



Succession Planning

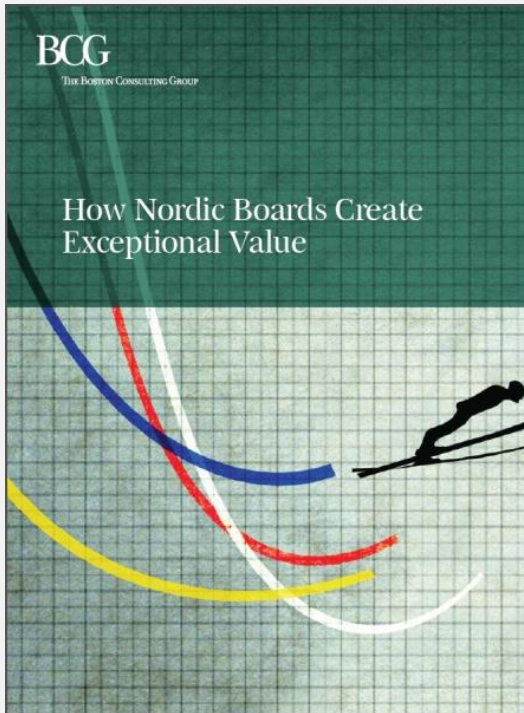
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27 NOVEMBER 2019

From Board best practices to focus on succession planning



June 2016



June 2019

400

Respondents in
Nordic BoD
survey

>70

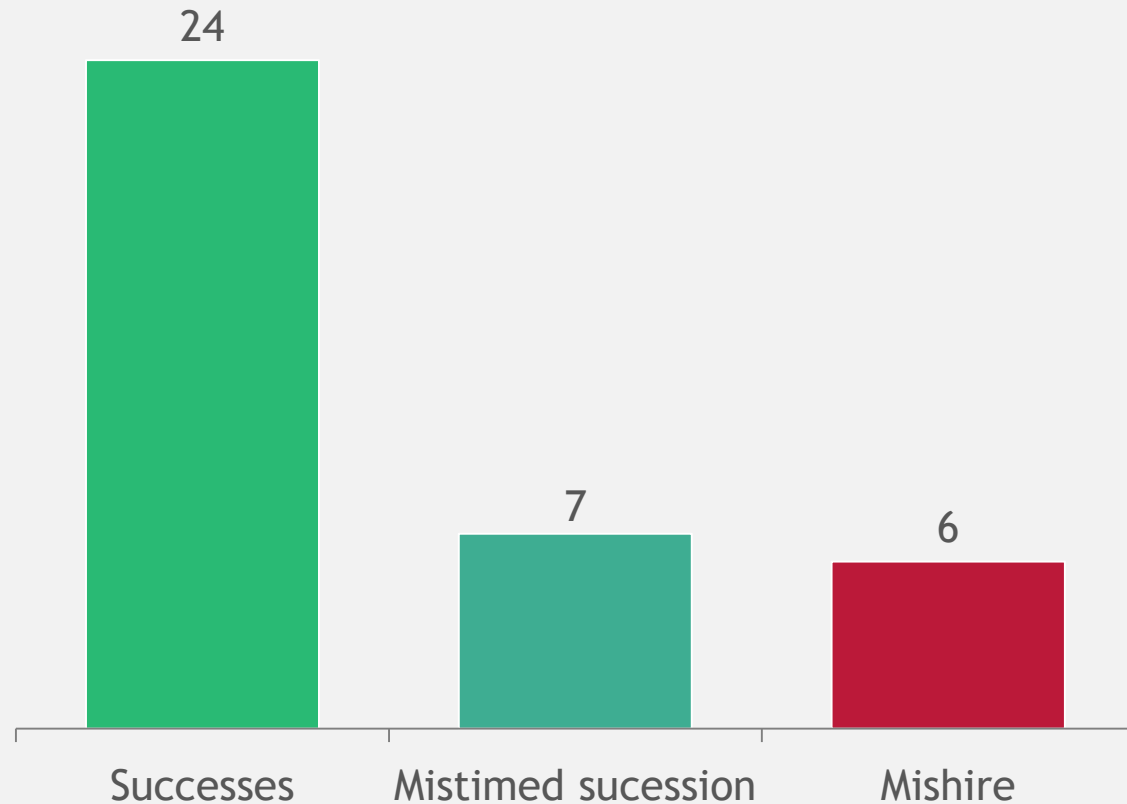
Interviews with
Chairs/BoDs,
CEOs and EVP HR

130_c

CEOs covered in
deep dive
analysis

Finding
(and maintaining)
right CEO is a
material driver
for value creation

Average TSR during CEO-tenure (%)



Board of Directors and Management teams view quality of succession planning differently

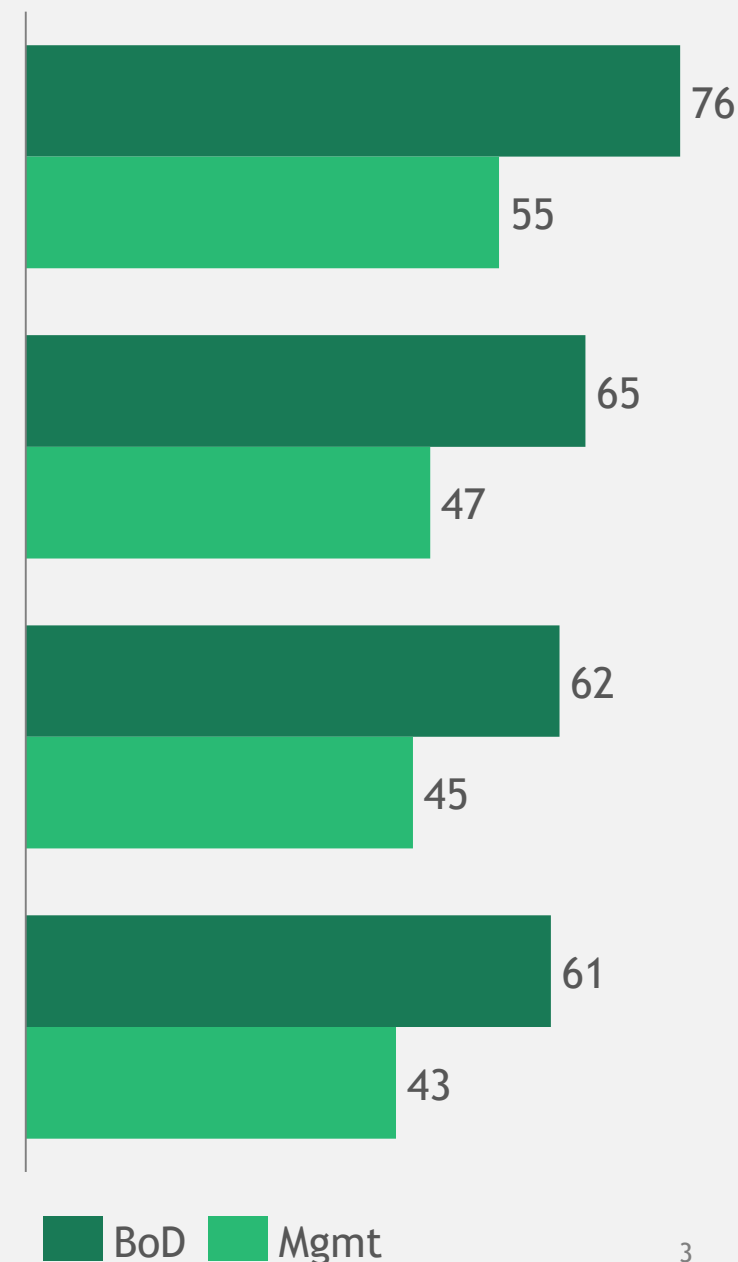
"The board manages succession planning and leadership development as a systematic and continuous process rather than a one off event?"

"The board has systematic plans to manage CEO succession if a change needed to happen right now?"

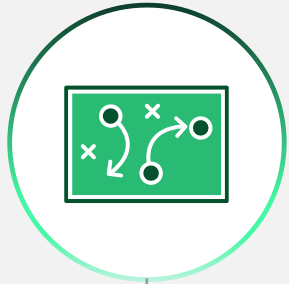
"The board has a systematic process in place to monitor and ensure compliance to [the requirements imposed on the CEO for SP&D.]"

"The board has a subcommittee that effectively manages CEO succession planning & leadership dev.?"

% respondents "Agree" & "Tend to agree"



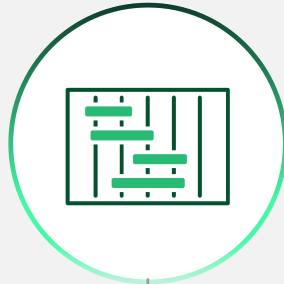
Best practice includes a systematic approach to succession planning supported by a talent pipeline



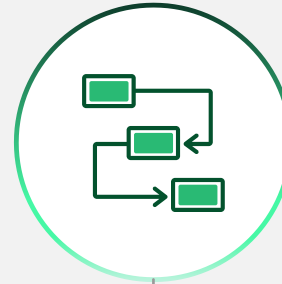
Link succession
to strategy



Establish a
responsible
committee



Pursue early &
transparent
planning



Annualize talent
review process

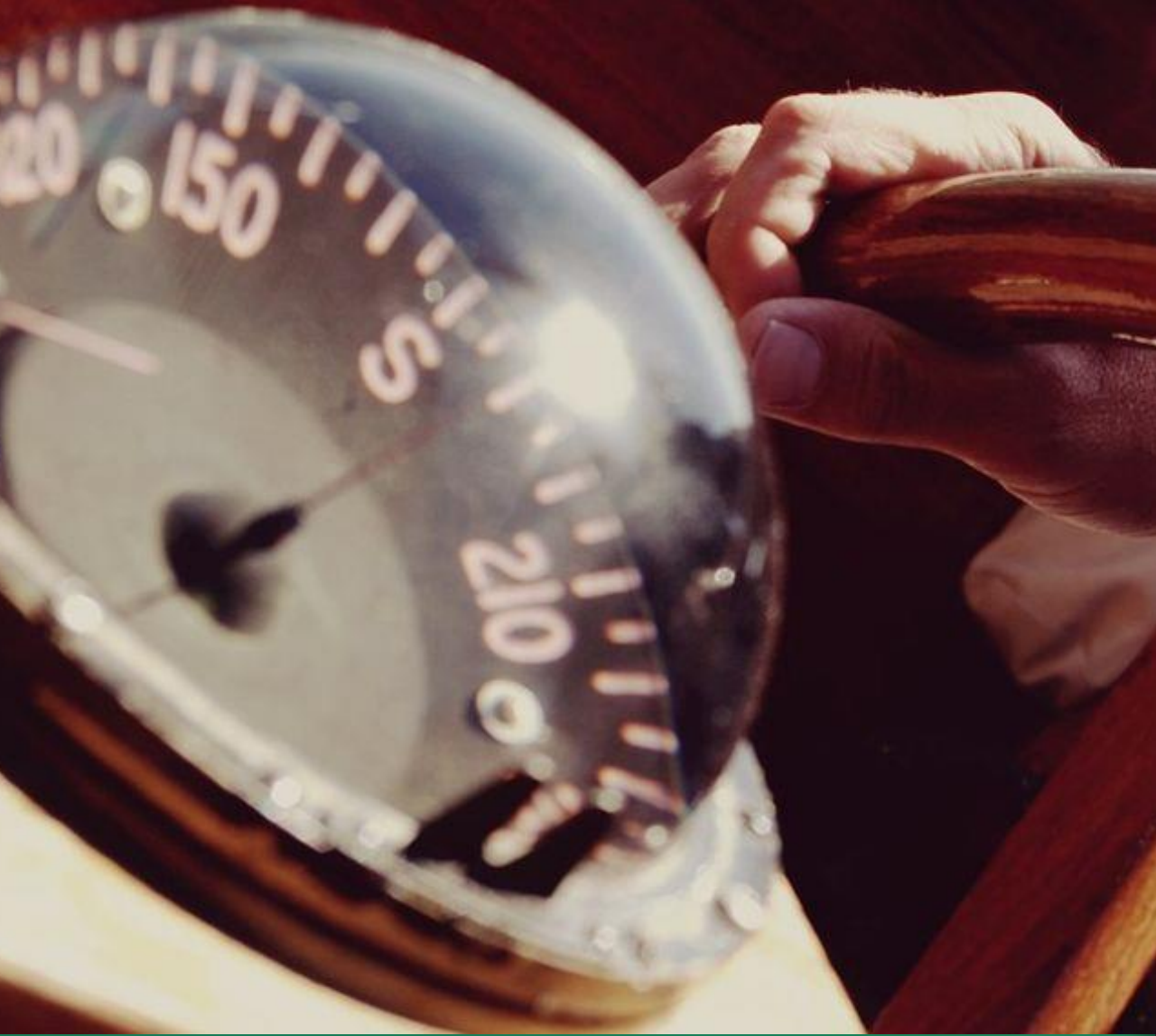


Develop a deep
talent pipeline

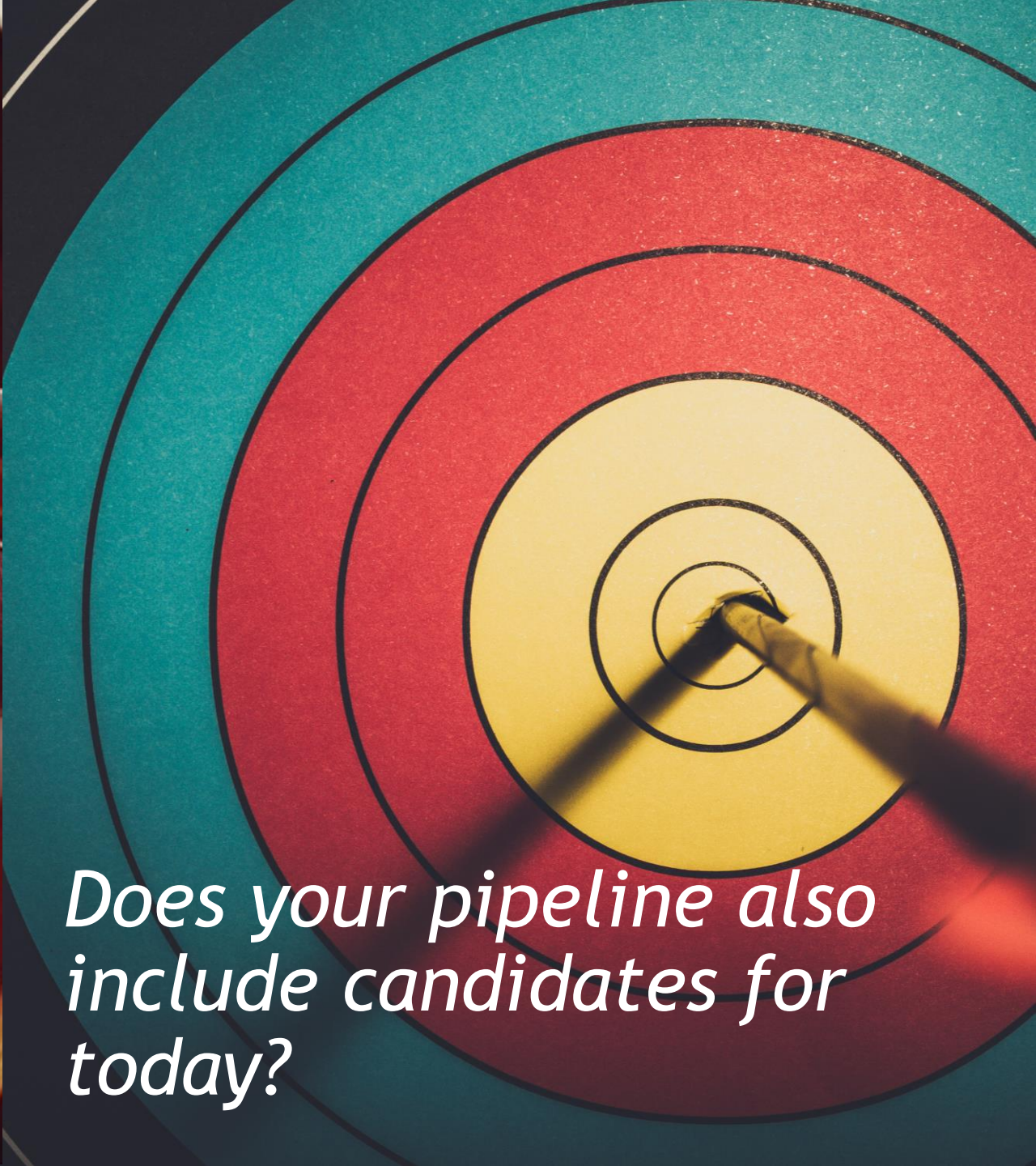


Engage HR

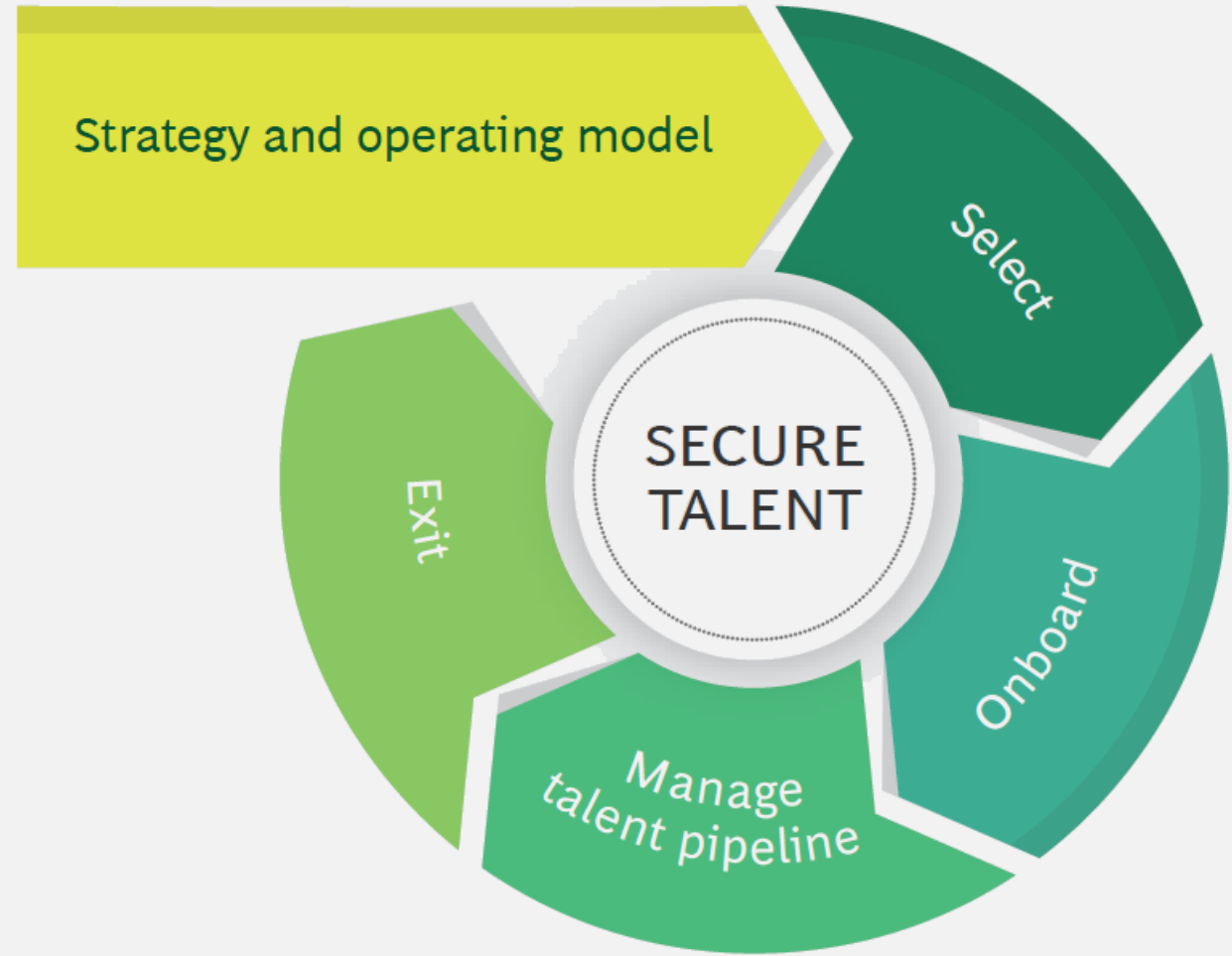
*Is your CEO good enough,
or fit your future strategy?*



*Does your pipeline also
include candidates for
today?*



Our study highlights a check-list to guide the work along five key steps



In my view, it all starts with a trusted relationship between Chair and CEO



Do you have an **aligned strategy** and value agenda?



Is there openness to run 360 degrees **feedback**?



Is CEO allowing **involvement** of mgmt. members?



Is **CEO actively engaging** in succession planning?

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