



EXECUTIVE WHITE PAPER

Prepare for Talent to Leave

When it comes to human capital, success comes at a price
—and that price is measured in the form of attrition.

Will You Be Prepared When Your Top Talent Jumps Ship?

This is a great time to be in the chemical industry. Prices are up, and despite the U.S. credit crunch and volatility in the financial markets, demand remains strong thanks mainly to growth in China, India, and the Middle East.

But when it comes to human capital, success comes at a price. And that price is measured in the form of attrition. Right now, the major job boards are bursting with opportunities for people with chemical industry experience. From plant operations to technical professionals to the executive suite, there are literally thousands of job openings within the industry. Your employees recognize that if they want to make a career move, now is an ideal time to do it.

Are you ready for the unexpected?

The leaders in the chemical industry tend to be fairly proactive in their workforce planning—developing strategies to forecast hiring needs (due to retirement, attrition, and new growth) as well as adopting strategic recruiting plans to proactively source talent. However, these plans focus mainly on expected change. What about the unexpected? For example, what would you do if your Vice President of Operations suddenly passed away? How about if a team of your top scientists quit to join a technology start-up or worse, a major competitor?

The key to surviving these unforeseen changes is effective planning; more specifically, effective succession management.

Succession Management: Your Best Defense

Succession management is one of your firm's best human capital insurance policies. Although succession management is much more than the conventional idea of "succession planning," which refers to the basic task of putting together a list or various lists of names of those who could or would move up to fill certain key positions.

Succession management anticipates the skills and competencies you will need in the future, identifies critical people in your organization, lists potential candidates to be developed and



nurtured for future roles, and helps determine priorities for training initiatives. In short, it's about finding and stretching today's top performers to become tomorrow's leaders.

In 2006, the Institute for Corporate Productivity (i4cp) conducted a survey on the status of succession management trends in roughly 800 organizations. (Check out their site at www.i4cp.com.) The most noted trends? Well, firstly companies are realizing the need for succession management to become much more integrated and high-tech in the next few years. And according to Mark Vickers, Vice President of Research for i4cp, "Succession management is likely to become as much about developing talent as it is about tracking and selecting it. That is, the "cultivation of talent" could become as important as or more important than the so-called war for talent."

The survey findings refer to the need for a company's succession management plan to include documentation of a wide range of data, such as each person's set of skills, performance review data, experience, training plans, and leadership development information. Also, the integration of

this process refers to the formal technology systems needed to keep all the information in one central location such as the organization's ERP or HRIS systems, yet giving only certain users access to revise it. Which brings us to the next key finding from the survey. . . updating.

Succession Management is a Process, Not an Event

Developing a succession management strategy is not a simple exercise in planning. Keeping the information up to date may be the most significant challenge. Whether it's once a month or once a year, someone or some group needs to be responsible for reviewing and updating plans on a regular basis. Individual department heads may be responsible for succession management within their work groups. At a more strategic level, a succession management team headed by senior level HR and strategic or operations executives will be required to determine capabilities requirements necessary to meet future business objectives and address changing market conditions. This team will also be responsible for identifying the most critical roles and individuals throughout the organization.

At BASF, succession management was a learned skill that evolved over time. According to business division service platform manager David Hawkins, "We only had very traditional methods like appraisals to see how well people met the competencies. There were a number of things that triggered the decision, but in essence we realized that the region in its entirety hadn't identified high performers particularly well. We realized we needed to get a bit more sophisticated." And so, in the last two years, BASF has been aggressively taking apart all business management processes and talent information and getting their succession management plans in order, so to speak.

They have since implemented what is referred to as a "core competency framework." Their succession management plan



is a relevant, integrated machine that is reviewed annually by all key managers. Employees are encouraged to take an active role in their own career potential and growth. Those likely to move up should a vacancy arise are also trained and developed ahead of time (sometimes referred to as "stretching"). This process can include team building and mentoring programs.

The Time to Act is Now

Succession management isn't just a good idea. It's an essential best practice that leaders in the chemical industry must adopt. With the current red-hot job market, you're likely to face attrition that's well-above industry norms—even CEO's are turning over at record levels in 2007. Succession management will not only give you a solid game plan for managing attrition—and reducing knowledge loss—but it will also provide your star players with concrete career plans that will dramatically aid in employee retention. If your organization has not already adopted a strong system for succession management, the time to act is now—before your top talent jumps ship.

ABOUT PATRICK ROPELLA



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Ropella, with 25 years experience, is the leading executive search and consulting firm specializing in the chemical, consumer products, technology and energy industries.

We help many of the world's largest companies find, hire, develop and retain their most important people. We recruit globally in sales, marketing, R&D, and manufacturing, from middle management to the most senior executive levels. At Ropella, not only do we find great leaders, we can also help you build a stronger, more competitive, and more innovative team with our Leadership and Organizational Improvement consulting services.

Nothing is more important to your company's ability to create value than the right blend of talent. Call us today and put our people and our process to work for you.

Having dedicated his career to helping companies across the globe in sourcing, marketing to, assessing, recruiting, on-boarding, retaining, training and transforming top talent, Patrick Ropella has a global perspective on Executive Search and Talent Management.

He has worked across all roles and functions, cascading from the top levels of management to also placing apprentices coming straight out of college. Over the past 20+ years he has seen many individuals he's personally assisted make career transitions, become well trained leaders, join the C-suite at many of the world's largest corporations.

His experience within the global chemical industry as a dominant talent management leader allowed his firm, Ropella Group, to grow to the leading position it now holds with a wide variety of corporate clients with the chemical industry, transition to serving major consumer product companies, energy companies, Nano, Bio and other high technology companies.

Patrick has traveled extensively, meeting with middle level to C-level executives at the top 100 largest chemical and consumer product companies in the world, branding the "Ropella" name globally. He has successfully placed hundreds of senior level executives with top name companies, including but not limited to: DOW, DuPont, Exxon, Georgia Pacific, SONY, Anderson Windows, GE-Silicone, P&G, Clorox, Pfizer, BASF, PPG, Monsanto, Revlon, Baxter Labs, Sealy Mattress, Ciba Geigy, Johnson & Johnson, Shell, Sherwin Williams Paints, New Balance Tennis Shoes, and many more.

Patrick has written for a wide variety of trade publications, newspapers and business journals on subjects related to the topics covered in The Right Hire. His writings have also been published in Germany, Italy, Latin America and Asia.

Patrick and Robbie reside in Milton, FL. with sons Richard and Robert nearby.

AUTHOR OF

- ▶ The Right Hire
- ▶ The Right Fit
- ▶ The Right Team
- ▶ Over 50 published articles



Patrick Ropella's **SMART Talent Management System** focuses on training Human Resource leaders and Hiring Managers based on the core Talent Management topics of:

Sourcing, **M**arketing, **A**ssessing, **R**ecruiting, **R**etention, **T**raining, and **T**ransformation.