

# Designing an Effective Succession Plan and Mentor Program

Anaheim, CA  
Tuesday April 24<sup>th</sup>, 2018  
4:00 PM – 5:30 PM

# About the Moderator

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Janis Christensen  
CAFM

- Janis Christensen is a senior manager for Mercury Associates where she is responsible for directing corporate fleet consulting projects and leading the company's marketing, online, and social media endeavors.
- Before joining Mercury in 2006, she spent eight years running Christensen & Day Group, a fleet consulting firm, and 15 years as a fleet manager at TRW, where she managed a fleet of 1,700 vehicles. In this role, Ms. Christensen was responsible for all aspects of fleet management as well as managing the company's alternative transportation and telecommuting programs.
- Drawing on over 30 years' experience in the fleet management profession, Ms. Christensen now focuses mainly on sharing her expertise with Mercury's clients and the fleet industry.
- She has conducted presentations and workshops for thousands of industry professionals for a variety of prominent industry and professional associations, has authored dozens of articles, and has written several published policies and procedures manuals. Her driver's agreement template, designed in 1984, has helped hundreds of fleet managers implement comprehensive change in the management of individuals authorized to operate company vehicles.
- She is the recipient of the NAFA Fleet Management Association's highest honor, the Distinguished Service Award for leadership, innovation, education and advocacy of professional fleet management, in 1999. Ms. Christensen is a Certified Automotive Fleet Manager.



# About the Speakers

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Steve Saltzgiver  
CAFS, MAOM

- More than 40 years' experience beginning as a truck assembly worker, commercial driver and fleet maintenance journey technician, local municipal fleet manager and director over two large state government fleets (Utah and Georgia)
- Vice President of fleet operations for two fortune 500 corporate operations (Coca-Cola and Republic Services) and fleet management consultant.
- Recipient of multiple industry awards including, 2000 Honda Motors Environmental Leadership award, 2015 Sustainable Fleet Award, 2017 Government Hall of Fame Inductee and Legendary Achievement Award.
- Successfully transitioned from wrench-tuner to manager of a \$1.5 billion (annual capital and operating budget), 50,000-unit fleet.
- Certified Automotive Fleet Supervisor (CAFS) from NAFA Fleet Management Association and currently serving on the NAFA Board of Directors.
- Holds Business Management and a Masters of Organizational Management degrees from the University of Phoenix.





# About the Speakers

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June Martin  
ABSC

- June has been a Co-operative Education-Employer Development Consultant with the Automotive Business School of Canada (ABSC) at Georgian College in Barrie, Ontario since 2003.
- She coaches ABSC students as well as automotive employers to build successful business relationships and develop career opportunities. Prior to joining Georgian College, June worked as a Project Coordinator and Career Counselor with regional school boards, and facilitated employment and career services throughout Southern Ontario.
- She also delivered training seminars to educators throughout Canada and the U.S.A. (Bridges.com) and has worked in various counselling and job development roles for both Provincial and Federal government departments.
- June studied Adult Education at Brock University in the Bachelor of Education program.
- She holds a diploma from George Brown College as a Child and Youth Worker and is also a Certified Life Skills Coach. June lives in Barrie, Ontario with her husband and son.



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## Overview:

- As more and more baby-boomers retire and exit organizations, it's becoming increasingly paramount for organizations to capture institutional knowledge before they experience "brain-drain." Failing to encapsulate knowledge will hamper employee replacement transition, drive up costs and impact customer service delivery. Explore issues and real life strategies that could work for your organization to attract the right talent and avoid the pitfalls that could be putting your company at a disadvantage.

## Objectives:

- Learn how to retain institutional knowledge to ensure the continuous success of your organization.
- Learn how to design an effective succession plan to capture and quantify employee tasks and activities prior to an employee's termination or retirement.
- Break down the generational myths/stereotypes that can be associated with recruiting new talent and create onboarding strategies that work

# Succession Planning Strategies that Work!





# Succession Planning What's the Rush?

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Think twice before losing your best employee.



# Why Do Organizations Need Succession Planning?

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- Baby-boomers exiting workplace due to retirements
- Brain-drain avoidance – loss of many years of institutional knowledge
- Accelerated complexity of vehicles related to technology advances
- Shortage - qualified pool of fleet technician candidates and millennial work expectations
- Lack of formalized mentoring and succession programs



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# Why is Succession Planning important?

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Depending on which study or survey you accept below are a few facts to consider:

- 33% of business owners plan to exit in the next 5-10 years
- 10% of businesses have a formal succession plan
- 38% have an unwritten or informal succession plan
- 52% have no succession plan at all
- Over \$1.2 Trillion in business assets will be transferred to new leadership



# Why is Succession Planning important?

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- Bureau of Labor reports tech supply growing 2.6% and demand growing 0.7% annually – Quality v. Quantity
- Turnover/rehire equals 3X employee's salary to replace
- 40-50% of technicians will retire in the next 15 years...
- Over 40 % of businesses struggling to fill vacancies.
- Over 1m unemployed veterans w/perfect skills for industry
- Average age of vehicles is rising (9.1 years), requiring > Techs
- Techs are predominantly male workforce between ages 40 and 49
- Estimated 20-25% of technicians receive no fringe benefits and less than 50% are covered by a medical plan
- Average technician works about 44 hours a week.



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# Why Do Organizations Need Succession Planning?

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## **Workforce Magazine [Excerpt]\***

*... "Jim Skinner, former CEO of McDonald's Corp., was known to tell managers: "Give me the names of two people who could succeed you." It was just one way the CEO continued the culture of succession planning at McDonald's."*

*..."It was an understandable priority considering Skinner only landed in the role in 2005 after two other CEO's died suddenly over the course of just two years. And when he retired in 2012, Skinner was confident that his successor, Chief Operating Officer Don Thompson, was ready to take over, because he spent much of his seven years mentoring him."*

*\*<http://www.workforce.com/2013/03/11/succession-planning-roadmap/>*





# Why Do Organizations Need Succession Planning?

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**FleetOwner Magazine  
January 2018 Issue**

**Finding and keeping talent: It's not just trucking's concern**

*...the findings from the C-Suite Challenge 2018 annual survey of over 1,000 business leaders – conducted by the Conference Board – found that the "top concern" of CEOs is attracting and retaining talent; a concern that is also top of mind for the "rest of the C-Suite," too, including chief human resource officers and CFOs...*

\*<http://www.fleetowner.com/trucks-work/finding-and-keeping-talent-it-s-not-just-trucking-s-concern>



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# What is a Succession Plan?

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- Succession plans are a methodology for old leaders to identify and develop new leaders when they leave, retire or exit the workplace
- Succession plans have been used for centuries by dictators and monarchies to prevent power struggles, coos and chaos
- Succession planning has been used by large companies (e.g., GE, IBM, Coca-Cola, MS, Marriott, municipal governments) for decades to maintain continuity
- Succession planning (i.e., apprenticeship programs) was used by trade crafts for years



# What are the Critical Factors in a Succession Plan?

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## **Clear objectives are critical to establish an effective succession planning program:**

- Identify those potential employees with talent needs
- Provide critical development experiences for potentials
- Engage leadership support in talent development for key roles
- Build a talent program to make better staffing decisions
- Initiate programs for employee engagement and morale
- Improve company branding and image, employee commitment and retention
- Implement career development programs for employees
- Develop internal candidates and reduce external recruiting needs and costs





# What Elements are Related to Succession Planning?

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- Annual Company/Employee Goal Setting Process
  - *Personal Performance Objectives (PPOs)*
- Employee Performance Evaluations
  - *Annual evaluation process & ratings*
- Employee Engagement Monitoring and Measuring
  - *Annual or Biennial Employee Surveys*
- Talent Review and Rating Process
  - *9 Box Assessment & Rating Process*
- Career Development Planning Process
  - *Individual Development Plans (IDPs)*
  - *Performance Improvement Plan (PIP)*
  - *Employee "Mentoring" programs*



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# Creating Succession Planning Strategies that Work!

**Steps to Successful Succession Planning**

# Step 1: Identify Key Areas and Positions

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Determine who is interested in and has the potential to fill key areas and positions

- Discuss career plans and interests with employees
- Identify the key areas and positions that are vulnerable and the candidates who are ready to advance or whose skills and competencies could be developed within the required time frame
- Ensure that a sufficient number of bilingual candidates and members of designated groups are in the feeder groups for key areas and positions





## Step 2: Identify Capabilities for Key Areas and Positions

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To establish selection criteria, focus employee development efforts, and set performance expectations, you need to determine the capabilities required for the key areas and positions identified in Step 1:

- Identify the relevant knowledge, skill (including language skills), abilities, and competencies needed to achieve organizational business goals
- Use key leadership Competencies profiling to assess employee skills
- Inform employees about key areas and positions and required capabilities

## Step 3: Develop and Implement Succession and Knowledge Transfer Plans

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Incorporate strategies for learning, training, development, and the transfer of organizational knowledge into your succession planning and management

- Define the learning, training, and development experiences that your organization requires for leadership positions and other key areas and positions
- Link employee learning plans to the knowledge, skills, and abilities required for current and future roles
- Discuss with employees how they can pass on their corporate knowledge



## Step 4: Evaluate Effectiveness

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Evaluate and monitor succession planning and management efforts to ensure the following:

- Succession plans for all key areas and positions are developed
- Key positions are filled quickly
- New employees in key positions perform effectively
- Members of designated groups are adequately represented in feeder groups for key areas and positions



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# Succession Planning – Real Life Example

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- Doug Weichman, CAFM, fleet management director Palm Beach County FL announced his plans to leave, he gave the county five years to find his replacement
- Three years in, county created an assistant director position and began a nationwide search for a successor
- Recruited Sara Burnam, CAFM, who started Fall of 2015, giving her 1.5 years to work under Weichman and learn about the position
- Notable part of her training: She was put in charge of a remote shop and was able to learn how things ran on a daily basis, from creating a work order to obtaining parts and supplies



# Transit: Industry Winning the Succession Planning Game!

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## Continued Success:

- 15 years in Transit and participated a 4 year Apprenticeship Program to become a Journey mechanic. Many Transit orgs still have these in place.
- Apprenticeship programs work as successful succession plans

## Transit Clients in California:

- Our mechanic turnover rate ranges between 2-3% annually. We hire mechanics through our apprenticeship program graduates and we hire our support staff from our apprenticeship program washouts.
- Our mechanic turnover ratio is very low but 40% of our eligible to retire in the next 5 years. This problem that will need to be addressed, however, we use our Service employees as a feeder program to the mechanic staff. Service employee are admitted to the apprenticeship program by a test.
- Then they must complete 1950 classroom hours plus On-The-Job Training. We have an in-house team of 10 instructors teaching our Master Mechanic mandatory training which requires passing 22 modules.



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# **Strategies to Assess Employee Talent that Work!**

***Pre-Hire, Recruiting, Development,  
Performance, Promotion and Termination***



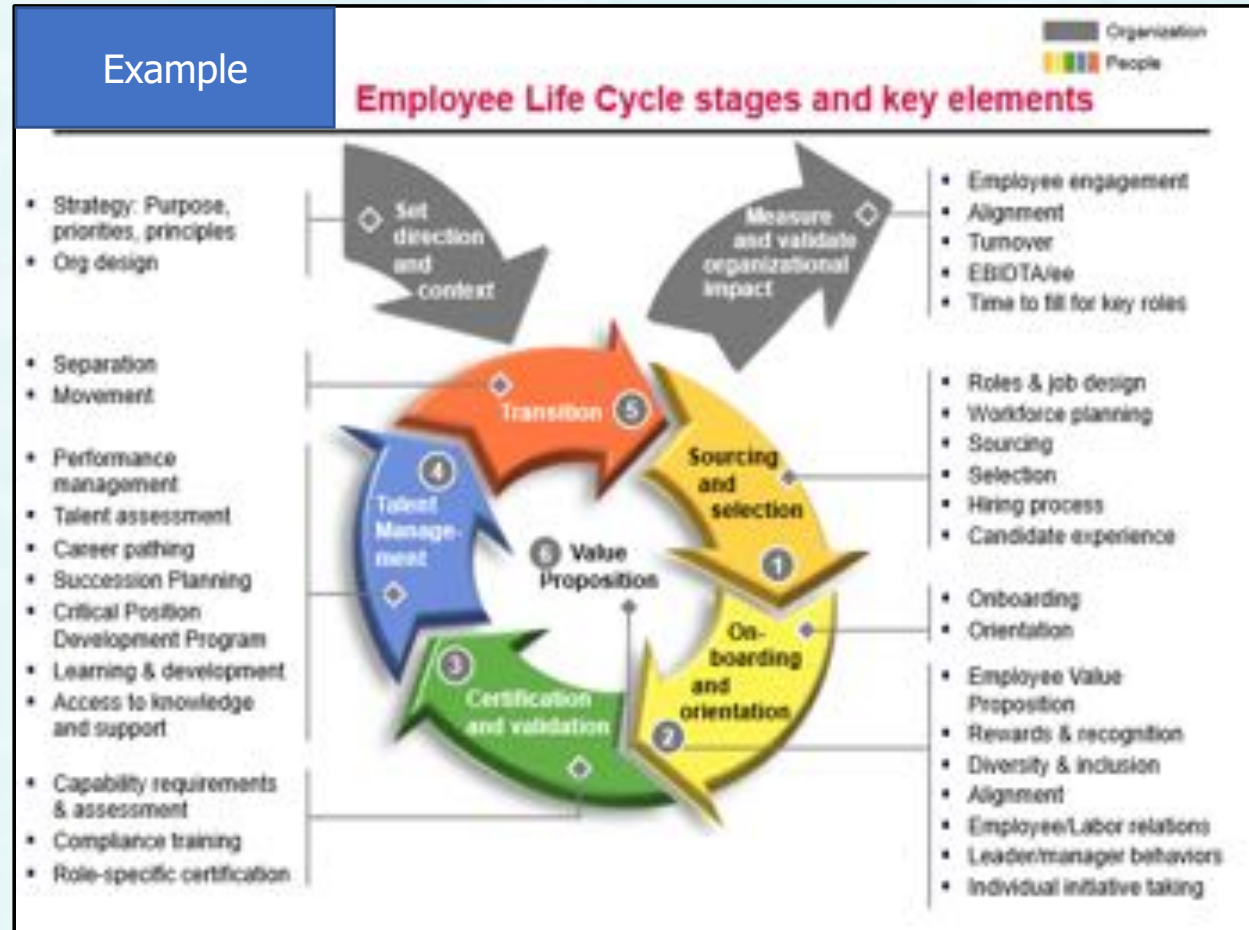
# Best Practice – Talent Management and Review Process

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## *Effective Employee Management Processes*

### Key Elements:

- Policies and procedures
- Standard operating procedures
- Structured interview guides (SIG)
- Onboarding Plan
- Individual Performance Objectives (IPO) aligned to company goals
- Individual Development Plans (IDP)
- Employee evaluation and appraisal process
  - ✓ Self-assessments
  - ✓ Mgr. assessments
- Talent rating calibration
- Performance Improvement Plan (PIP)



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# Industry Best Practice – Talent Review

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## Talent Rating/Ranking

- Talent assessment\* and ranking employees provides guidance on organizational status
- View and fill talent gaps proactively
- Determine top and bottom performers
- Managers can focus on employee performance goals
- IDPs for Top and PIPs for bottom performers

*\*Sample "9-Box" rating/ranking process - SAP Career Factors*

### 9-Box Talent Assessment Tool



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# Industry Best Practice – Talent Review

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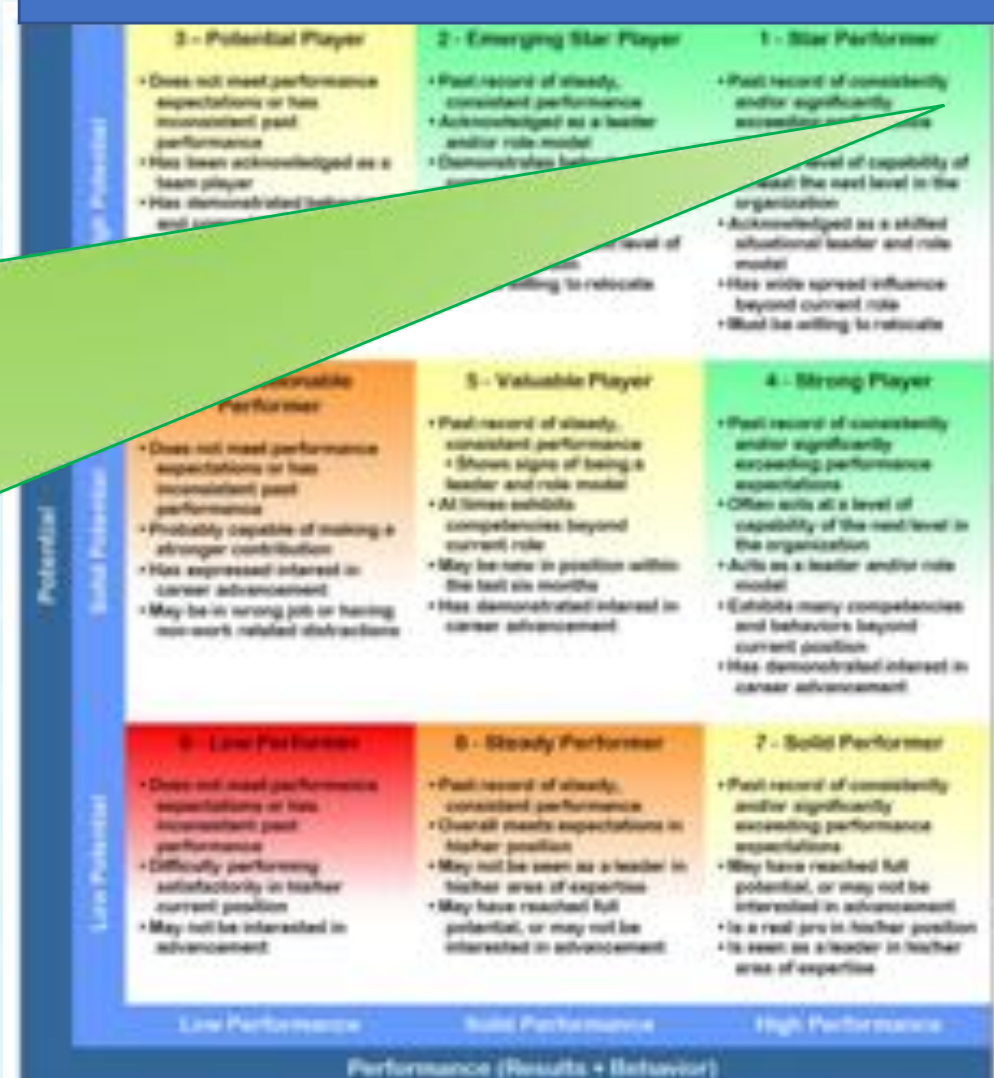
## Talent Rating/Ranking

### 1. Star Performer

- Past record of consistently and/or exceeding performance expectations
- Acts at a level of capability of at least the next level in the organization
- Acknowledged as a skilled situational leader and role model
- Has wide spread influence beyond current role

**Ready to advance to next level in 6 to 12 months**

### 9-Box Talent Assessment Tool





# **Building a People Capability Strategies for Fleet that Work!**

***Next Steps:***

***Understanding the Relationship Between Human  
Resource Management and Development of People  
Capability (i.e., Talent)***

# Challenges – Specific to Fleet

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## **Increasingly difficult to attract adequate Maintenance Talent and capability**

- Unable to attract and acquire enough talented and qualified technicians and supervision
- Fleet success, execution and durability depend on quantity and quality fleet personnel
- Unable to compete with other companies for quality Technicians
- Impacting higher outsource labor costs, increased mistakes, overtime
- Need to strengthen its fleet management skills using traditional education, internal training tools and industry recognized certification programs to better compete in the market. (e.g., University/College, Trade/Voc Schools, Intranet Learning Portal and CAFM)



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# Recruiting and Retaining Qualified Technicians is Challenging

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## What you need to understand?

1. Society has negative view of the professional technician career path.
2. Guidance counselors and parents discourage youth to consider a career in vehicle maintenance.
3. Fewer opportunities for youth to obtain experience working in automotive maintenance.
4. Vehicles more complex and youth unable or ill-equipped to work on own vehicles and cultivate interest in automotive technology.
5. Internal processes may need streamlining (or > training)



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## Develop a “Positive” Technician Marketing Program

- Accentuate the positives of joining the fleet industry as a stable and growing workforce
- Develop a program to promote and expand the organization brand to attract larger candidate pools
- Design and implement “career fair” program to proactively market the organization’s technician opportunities
  - ✓ Work closely with government agencies (i.e., Military) to target potential candidates
  - ✓ Work with vocational schools to attract candidates
- Expand organization training opportunities and compensate technicians (one-time bonus) for each class completed with claw-back clause
- Expand engagement to increase “non-monetary” incentive programs to reward technicians for increased productivity and quality
  - ✓ Tool purchasing programs
  - ✓ Education reimbursement programs



# Strategies – That Work!

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## **Expand and strengthen Incentives and Compensation programs**

- Offer “Sign-On Bonus” to incent candidates to join organization
- Develop “Apprenticeship” program to expand Technician career path toward journeyist Technician (e.g., C to A Technician in 4 years)
- Design career path to serve in Supervisor development program
- Modify “Tool Allowance” programs to better compensate Technicians for continued investment
- Strengthen the “shift pay” program differentials to mitigate threat of Technicians’ leaving (or not joining) to work desired dayshifts at higher paying companies (e.g., Government and Dealers)
- Develop an annual incentive (bonus) program to compensate Technicians with a “Claw-back” for greater retention focus
- Implement compensation program to pay for ASE (Automotive Service Excellence) continuous training (i.e., Testing and % salary bump for passing tests)



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# Strategies – That Work!

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## **Expand your Outreach:**

- Work closer with Vocational & Tech Colleges to proactively attract candidates prior to graduation (Part-Time work force)
- Increase focus on strengthening candidate pool working with diversity outreach programs
- Network early to identify High School seniors as potential candidates and develop a part-time worker program to hire students as laborers.
- Work with Government and Non-Government Organizations (i.e., church, secular groups)
- Target Veteran outreach programs to attract quality candidates from those returning from Military deployment
- Develop internal outreach program to incent employees to consider a career in Fleet Management
- Utilize retired (or soon to retire) employees as a “Succession Planning” resource to mentor newly hired associates



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# Creating Recruiting Strategies that Work!



# Creating Recruiting Strategies that Work!

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- ✓ Why do experiences matter?
- ✓ How is your brand viewed?
- ✓ Why should you care about social media?
- ✓ Successful brand examples
- ✓ Hear it from the experts
- ✓ Idea sharing and questions



IT'S ALL ABOUT THE  
EXPERIENCE





# What is Disney's Secret?

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**ANSWER: To “delight” their customers!**

## **How do they accomplish this?**

- Employees come first
- They LISTEN to their employees
- Hire for attitude not aptitude
- Give people purpose not rules
- Tap into the creativity of front-end staff





# What is your Brand?

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Your brand is  
**what people  
say about you**  
when you're  
not in the room  
- Jeff Bezos,  
CEO  
Amazon

[www.GrahamDBrown.com](http://www.GrahamDBrown.com)

# Lets talk about what's important to people...

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# The Robert Simpson Brewing Company

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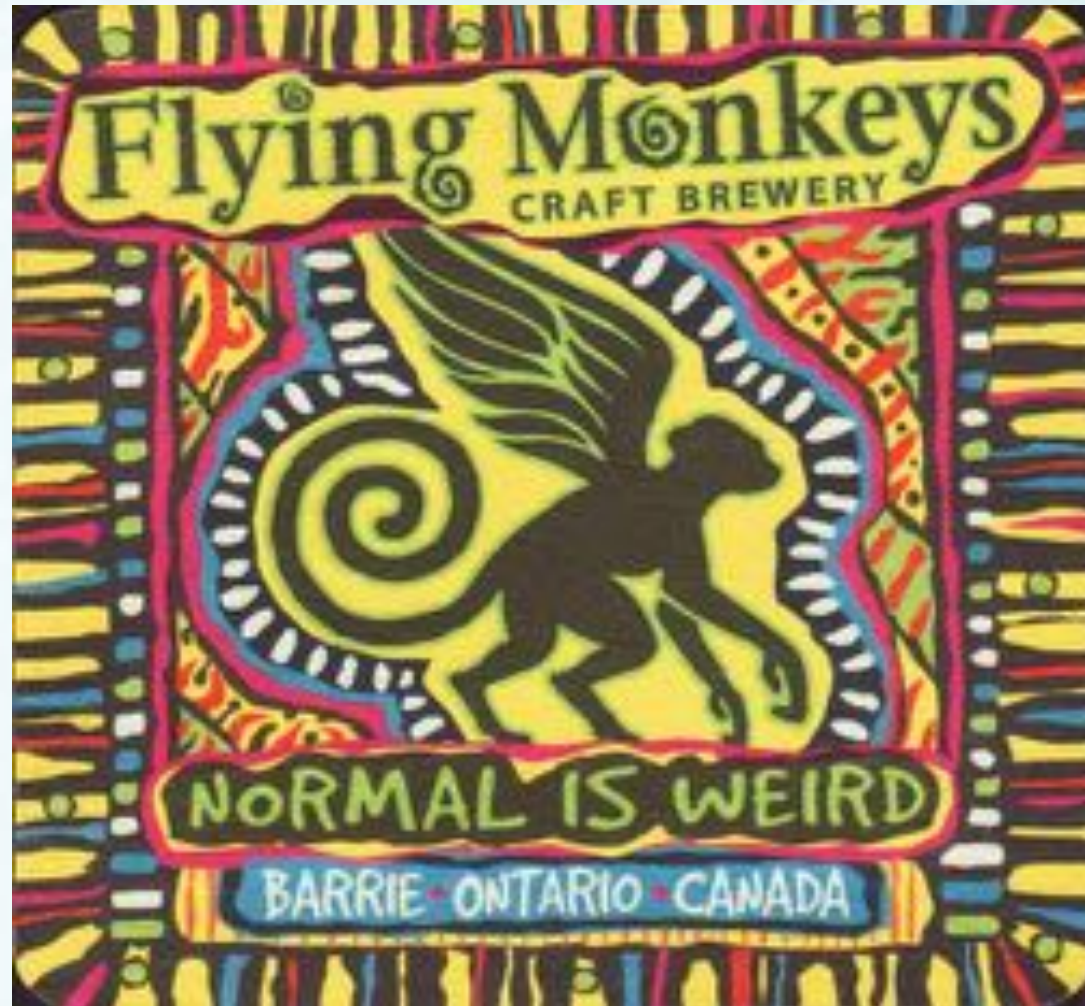
- Founded in 2004
  - Yet named after the first mayor of Barrie in the 1800's
- Changed branding in 2008
- Reason for change?
  - To create an experience
  - Become a tourist destination
  - Attract a larger consumer base, include a new generation of beer drinkers





# New and Improved Branding

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# Sometimes a Company can Outgrow its Branding...

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**GEORGIAN**  
YOUR COLLEGE • YOUR FUTURE  
**CANADIAN AUTOMOTIVE INSTITUTE**



# AUTOMOTIVE BUSINESS SCHOOL *of Canada* - EST. 1985 -



<https://www.georgiancollege.ca/academics/academic-areas/automotive-business/>





# What are people saying about YOUR brand?

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# But wait... there's more!

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## Have you heard of glassdoor?

The Glassdoor logo consists of the word "glassdoor" in a white, lowercase, sans-serif font, centered within a solid green rectangular background.

- **glassdoor** is a website where employees and former employees anonymously review companies and their management



# On-line Brand Reviews

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# How can you build an experience to attract New Talent?

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# Program with ARI to attract Co-op and Graduate students

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- Attended Career Fairs to meet students and get a feel for the school.
- Participated in Guest Speaking Engagements for classes with relevant subject matter (ie. Fleet Management)
- Invited group of students to attend an onsite visit
- Toured the facilities
- Met with senior management
- **Feed them!**
- Include in upcoming company events
- Post co-ops/internship positions



# What does the “New Generation” want ?

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- Flexible work schedule
- Work/Life Balance
- Opportunities to train, grow and develop within the organization
- More opportunities for feedback other than “annual review”
- Consider quarterly meetings
- True team culture
- Sense of social responsibility
- Perks matter
- Honesty and Transparency
- Work that is purposeful and connected to company goals and objectives
- Have fun! 😊

**Source:** <http://fortune.com/2016/03/04/attracting-millennial-talent>



# Videos can be a powerful and effective tool when recruiting...

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Video not available



With Permission: Humberview Group







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- Workforce Magazine -  
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