



**SEVEN STRATEGIES FOR  
NEXT GENERATION  
LEADERSHIP SUCCESSION**

# Next Generation LEADERSHIP INSTITUTE

SAVANNAH GROUP ESTABLISHED THE **NEXT GENERATION LEADERSHIP INSTITUTE** IN 2023, IN RESPONSE TO WHAT WE SAW AS THE **INCREASINGLY CHALLENGING** DEMANDS BEING PLACED ON LEADERS

## INTRODUCTION

As rates of change continue to accelerate, and organisations increasingly face new and more complex challenges for which no simple playbook exists, the business world needs high calibre leaders more than ever. Through research and debate The Next Generation Leadership Institute aims to move the agenda on from “best practice” to next practice”, identifying the evolving skills, traits and behaviours that will be required for effective leadership in the future.

For the latest in our regular series of Next Generation Leadership Institute events, we invited five speakers with extensive experience of identifying, developing and appointing senior leaders to share their hard-won insights and perspectives on next generation leadership succession.

## PANEL



**Michael Watkins**  
Co-Founder & Author,  
First 90 Days Genesis



**Paula Stannett**  
Chief People Officer,  
Royal Mail



**Air Vice Marshall  
Maria Byford**  
Former Chief of Staff Personnel,  
Royal Air Force



**Simon Smith**  
Chief People Office  
Aston Martin Lagonda  
Holdings Plc



**Lynne Weedall**  
Senior Independent  
Director, Dr Martens

In the 2023 Gartner Board of Directors Talent Survey, 79% of board members rated executive succession as 'very' or 'extremely' important to their business.

A well-managed leadership succession process can help organisations gain a deeper understanding of the capabilities required for future success, identify and fill potential talent gaps, and make the most important leadership decisions with greater speed and confidence.

But what is the most effective way of managing succession? And how can organisations continue to identify and develop leaders for the future when the present is changing faster and more unpredictably than ever before?

### 1. Identify future-ready capabilities

A decade ago, AI was the stuff of science fiction. Today, it is so ubiquitous we barely notice the role it plays in our everyday lives. The pace of change is accelerating – in technology, in politics, in our environment and in society – and we need leaders who can navigate us through this ever-changing, increasingly uncertain world.

Michael Watkins, renowned Professor of Leadership and Organisational Change at the International Institute for Management Development in Switzerland, identifies four key areas of focus for future-ready leaders.

- **Strategic thinking** – the be-all and end-all of future-ready leadership. Thinking strategically is what enables leaders to recognise emerging threats and opportunities and to identify the right priorities for the organisation. Without strategic thinking, nothing else matters.
- **Ecosystem leadership** – because no organisation operates in a vacuum. Each is part of an increasingly complex ecosystem. To navigate change successfully, leaders must be able to lead across that ecosystem and think in ecosystem terms.
- **Adaptive organisation** – is about building nimbler businesses. It is not enough simply to think strategically. Leaders must also be able to translate that strategy into rapid – often continual – transformation at an organisational level.
- **Flexible tenacity** – the quality that enables leaders to keep pursuing and achieving the many different changes that need to happen.



## 2. Build career breadth

There was a time when leaders' careers could be ladder-like – long, narrow ascents within specific technical fields. Today's climate calls for a much broader set of skills, embracing not only leadership experience but also exposure gained across operational, commercial and corporate roles.

Paula Stannett, who has recently been appointed Chief People Officer at the Royal Mail following a distinguished career as Executive HR Director for Heathrow, has long been a proponent of what she likes to call 'curvy' leadership careers.

She explains: "When I see people with high potential, I will systematically move them around different areas of the business – especially to give them experience of functions they may have found it challenging to work with in the past. Doing so helps them build a better understanding of the organisation and become more joined up in their thinking. Ultimately, this enables them to make better decisions and collaborate more effectively within the organisational ecosystem."

Air Vice Marshal Maria Byford, who was Chief People Officer for the Royal Air Force until last year, describes a similar approach to succession planning within the armed forces. "We create well-rounded leaders by immersing people with high potential in different parts of the organisation, whether it is acquisition or policy, operations or HR. But we also go one step further, taking them out of the armed forces bubble and placing them in industry, across government or into other countries to work with our allied partners."

WE CREATE **WELL-ROUNDED LEADERS** BY  
IMMERSING PEOPLE WITH HIGH POTENTIAL IN  
DIFFERENT PARTS OF THE ORGANISATION



### 3. Think experience rather than roles

Simon Smith, Chief People Officer for Aston Martin Lagonda, has a surprising and somewhat controversial take on succession plans: “After 30 years in HR, I can honestly say they don’t work. The business changes. Jobs evolve. People move on. Employees who said they were globally mobile aren’t anymore. And by the time you get to the crucial point, the decision-makers have got cold feet about the succession candidate they thought they had.”

Does this mean succession plans are a waste of time?

In Simon’s view, absolutely not. While the plans themselves rarely achieve their stated goals, they serve a vital purpose in ensuring people within the organisation are developing the broad experience and skills that will be useful for the company in the future. “For me, the real value of succession planning is that it focuses people’s minds on the skills and experience the business needs and makes development part of the conversation.”

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Air Vice Marshal Maria Byford takes a similar view. In the armed forces, she explains, people with leadership potential are identified at 18 years old. Their natural talent is then honed and finessed over the course of their military careers. “Some will fall by the wayside. Some will find the career is not for them. But those that succeed will be developing the skills and experience they need to perform effectively in the most senior roles.”

### 4. View succession in context

Is an exceptional CEO candidate always an exceptional CEO candidate? Not according to Lynne Weedall. Former Chief People and Strategy Officer of Carphone Warehouse, Lynne has led and advised boards and their teams on large, complex transformations across a variety of sectors. In her view, leadership succession is highly situation dependent, particularly when it comes to appointing a new CEO.

“Boards and organisations must be clear about what really matters. What are the strategic priorities? What does the business need going forward? It is tempting to try and replicate past successes, but what got you here is not necessarily going to get you where you want to be tomorrow.”

Viewing succession candidates in context also means looking at the wider team. Is there a potential clash of leadership styles? What additional experience or capabilities might you need within the top team to set your new CEO up for success?

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## 5. Start early and take time

For non-executive directors, who are not involved in the day-to-day running of the organisation, there is no decision-making process more important than CEO succession. This is, after all, the make-or-break question of who leads the business in the future.

There are a number of complicating factors at board level that make the process even more challenging. These include: the involvement of multiple stakeholders, including investors and in some cases founders as well; sensitivities surrounding relationships with the current CEO; the price-sensitive nature of the information you are dealing with; and, last but by no means least, the level of media attention the process and ultimate decision are likely to attract.

Lynne Weedall has one simple recommendation for managing these multiple complicating factors: take your time. "The sensitivities and complexities surrounding the process may mean it requires a longer run-up."

The recommendation applies not only at board level. Simon Smith cautions Chief People Officers against rushing through the process, however much pressure the organisation might be under to name a successor. "It's important to take the time to explore the market and see what talent is out there."

## 6. Weigh the risk and reward of internal vs external succession

All other things being equal, is it better to replace departing leaders with candidates from inside or outside the organisation? Let's first consider some of the key benefits of an internal hire. One is continuity. There is no hiatus while you wait for the new incumbent to familiarise themselves with the business. This is someone who gets your culture, understands the challenges your business faces, and has already built many of the relationships required for success.

Paula Stannett highlights another, less obvious, reason to promote from within. She says, "I think it provides an amazing role model for everybody in the organisation. It shows that, whatever your background is, you can progress all the way to the top. And that's a powerful dream to sell to people: build your career here and one day you too could become the CEO."

But, as we saw above, leadership succession is highly situational. While, in certain circumstances, it is better to prioritise internal candidates, at other times, an external candidate may be preferable.

One major advantage an external hire gives you is change. Someone new to your business is able to think differently and has licence to be disruptive and break the rules. Another benefit, as Lynne Weedall explains, is the avoidance of politics. "I have overseen many competitive internal succession processes, and they can be extremely challenging. People behave very oddly when they are jockeying for power. You always get some unforeseen consequences. And there is always, always fallout."

## 7. De-risk succession transitions

Tempering idealism with realism in succession criteria can lead to better outcomes. As Paula Stannett observed: "You have to be prepared to say the perfect person isn't out there. Instead, let's get the best person possible and then put in place the right scaffolding, the right infrastructure to enable them to succeed."

This starts with the transition process, where, in Michael Watkins' view, organisations can reap the benefits by investing in additional support for the new CEO. "There were companies I studied earlier in my career that were very much sink-or-swim organisations – leadership development through Darwinian evolution, I used to call it. But is that the most effective way of ensuring success? Life can be very lonely for a newly installed CEO. Having someone there throughout the transition process who they can talk to safely can make all the difference irrespective of whether it is an internal promotion or an external hire.

THAT'S A POWERFUL DREAM TO SELL TO PEOPLE: **BUILD YOUR CAREER HERE** AND ONE DAY YOU TOO COULD BECOME THE CEO

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## SERVICES

We diagnose, design & deliver solutions to ensure the right leaders, in the right roles, at the right time.







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