world-class leadership culture.

Leadership Matters

Due to a host of economic and competitive pressures, strong leadership matters more so than ever before. Equally important, the consequences of underperforming leadership can be catastrophic. Many studies have shown how organizations with better leadership outperform their competitors, and how effective leaders positively impact their organizations. Such leaders literally create a culture in which employees are highly engaged and deliver their best performance.

Specifically, we know that exceptional leadership leads to:

- Higher employee productivity, engagement, and retention
- Increased customer satisfaction and retention
- Greater sales revenue, profit, and growth
- Better long-term returns and shareholder wealth

Contents at a Glance

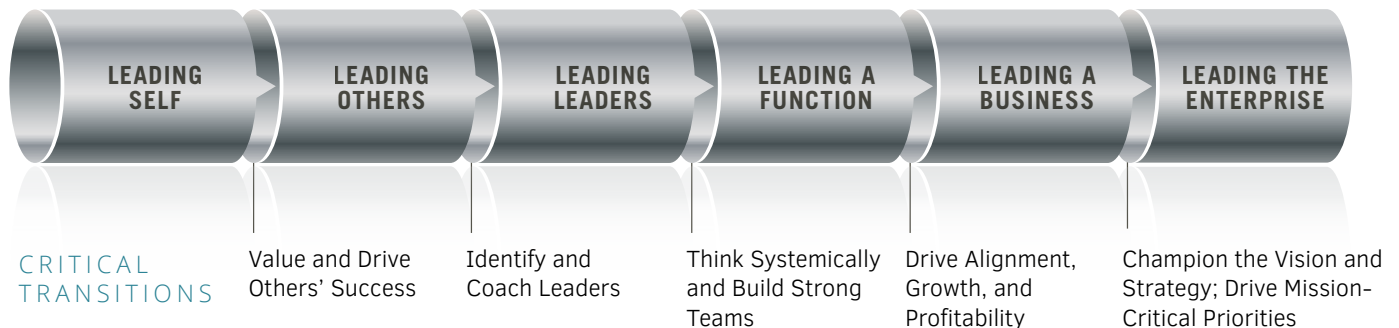
Strategic, Enterprise Succession.....	2
Leadership Vision and Bench Diversity.....	4
MDA's Dynamic Succession Framework....	6
Power of Executive Assessment	8
Critical Leadership Development	10



Enterprise succession requires a **Strategic** approach

Our approach helps you to identify and develop the individuals who can successfully navigate transitions and optimize at the next level.

Your Leadership Pipeline



Our assessment and development solutions are differentiated by pipeline level with components that are specific to each one. As the roles become more senior, our assessment and development becomes more robust. We work to build a plan that supports your organization's talent strategy. Our experienced team will guide you through important choice points, share best practices, and most importantly, listen to your unique needs.

Executive Succession: How Organizations Get It Right

From our 40 years of experience working with boards, CEOs, and CHROs on succession, we believe in these critical success factors:

- Achieve alignment and a laser focus on *what* is needed before talking about *who* the candidates are.
- Use formal assessment to understand successor viability against expectations in terms of motives, derailers, capabilities, and role fit.
- Ensure potential successors are being developed and afforded stretch experiences, while maintaining a clear line of sight on development progress.
- Seek high-touch involvement from senior stakeholders. Gaining buy-in from participants is much more achievable when top leaders explain why this is happening, why it is important, and how the data will be used.

What is the impact and value of MDA's approach? Your organization will have:

- Unifying language and shared criteria/expectations for executive roles going forward.
- Confidence from the board, CEO and key stakeholders that a fair and robust succession planning process is in place.
- Accurate, objective insights about the viability of key talent for executive roles on demand.
- A clear path for development, leading to greater effectiveness and stronger performance for key executives.

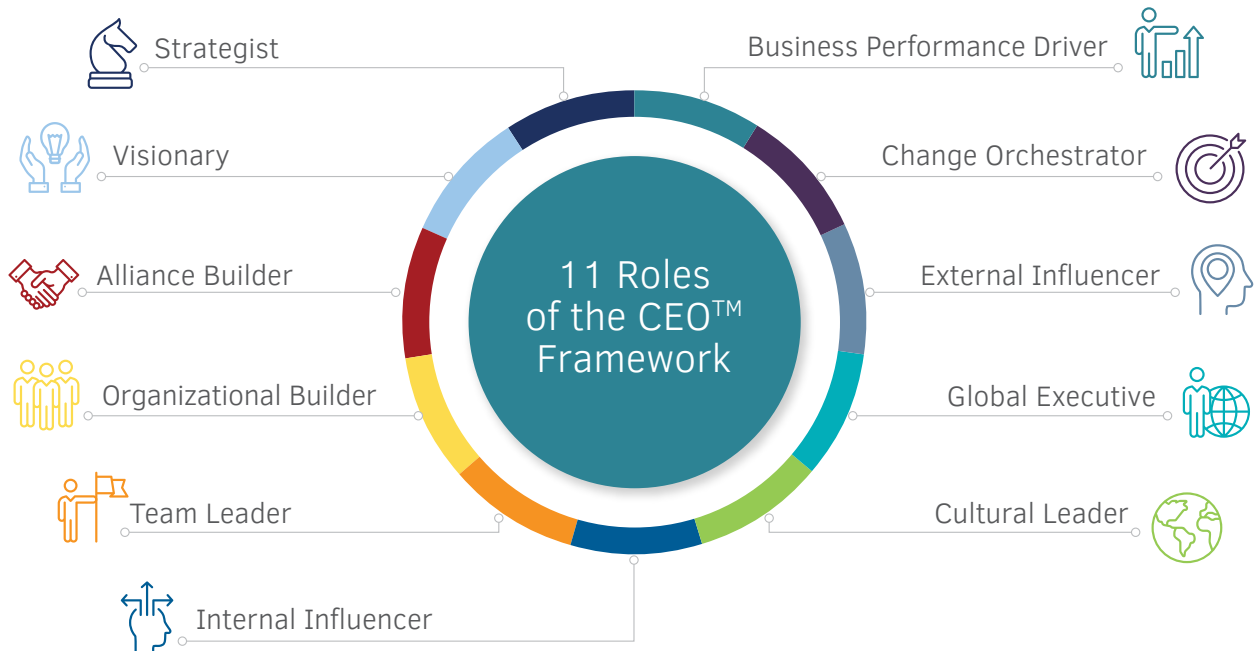
“MDA has been instrumental in helping us think through not only what we need our leaders to be capable of today, but strategically, what do we need to ensure our leaders will be capable of tomorrow as we continue to navigate all of the disruption and change facing our industry.”

- **Angie Freeman**, Chief Human Resources and ESG Officer, C.H. Robinson

Articulate your leadership needs to make your aspirations a reality

Gain clarity and alignment on the requirements for success, so you can produce the leadership behaviors needed to achieve your business priorities.

Executive Profile: Ensuring Coverage of Enterprise Priorities



“Chance” should not dictate your talent strategy any more than it defines your business success. Quite simply, clear and explicit expectations for leaders—including the attributes they need to bring to the table in order to achieve your strategic and cultural priorities—are essential for success.

What do you need from your senior leadership? At MDA, we use our *11 Roles of the CEO™* framework to help our clients and their boards articulate what they need from their CEO and top executive positions. In light of your business strategies and likely future scenarios, which of these roles best captures where the next CEO and executive team will need to spend the majority of their time? The key elements of the highest-priority roles are leveraged to create three or four critical roles for the CEO and other senior positions.

For example, a company that anticipates future challenges with strategy execution may need senior leaders who operate primarily as business performance drivers and organization builders. In contrast, if significant growth opportunities are anticipated via new business models and revenue streams, the roles of visionary and external influencer or alliance builder may be most critical. This important work sets the stage for the most effective executive selection, development, and succession initiatives.

Ultimately, we help you build the ideal foundation for creating the talent-related tools, processes, and capabilities needed to recruit, develop, promote, and retain the right leaders to propel your organization into the future. By integrating and aligning your talent systems, you will accelerate the capabilities and readiness of leaders to drive change, sustain alignment, and inspire success.

Achieving Bench Diversity drives performance

As multiple studies have shown, companies with greater diversity in their executive ranks and boards enjoy greater financial success and innovation than their less-diverse peers. That's because more diverse organizations are typically better able to navigate today's societal and cultural transformations and capitalize on new, previously unexplored growth opportunities.

While leadership diversity gains have been achieved in recent years, substantial work remains for most organizations. For example, as both McKinsey & Company and Gartner shared in separate 2021 reports, the succession progression of under-represented talent—women and racial minorities—typically stalls at the mid- to senior-level in most organizations.

Assessment-informed succession planning can significantly aid efforts to identify and develop diverse, high-potential employees, particularly early in their careers, and help your organization achieve greater bench diversity long-term. Specifically, assessment can more accurately reveal “hidden gems” in your organization, particularly among diverse talent. With mentoring and support, these individuals can become your bench for senior-level leadership roles in the future.

Once identified, you'll be able to provide direct insight to employees on their leadership strengths and growth opportunities. You can also equip these leaders with a tangible career roadmap, as well as critical input to help them successfully navigate key leadership transitions.

Today's high-potential leaders expect their employers to provide them with a correspondingly high level of career path transparency and development opportunities. Letting your most promising leaders, especially those who are diverse, know of their long-term value to your organization helps across the board with engagement, retention, and even recruitment. High-potential leaders who know they have a bright future with your organization will be more likely to recommend and refer your organization to other high potentials.



Positioning for Future Success: Talent Strategy at C.H. Robinson

Knowing its future business success will be heavily dependent on technology and global capabilities, C.H. Robinson, one of the nation's leading third-party logistics companies, regularly assesses its leadership bench strength and succession needs as part of its overall talent strategy.

“We're embedding assessments into our holistic talent strategies,” said Carita Hibben, Vice President of Human Resources. “Our priorities are to identify, develop and retain high-potential employees, create a strong leadership bench, accelerate the development of next-generation leaders, and increase the representation of women and BIPOC in leadership roles.”

C.H. Robinson's masterful use of assessments has powered its growth from a smaller company comprised of “multiple regional offices,” Hibben said, to a global firm “with a leadership system that provides an integrated, ongoing, and sustainable approach to setting clear leadership expectations and developing high-performing leaders.”

Looking ahead, as C.H. Robinson expands its digital capabilities, its talent strategy has needed to pivot accordingly. “We are identifying new ways we need to work and new roles we need to add, then really thinking about how we leverage our existing talent to fill those capabilities,” Hibben said.

MDA's Dynamic Succession Framework

MDA's Dynamic Succession Framework depicts our point of view on enterprise succession management.

We believe this strategic talent best practice is a critical, fluid, and continuous process that is agile in nature. Every step of the way, various business and leadership levers require thoughtful attention and disciplined action, while complementing and informing one another to ultimately develop the dynamic talent you need both now and in the future.

1 | Scenario Planning

Scenario Planning emphasizes dynamic and rapid strategic planning at the business level. Given the current business environment, we all have to move much faster with great agility and be prepared to pivot quickly.

We believe it is *not* enough to link your succession process to your business strategy. Dynamic strategy formulation must become an integral part of the succession process itself that gets continuous attention. Plan for various business scenarios as well as the leadership requirements for each one. This will directly inform leadership expectations relative to job roles, success profiles, and development focus.

2 | Capacity Confirmation

In order to optimize your succession capability, organizational capacity must exist to support high-potential leaders along their accelerated journeys.



Scenario Planning

Business
Dynamic Business Strategizing

Leadership
Future-focused Leadership Profile

Capacity Confirmation

Business
Organization Resources & Infrastructure

Leadership
High-Potential Assessment

Capability Calibration

Business
Multi-level Talent Review

Leadership
Readiness Assessment & Feedback

Continuous Improvement

Business
Leadership Development Ecosystem

Leadership
Accelerated Development & Transition

Robust Measurement

Business
Succession Process & Business Outcomes

Leadership
Tangible Growth Milestones

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What is the current state of your talent systems? Development resources? Mechanisms to support internal talent mobilization? These are the questions you should be asking at the business level. On the talent side, you need to employ rigorous assessments to accurately identify high potentials in your organization.

3 | Capability Calibration


Organizations should conduct a formal talent review with key stakeholders to calibrate on the capability that exists in the organization, ensuring a macro perspective that informs talent strategy. At the individual level, conduct readiness assessments and provide powerful feedback, so any gaps can be addressed with realistic urgency.

4 | Continuous Improvement

It is vital to drive continuous improvement by ensuring that high potentials have access to transformational development resources in order to transfer their potential into elevated leadership capability. This will require commitment and focus from the organization and each high-potential leader in order to maximize success outcomes.

5 | Robust Measurement

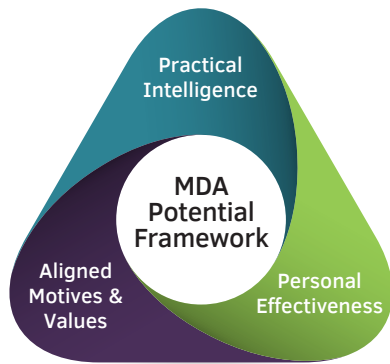
Finally, thoughtful and robust measurement must be a serious discipline that lives within a dynamic succession process. Beyond meaningful leadership growth, organizations need to measure key process and outcome indicators in order to realize powerful impact. We can design your enterprise succession system to capture these important metrics.



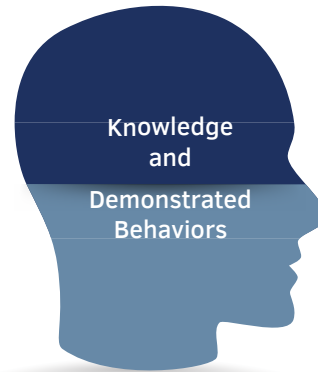
Organizations should conduct a formal talent review to calibrate on the capability that exists in the organization. A critical part of this process is conducting readiness assessments and providing powerful feedback, so any gaps can be addressed with realistic urgency.

The Power of leadership assessment for predicting potential and readiness

Many organizations are focused on developing a more diverse leadership pipeline. To accomplish this, it is critically important to take an objective, rigorous assessment approach to both high-potential identification and readiness to move into more senior-level roles.



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Use a high-potential assessment

Use a comprehensive readiness assessment

To Measure:

Individual tendencies and attributes

Individual attributes plus capabilities shaped by experience

To Understand:

Broad leadership potential in early career

Readiness to perform in a specific or higher level role

The reality is that many companies do not have a clear definition of what it means to be considered high potential nor do they take a robust approach to identifying these individuals. In fact, too often organizations rely on manager perception, which is prone to bias regardless of intent.

With MDA's framework, three foundational components of leadership potential—practical intelligence, aligned motives and values, and personal effectiveness—can be reliably measured. Individuals who possess these attributes are good candidates for a differentiated development investment because they are more likely to grow at an accelerated pace and contribute tangible value

for the business. And equally important, organizations can eliminate bias in selecting these individuals by leveraging this framework and incorporating objective assessment methodology into the process.

For readiness evaluation, we have a comprehensive assessment experience that similarly includes predictive instruments plus an interview, business simulation exercises, and 360 feedback. The addition of simulations enables MDA to see skills in action—both the capabilities and gaps for a broader or next-level role. In all cases, the insights gained can inform a powerful growth plan to fully prepare leaders for future opportunities.

Case Study

ARS | Assessment Insights Reveal Differentiators of High Performance

American Residential Services (ARS), a leading national home and commercial plumbing, heating and air conditioning business, approached MDA to improve performance consistency and business growth based on the leadership capabilities and impact of its General Managers (GMs).

ARS partnered with MDA to define leadership requirements for future GM success, configure and implement an in-depth GM assessment process, and accelerate GM growth. Ultimately, the results revealed that assessment ratings accurately predicted which level of overall performance the GMs would achieve two to three years post-assessment. That is, GMs with higher

assessment ratings were notably more likely to be high performers than GMs with lower assessment ratings. This research demonstrated the predictive power of MDA assessment, and provided ARS with a strong business case for its importance in identifying the leaders who would be most successful.

Chris Snow, Senior Vice President, Chief HR Officer, American Residential Services, said, “MDA’s assessment and development process is a true differentiator for us. It gives us a window into how someone will perform in a real-world scenario before placing them in that situation. I value the ability to make smart decisions, reduce risk to our business, and help our leaders reach their full potential.”

Average Assessment Ratings for High- and Low-Performing GMs



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– **Chris Snow**, Senior Vice President, Chief HR Officer, American Residential Services

Development is **Crucial** to your organization's succession strategy

MDA believes every assessment is ultimately a development opportunity. Leverage our Awaken, Align, Accelerate® methodology to maximize executive leadership growth.

MDA's proprietary Awaken, Align, Accelerate® methodology ensures deep, lasting executive development through data-driven insights; intentional alignment with organizational goals; and accelerated development practices. It is a core component of assessment-driven individual development planning, formally designed leadership development programs, and leadership coaching engagements. The significance of each phase follows.



Awaken Potential

- Gain increased awareness
- Understand others' perceptions
- Learn how behavior affects performance

Awaken: Generating and Uncovering Critical Insights for Growth

The Awaken phase is all about creating “catalyst moments”—experiences that shine a light on oneself, one’s capacities, and one’s readiness to effectively meet the challenges one faces. Through the assessment process, we generate deep and critical insights that spark leaders’ self-awareness about their own leadership strengths and development opportunities, which becomes the impetus for growth and change.



Align Goals

- Understand business context
- Define explicit outcomes
- Create congruence

Align: Combining Individual Insights with Organizational Goals

MDA’s leadership philosophy stresses the importance of developing in context. A leader’s success and advancement requires intentional, targeted development in areas most needed to perform successfully in specific roles and to achieve specific organizational outcomes. The Align phase enables this calibration of individual and organizational needs. Understanding the business context and creating congruence and agreement between key stakeholders are core elements of the approach.



Accelerate Performance

- Seek new experiences
- Gain additional knowledge
- Practice key behaviors

Accelerate: Driving Insights and Action

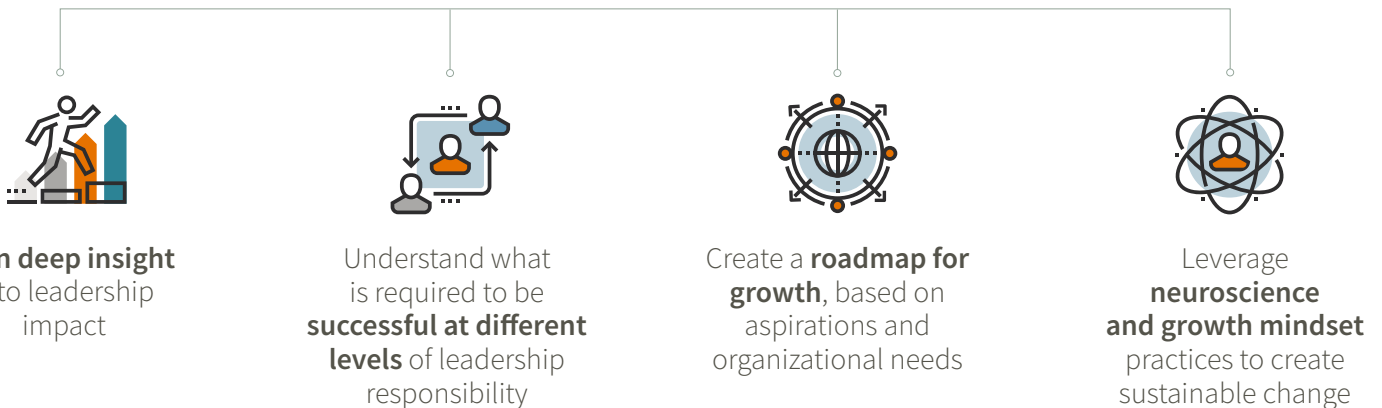
Growing organizations need ready-now leaders at all levels. The Accelerate phase ensures that leaders’ developmental insights and growth plans are quickly and effectively integrated into the way they work and lead. MDA applies the best science-based methods and practices to accelerate leader development. At the strategic, enterprise-wide level, MDA helps organizations build a development ecosystem with the explicit aim of accelerating the readiness of leaders at all levels.

Transformational Coaching solutions for your executives

MDA Leadership coaching is all about delivering bottom-line impact: enabling insight, building leadership capability, ensuring readiness, and improving business results.

MDA's executive coaching accelerates leadership growth and capacity through one-on-one development support. The end result? Your executives performing at a higher level more quickly.

Highlights of MDA's executive coaching:



MDA's well-structured coaching engagements are designed to create quick, early momentum and hasten the overall pace of development. MDA coaches do more than listen deeply and influence behaviors—they play active, essential roles in the learning process, imparting knowledge, sharing key insights, providing developmental pointers in critical areas, championing best practices for change, and driving action and results.

Our coaching is based on MDA's Awaken-Align-Accelerate® development framework. The Awaken and Align phases of the work create a flywheel effect, generating powerful momentum for change and growth in the Acceleration phase to the point where the leader has such momentum that they “take off.”

MDA's Growth Planning process leverages neuroscience findings to ensure both a deeper awakening to strength areas and growth opportunities and a stronger internal motivation to drive behavioral change. Our process creates regular opportunities for the leader's manager (and potentially, human resources business partner) to learn about, understand, and contribute to that leader's growth plan. By engaging the leader's manager and other supporting colleagues, MDA helps foster leadership development within a genuine learning culture and community.



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Leadership Matters™

The need for great leadership is urgent. At the speed business moves, you can't afford to wait, and you can't afford to get it wrong.

We know how to build *your* next generation of leaders—and it starts by really getting to know *you*. Curiosity is in our nature. It's what drives us to dig deeper, tuning in to every nuance of your business until we truly understand what makes you unique. It's how we bring you the insight and clarity to make more confident talent decisions. And how we design the right development experiences that will transform your leaders in life-changing ways.

Leadership is complicated. So team with a strategic trusted advisor who can make it simpler. We've got superior expertise and proven methodologies to help you grow great talent faster. So you can stand ready for business with a leadership pipeline prepared to power your success.

Continuity Trust Partnership
RESULTS Sustainability Achievement
Collaboration Alignment Accord
Impact



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