



RESILIENCY THROUGH LEADERSHIP AND SUCCESSION PLANNING



AGENDA

- Panel Introductions
- What makes a good leader?
- Succession planning – *Why it matters!*
- Lessons Learned
- Questions

SOUTH DAKOTA PUBLIC ASSURANCE ALLIANCE

- Lynn Bren, Executive Director,
South Dakota Public Assurance Alliance
 - 23 Years in Pooling Industry
(17 in claims, 6 in administration)
 - .5 Years in current position
 - 450+ Members
 - Counties, Municipalities, Townships, Conservation Districts and special purchasing districts
 - 5 staff internally focused on underwriting and member services
 - Coverages Provided: Property, General and Public Officials Liability, Law Enforcement Liability, Boiler and Equipment Breakdown, Cyber, Crime



CONNECTICUT INTERLOCAL RISK MANAGEMENT AGENCY

- Ian Havens, Supervisor of Risk Management Services
 - 7 years in Pooling
 - 2 years in current position
 - 366 Members
 - Schools, Municipalities, and Local Public Agencies
 - Internally focused underwriting, claims and risk management services
 - Coverages Provided: Workers' Compensation, Liability, Auto and Property



HEALTHTRUST

- Wendy Parker, Executive Director
 - 34 Years in Pooling Industry
 - 7 Years in current position
 - 360+ Members
 - 70,000+ Covered Lives
 - Municipalities, Schools, Counties, other quasi-municipal entities
 - 58 staff internally focused on Finance, Legal, Risk Pool Operations and Technology
 - Coverages Provided: Medical, Pharmacy, Dental, Short-term Disability, Long-Term Disability, Life Insurance and Flexible Spending Accounts




LEADERSHIP

AND ITS ROLE IN SUCCESSION PLANNING



WHAT IS SUCCESSION PLANNING?

A close-up photograph of a person's hands. The person is wearing a white dress shirt and a dark blue tie. Their right hand is holding a set of keys, with the keys hanging down. Their left hand is open and held out towards the keys. The background is blurred, showing what appears to be an office setting.

Succession Planning: The process of identifying the critical positions within your organization and developing action plans for individuals to assume those positions

WHY IS SUCCESSION PLANNING SO IMPORTANT?

- High rate of impending retirements
- Faster turnover among younger employees
- Competitive recruiting and compensation packages
- Long-term employees with critical institutional knowledge both within their position and outside of their position.



IS SUCCESSION PLANNING ONLY ABOUT RETIREMENT? *NO!*



WHY SUCCESSION PLANNING AND KNOWLEDGE TRANSFER EFFORTS MATTER

The future will never look exactly like the past!

- Promotes long-term planning to reduce the number of employees with unique siloed knowledge
- Talent retention
 - Assists with load leveling to reduce overreliance on one expert
- Reduces the financial impact of finding a replacement by avoiding lengthy vacancies
- Creates a foundation for career development
- Increases engagement
- Supports knowledge sharing and continuity within operations
 - Minimizes the knowledge loss of retiring and exiting employees

SO WHY GET STARTED?

- Planning for both foreseen and unexpected absences of individuals holding key roles in an organization is a task employers often avoid or engage in only in an informal manner.
- An organizational focus on this discussion allows for open communication and planning.



IT IS NOT A ONE SIZE FITS ALL APPROACH



QUESTIONS?



THANK YOU!



APPENDIX



7 STEPS TO BEGIN SUCCESSION PLANNING

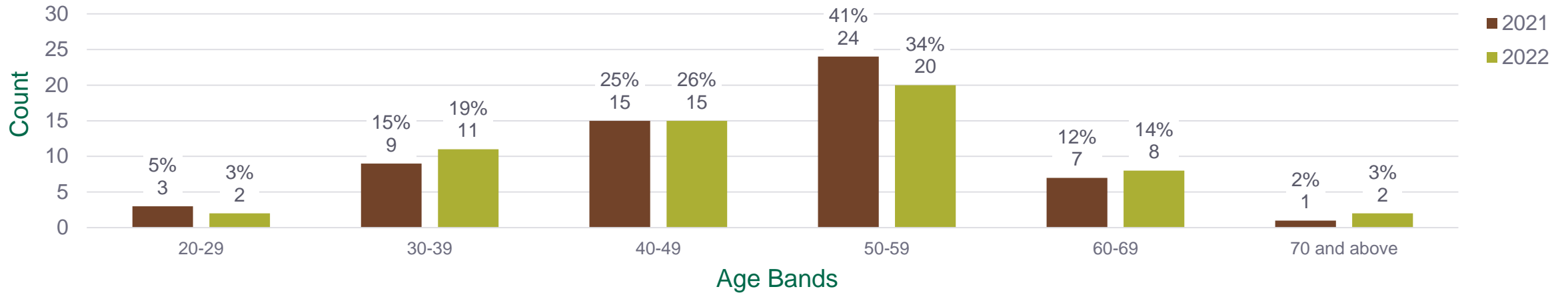
1. Gather Demographic Data on your staff.
2. Update Job Descriptions.
3. Identify Key Positions and Key Individuals.
4. If no Successors exist, create a Recruitment Strategy.
5. Determine development needs of potential successors and create mentoring plan.
6. Document, Document, Document.
7. Ensure commitment and integrate into your organization's culture.

GATHERING DEMOGRAPHICS

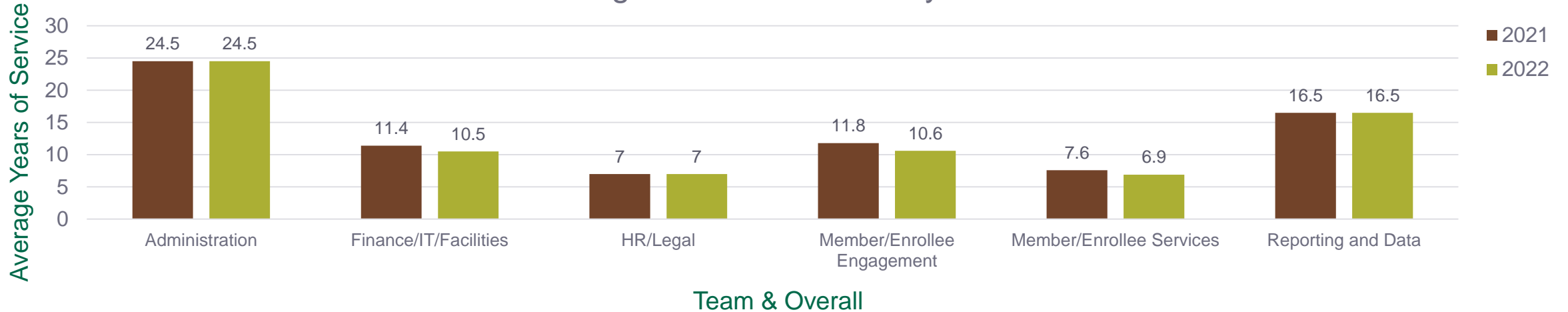
- Total positions
- Average years of service
- Median/average age
- Employee retirement eligibility
- Breakdown of metrics for areas of the organization, such as:
 - By Department
 - By position type

EXAMPLES

Employee Age Bands

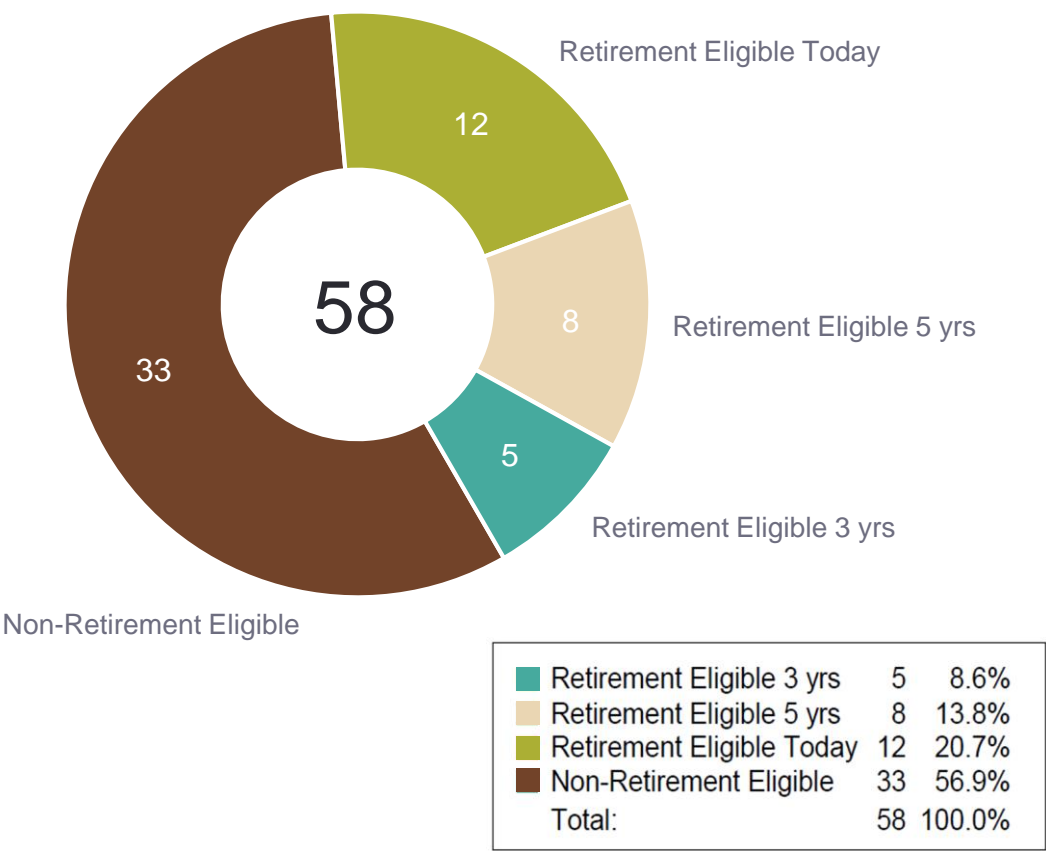


Average Years of Service by Team

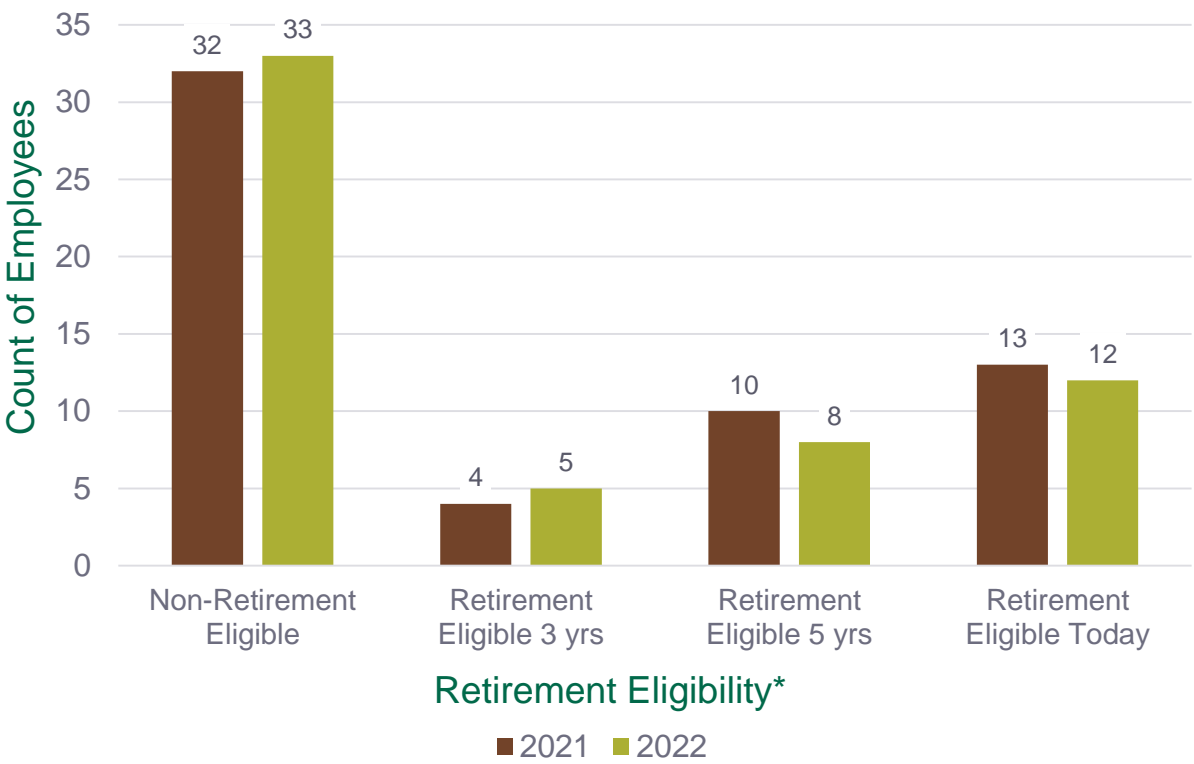


ADDITIONAL EXAMPLES

Employee Retirement Eligibility,
5 Year Horizon



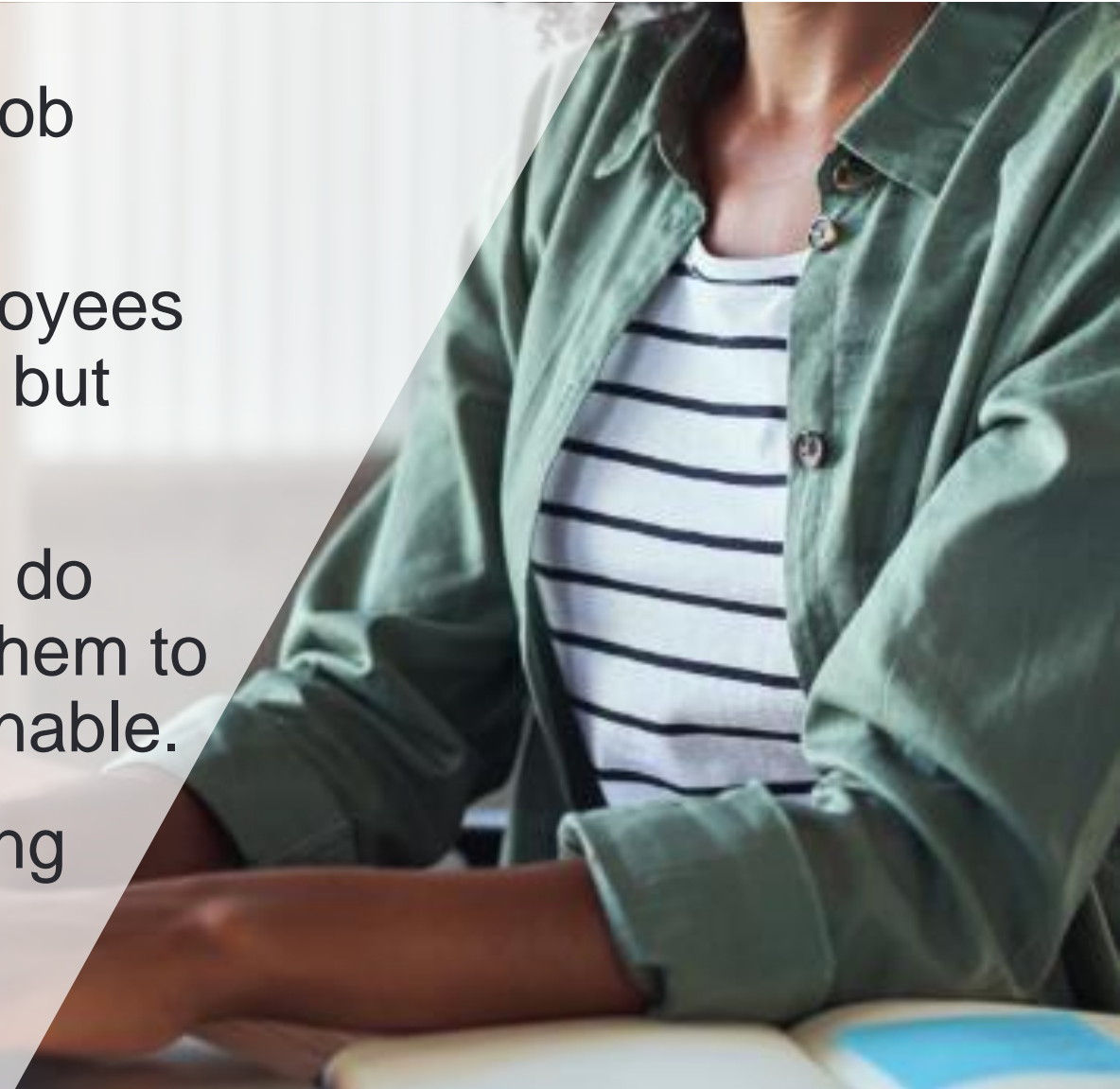
Employee Retirement Eligibility,
5 Year Horizon



*Retirement eligibility is defined as: at least 55 years of age and 10 years of service with the organization OR 65 years of age or older.

CREATE/UPDATE DOCUMENTATION FOR EACH POSITION

- Document policies, procedures, and job descriptions.
- Create work journals – What do employees do that “*is not in their job description*” but mission critical?
- Seasoned employees may be able to do their job in their sleep, but you need them to share the knowledge and make it trainable.
- Need position documentation for strong cross training.



UPDATE JOB DESCRIPTIONS AND COMPLETE EMPLOYEE PROFILES

Succession Plan

ATTACHMENT B
Employee Profile
Assessment of Interest and Capabilities

Name	Title	Retirement Eligibility Date	Projected Retirement
Years in Current Position:	Other Positions in Organization? <input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, list position and time period:	
Profession Development:			
Past 12 months			
Next 12 months			
Learning Needs: (Knowledge, skills, abilities, experience, etc.)			
Learning Plan: (activities and timelines)			
Knowledge Transfer Plan:			

Completed By: _____ Completion Date: _____

[LOGO]

JOB DESCRIPTION

Job Title	Controller	Grade	12
Department	Finance	Revised Date	February 2021
Status	Exempt		

Summary Statement <i>(Describe why the job exists)</i>	
Essential Duties & Responsibilities <i>(List the job's essential/most important duties)</i>	ESSENTIAL DUTIES: <i>(The following are illustrative and are not intended to be all-inclusive.)</i>
Minimum Requirements: <i>(Knowledge, Skills, Education/Training, Experience)</i>	

IDENTIFY KEY POSITIONS AND KEY INDIVIDUALS

- Reflect on “who” makes up your organization.
- Evaluate the impact each position has in achieving your organization’s strategic goals and objectives.



- Key Individuals
 - High performers
 - Go getters
 - Always thinking outside the box
 - Go above and beyond on a regular basis
- Key Positions
 - Mission critical job functions
 - Member facing
 - Highly technical with HealthTrust specific roles and responsibilities
 - Requires institutional knowledge

ANALYZE THE KEY POSITIONS

- Identify the following requirements needed for success in each position:
 - Education
 - Years of experience
 - Behavioral competencies
 - Technical competencies
 - Any other necessary factors



WHAT TO KNOW ABOUT KEY POSITIONS

- Vacancy may create a single point of failure.
- Instability may have significant impact on operations.
- Need to mitigate any organizational impacts resulting from the departure of employees:
 - The organization needs to implement a thoughtful plan to fill anticipated vacancies with the best possible candidates.
 - Whether by internal development and/or external recruitment.
 - Ensure the orderly transfer of institutional knowledge.
 - Make the best use of existing talent found within the organization.



GETTING THIS ACCOMPLISHED BY TAPPING INTO THE MANAGER

- Provided a copy of each job description of each key position to Manager and asked them to verify and/or revise as needed.
- Asked the Manager to note any other factors that should be considered with regard to the position. (i.e., If the position were to be advertised tomorrow, what other criteria would the Manager require?)



GETTING THIS ACCOMPLISHED BY TAPPING INTO THE EMPLOYEE



- Once the job descriptions are finalized by managers, consider asking each employee to review their own job description and identify any areas for edits.
- Ask employees this key question:
 - Are there the parts of your position that no one knows how to complete except you.
- Each Manager should then made it a priority to incorporate those answers into the employee's individual cross training goals.

KNOWLEDGE, SKILL AND ABILITIES REQUIRED FOR EACH KEY POSITION AND KEY INDIVIDUAL

Leadership Team

Succession Plan
2022 ADDENDUM
ATTACHMENT A-1
Leadership Team Positions
Requirements

Updated on: January 20, 2022

Leadership Team members take a leadership role in the organization and participate in HealthTrust leadership and management activities, including participation in Leadership Team meetings, attendance at HealthTrust Board and Committee meetings, and long-term organizational strategy sessions. The Leadership Team helps to foster a success-oriented, accountable environment within the organization.

Leadership Team Position	Estimated Departure	Knowledge, Skills and Abilities Required
Chief Financial Officer	Unknown	CPA. Strong influence on establishing organizational financial growth opportunities and future forecasting. Leads in the development of the HealthTrust budget and manages the department's budget. Strong knowledge of both financial compliance and information technology and infrastructure/security. Computation of Member Groups' employee benefits ratings and contributions based on exposure. Evaluates and advises Executive Director on rate impacts. Manages all aspects of HealthTrust's investment portfolio. Very analytical. Strong communication skills and understanding of the overall operations of the organization. Positive rapport with Members and regulators. Experience and ability to effectively communicate with a board of directors. Experience in transformational change (reorgs). Effectively influences the organization.

Internal Personnel Practice

Attachment A-1
Leadership Team Positions
Page 1 of 1

Employees

Succession Plan
2022 ADDENDUM
ATTACHMENT A-2
Key Positions or Individuals
Requirements

Date Updated: January 20, 2022

Key Employee Position	Estimated Departure	Knowledge, Skills and Abilities Required
Infrastructure & Security Manager	Unknown	Develops and maintains the enterprise systems architecture, hardware and security, defining standards and protocols for data exchange, and interconnections of vendor-partner infrastructure. Leads information security projects such as risk assessments, security architecture, endpoint protection, anti-virus/anti-malware, server configuration, encryption, and log management. Manages the I & S budget. Develops and maintains backup, disaster recovery and business continuity plans to ensure timely and effective restoration of information technology services. Very well versed in understanding the infrastructure and security requirements unique to HealthTrust and compliance to HIPAA Security Rules.

Internal Personnel Practice

Attachment A-2
Key Position or Individual
Page 1 of 1

CREATE A RECRUITMENT STRATEGY

- Identify Key Position
- Develop Timeline Necessary to Fill Position
- Complete Development/Recruitment Strategy Matrix
- Review Market Analysis for Position's Compensation Range
- Advertise Position
- Develop Interview Team

Succession Plan
ATTACHMENT C
Development/Recruitment Strategy Matrix

Please completed the box below using the matrix to the right

Title of Positon:	
Date Completed:	
Anticipated Timeline:	
Corresponding Letter from Matrix:	

Difficulty to Fill	EXTERNAL Recruit from outside	INTERNAL Develop from within
Less Difficult	<u>A</u> Sufficient number of qualified applicant expected	<u>B</u> Current employee(s) can meet the requirements within 2 years
More Difficult	<u>C</u> A shortage of applicants is expected	<u>D</u> Current employee(s) need more than 2 years to meet the requirements

Key Core Components of the Position:	Knowledge Transfer Opportunities (action steps)
•	•

AFTER IDENTIFICATION – WHAT IS NEXT?

Difficulty to Fill	EXTERNAL Recruit from outside	INTERNAL Develop from within
Less Difficult	<u>A</u> Sufficient number of qualified applicants expected	<u>B</u> Current employee(s) can meet the requirements within 2 years
More Difficult	<u>C</u> A shortage of applicants is expected	<u>D</u> Current employee(s) need more than 2 years to meet the requirements

ENGAGE YOUR TALENT TO LEARN MORE ABOUT THEIR FUTURE GOALS

- Do you have a retirement date in mind for the near future (the next 3-5 years)?
- Are there any other positions within the organization that interest you that you would like to job shadow?
- Are there any project teams or organizational initiatives that you have interest in participating in?
- Are you satisfied in your current role?
If there are areas addressed where an employee is not satisfied, what improvements or suggestions do they have to improve the job/task, etc.

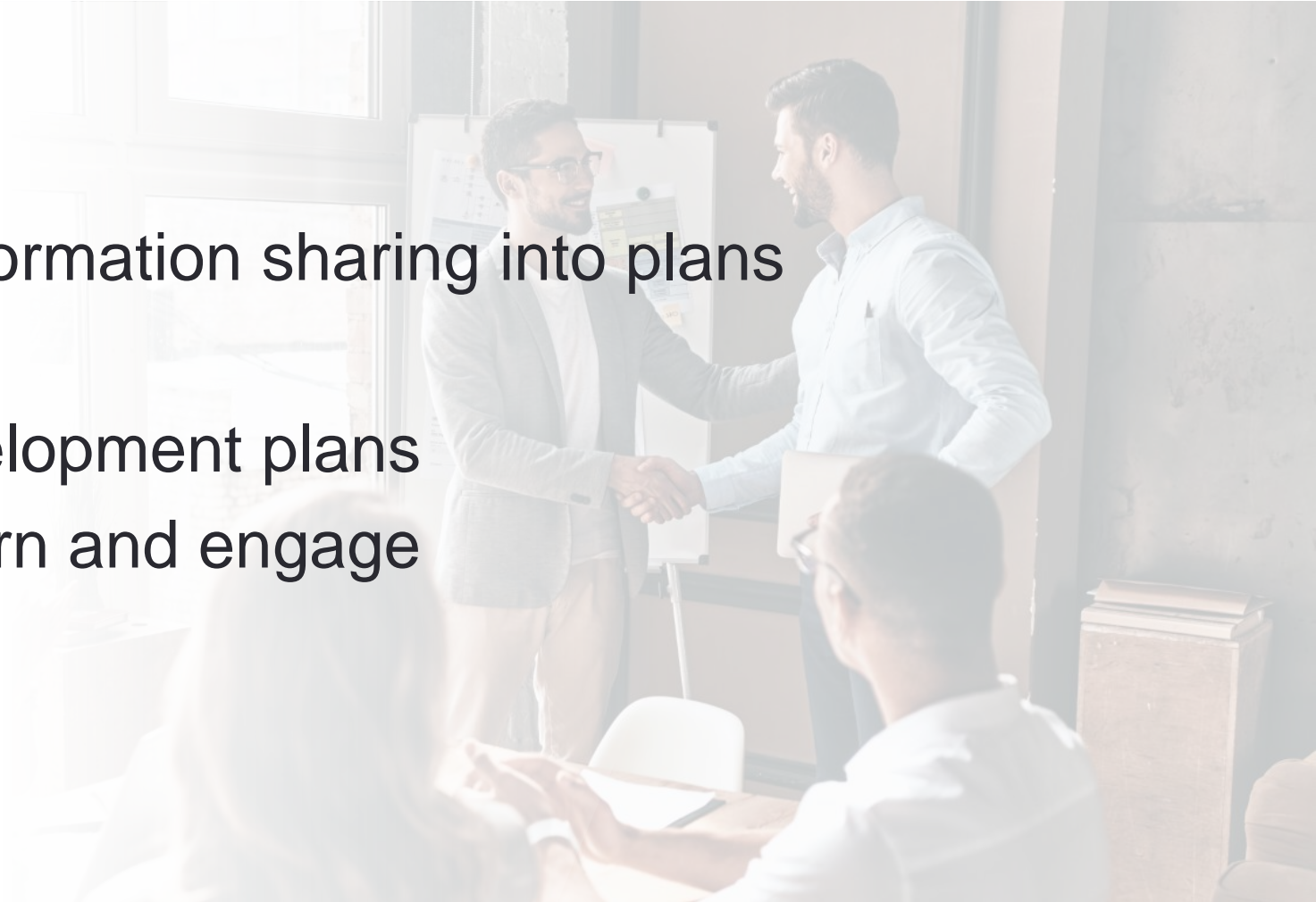


DOCUMENT, DOCUMENT, DOCUMENT



BUILD A CULTURE THAT EMBRACES LEARNING AND PLANNING

- Get buy-in from the top
- Engage Managers
- Develop knowledge and information sharing into plans
- Communicate goals
- Formalize training and development plans
- Provide opportunities to learn and engage
- Provide feedback
- Continually evaluate



STRATEGY

- How to begin
- Get the buy-in
- Put in the effort – will need multi-level support
- Not a one-and-done activity
- Need to build into culture and be supported by professional development and other activities to allow for job shadowing and growth opportunities
- Start now!



WRITING THE PLAN AND THE ADDENDUM



- Once you define your Key Positions, identify your Key Individuals, and update job descriptions, you are ready to create your actual written plan to address future needs.
- A written plan serves to identify the key components of the identified positions, as well as the recruitment opportunities and/or challenges to filling the positions either internally and externally
 - Supports both the internal upward movement of current employees or the recruitment of external candidates to fill a Leadership Team or other Key Positions.

ANNUAL ADDENDUM

- Review and update of Key Positions and Key Individuals.
- Highlight known departures and an overview of the replacement strategy.
- Discuss development opportunities for Key Individuals.
- Exhibits and Attachments
 - Demographics
 - Leadership Team Position Requirement
 - Key Position Requirements

LESSONS LEARNED

- Succession planning requires reflection, clarification, communication and deliberate planning. It requires a balance of short and long-term thinking, and is never a one and done event.
- In succession planning, knowing where you are starting from is just as important as knowing where you want to end up.

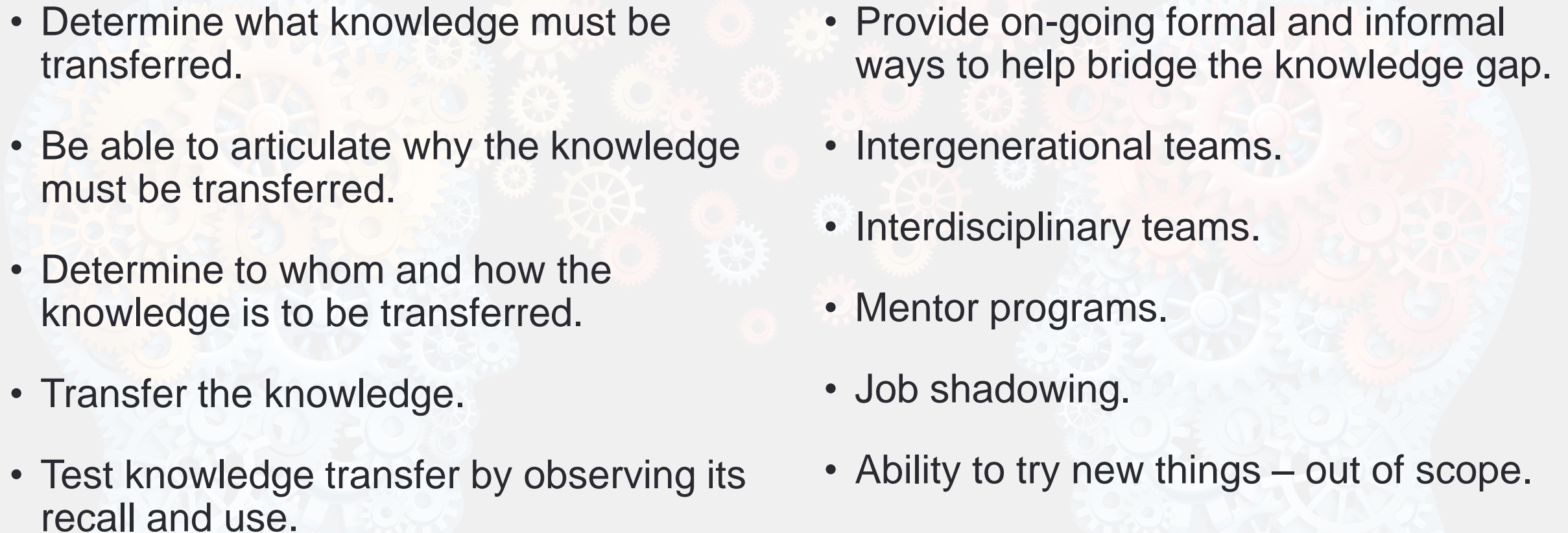


CREATING A CULTURE OF SUCCESSION PLANNING

The process takes commitment at all levels of the organization. Managers must embrace succession planning as an ongoing initiative that is never complete. Succession discussions and actions need to become a regular part of operations.

- Job shadowing
- Assignment to special projects
- Coaching and mentoring
- Project leadership roles
- Formal training and professional development opportunities

TRANSFER OF KNOWLEDGE IS CRITICAL

- 
- Determine what knowledge must be transferred.
 - Be able to articulate why the knowledge must be transferred.
 - Determine to whom and how the knowledge is to be transferred.
 - Transfer the knowledge.
 - Test knowledge transfer by observing its recall and use.
 - Provide on-going formal and informal ways to help bridge the knowledge gap.
 - Intergenerational teams.
 - Interdisciplinary teams.
 - Mentor programs.
 - Job shadowing.
 - Ability to try new things – out of scope.

DO WHAT WORKS WELL FOR YOUR ORGANIZATION

Writing Down
Processes

Videotaping
Processes

Formalizing
Processes

Automating
Processes

Double Filling
Key Positions

Cross Training

Contractor

Sharing
Experiences

Exit
Interviews

Storytelling

Rotation
Program

Leadership
Program

Mentor
Program

TEAMWORK

Foster a culture of sharing:

- Creating a culture where knowledge is shared (and documents) by all levels of the team. This reduces the threat of being replaced, and protects the organization when employees leave.
- Create and document talent strategy that is a knowledge transfer, not a brain drain.
- Use seasoned staff as ambassadors for programs like onboarding, to create intergenerational communication.
- Create a culture that incentivizes knowledge sharing among all employees, not just retirees.

