

1 *Succession Planning through Mentoring*

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2 *Overview*

This presentation is based on the book

Mentoring Process for CPA/ CAs

By

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3 *Overview*

- What is Succession Planning
- What is Mentoring – Coaching
- Implementing mentoring
- Implementing a Mentoring Process
- Skills needed to be a Mentor
- Outcomes from Mentoring

Benefits of this presentation: you will have methods to coach and mentor people

4 *What is Succession Planning*

- **The Succession Planning Process**
- Who will continue leading a firm when the managing partner (often a founding partner) is gone?
- What is a succession-planning process for a CPA/CA firm?
 - A sequence of people coming one right after the other in time
 - The following of one **right** person after another.

5 *Ways to Create a Succession Plan*

Methods

- Identify and groom people within the firm
- Seek an external candidate someone you know to be a firm leader
- Combine your firm with another firm to facilitate a buyout (short or long term)
- Find the Right People Chemistry
- Which is the best choice and why? Think of culture beliefs and continuity

6 *A Successor*

Methods

- Needs to know key firm beliefs and business outlook

- Needs to know the clients
- Needs to know the niche industries
- Needs to know the firm's culture
- Needs to know the firm's history
- Needs to know the firm's talent

Two year cycle

7 *Planning*

Methods

- Firms need to address succession planning on an on-going basis
- There should not be a time when the firm leaders do not focus on developing people
- The on-going search, development, and nurturing of future leaders is a must
- Death-Disability-Dissolve or Continue

8 *Identifying New firm Leaders*

Methods

- Create a vision where are we going?
- Ability to influence, inspire, and demonstrate compassion.
- Senior partners have to mentor younger partners, younger partners need to mentor managers, and managers need to mentor staff

9 *Retiring Partners*

Methods

- Retiring partners who want to retain control may cause a multitude of problems, may demotivate younger staff and managers.
- A partner preparing for retirement needs to relinquish equity ownership and key decision-making
- Transition.

10 *Career Plan*

Methods

- Everyone in the firm needs to have a career plan.

11 ***Transition Partners***

Methods

- Partners/Members should establish a variety of options for partners to transition out of the partner group.
- A buyout to cover retirement needs is only one method.
- Ensure that clients get to know the people in your firm

12 ***Focus on the Future***

Methods

- When firms consider succession planning, they are planning for the future success of the firm.
- A succession plan is one aspect of running a better firm, creating a positive affirmation that will withstand the test of time

13 ***Focus on the Future***

Focus on:

- Doing the right things
- Communicating the firm's direction
- Quality processes
- Opportunities: clients and personnel

14 ***Focus on the Future #2***

Focus on:

- Creating the firm culture/environment that is best for the firm
- Long-term thinking through short-term actions
- Results
- Rewarding performance through compensation and promotion

15 ***What is Mentoring***

Mentoring... is a philosophy and developmental process that enhances the potential ability within the employee (Mentee) in a wide-range of situations.

It is the Experienced working with the less experienced.

Example: Mentoring a manager to be an effective leader--Business acumen

The athletic mentor is in the stands and teaches you to be a better athlete; an all around athlete.

16 ***What is Coaching***

Coaching ... is situational and *focused on a skill set* to achieve success by a seasoned professional.

For example, coaching an employee (mentee) on how to give a client presentation, audit/ tax.

The coach is on the field and teaches you to be a better position player, an expert in playing a position.

17 ***Concise Directions to Implement the Mentoring Process***

1. Read the overview of mentoring
2. Identify a Mentoring Process Director (MPD)
3. MPD educates people, partners, and staff
4. MPD leads the mentoring training
5. Hold mentee meetings (complete mentor choice sheet)

18 *Concise Directions to Implement Mentoring Process #2*

6. Match mentor and mentee
7. Mentor completes acceptance sheet
8. Hold Mentee meeting (phases of mentoring, first meeting outline)
9. Prepare for the first meeting
10. Mentor and mentee follow the mentoring process

19 *Questions*

- Should every partner be a mentor?
- How often should we meet?
- How many mentees can a mentor have?

20 *Questions*

- Should partners have mentors?
- Does the mentee need to be in my department?
- What are the results you are looking for?

21 *Points of Discussion #1*

- Discuss Firm's history and cultural development
- Review operating (partnership/bylaws, etc.) agreement
- Review Organization chart
- Discuss functions of management and committees

What were the results of this discussion?

22 *Points of Discussion #2*

Discuss:

- Firm's vision, mission and long-range goal
- Practice philosophy
- Service goals
- Practice development goals
- Community service goals

What were the results of the discussion?

23 ☐ *Points of Discussion #3*

Discuss:

- Personnel policies
- Recruiting and hiring
- Goal setting, performance evaluation, and advancement process
- Compensation and reward philosophy
- Staff assignment and supervision policies
- Review effective utilization of time
- Alternative career tracks

What were the results of this discussion?

24 ☐ *Philosophy--Why Implement a Mentoring Process?*

- Develop future leaders
- Guide and develop less experienced employees
- Achieve a strategic, competitive edge for your company in the marketplace
- Develop a talent pool for succession planning--organizational consistency
- Retain and motivate the right employees.

25 ☐ *Questions YOU need to Ask Your Mentee*

- What is valued in your Firm?
- What are the qualities of the last person/people promoted to Partner?
- What are the needed qualities/characteristics for you to be a future leader in your firm?
- What is needed in your firm to build a strong future?

26 ☐ *Mentoring Guidelines*

- Create a safe and comfortable working environment
- Observe and discuss the mentees' interactions with others
- Provide continual, adequate and appropriate feedback

Have you done this?

27 ☐ *Mentee*

The employee (mentee) should have:

- An opportunity to develop a career plan and an enhanced work plan.

Do each of your mentees have a career plan?

Thought

“What you reward people will do.”

28 ☐ *Measurable Results from Mentoring*

Observable and measurable results (evidence) commensurate with the requirements the Firm has for performance development: appraisal process, career development, coaching, leadership, and professional skills.

29 ☐ *Mentoring Skills*

- Clear Communicator
- Good understanding of business
- Knowledgeable of organizational behavior
- Able to develop Leaders and Followers
- Able to develop all around athletes, not position players
- Be a Role Model for high standards of ethics and integrity

30 ☐ *Mentoring Effective Leader*

- Set the vision - live it
- Mentor for success
- Build relationships
- Set and communicate priorities
- Hold people accountable
- Deliver results

31 ☐ *Mentor and Leader*

- Create a better place to work
- Adapt to change
- Support followers in taking the right action
- Transform followers into leaders
- Support risk taking/challenges
- Treat Profitability as a measurable outcome

“A Leader is the one who climbs the tallest tree, surveys the entire situation, and yells, ‘wrong jungle.’” S Covey

32 ☐ *Questions about the Firm*

Do all of the Partners/employees know the firm’s goals and direction?

Is recognition given for achievement?

Is a balance between work, family and self modeled by the partners?

33 *Outcomes of Mentoring*

- Reduced employee turnover
- Reduced stress
- Increased Performance
- Increased Communication
- High morale

34 *Mentor's Action*

- Must have a vested interest in the mentee
- Support and Guide (do not evaluate)
- Provide adequate feedback/feed forward on present strengths and areas for development
- Discuss anticipated personal and business changes

35 *Phases of Mentoring*

- **Phase 1** (Initiation) set goals and build rapport
- **Phase 2** (Cultivation) develop and implement Action Plan
- **Phase 3** (Separation) have the mentee assume more responsibility
- **Phase 4** (Autonomy) transition mentee to being a coach

36 *Assessments in conjunction with Mentoring*

- Skills Assessments: Examples - leadership, communication, self esteem, teamwork, personality, and time management
- 360° Feedback Report or Upward Evaluation
- Upward Evaluation
- Performance Appraisal

37 *Quotes*

“Successful careers are not planned. They are the careers of people who are prepared for the opportunity because they know their strengths, the way they work and their values.”

Peter Drucker, P. 180

“Management Challenges for the 21st Century”

38 Book list

- “*The 21 Indispensable Qualities of a Leader*” by John Maxwell
- “*The Smart Manager’s FAQ Guide*”
by Rex Gatto
- “*Mentoring for CPA/CAs*” by Rex Gatto
- “*Leading Change*” by John Kotter
- “*Oz Principle*” by Roger Connors
- “*When Professionals Have to Lead*” by Tom Delong

39 *Mentee Action Plan*

- Under each statement write bullet point actions or evidence to support the fulfillment of the statement.
- **Effective Leadership**
- Effectively managing or leading work output, quality of work
- Developing staff
- Successfully working with peers
- Successfully working with clients
- Efficiently producing work on time

40 *Review of our Presentation*

- What is Mentoring – Coaching?
- Implementing mentoring
- Why CPA Firms need a Mentoring Process
- Implementing a Mentoring Process
- Skills needed to be a Mentor
- Outcomes from Mentoring

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41 *Summary*

- Clear vision and direction
- Recognition of successful employee performance
- Fair and honest treatment
- Open and clear communication
- Support/Balance of work, family and self
- Support for quality service and product
- Ethical behavior