

## **Skating On Thin Ice**

### Contingency Planning To Replace Top Performers

*By Jeremy Miller, LEAPJob*

Business leaders have well defined plans for developing their corporate culture and growing their people assets. Yet it is just as important to develop a strategy for replacing key talent.

Since 2001, it has been an employer's market. Business leaders have learned to do more with less by focusing on top performers who can grow the business. Concurrently, management has reined in recruiting costs to further improve the bottom line and has squeezed costs by keeping salaries, benefits and bonuses under tight control.

The balance of power is beginning to swing away from employers with the current growth in the job market. The Conference Board of Canada has reported strong employment gains throughout 2004. In June the growth in Ontario and British Columbia increased the national job count by 25,000. With these strong growth figures active job seekers are finding work faster, and are finding more opportunities for career advancement. As the balance of power in the recruitment market swings away from employers, companies can quickly see their top performers being lured away. A small increase in salary or the prospect of more responsibility and autonomy may be enough to make people jump ship.

To prepare for the changing job market, business leaders must carefully consider who are their most valuable employees? To properly establish a short list of the "real" top performers, consider who would cause the most damage if they left today. For example if you were to lose the VP of Marketing, this could be serious, but what would happen if you lost your top sales person to the competition? The loss of revenue would be one thing; the gain in earnings for your rival would be another. Your loss could be doubled!

How well are you looking after your best people? You may think you are paying them enough to keep them motivated, but are you sure? Do you know how your competitors or companies who hire similar types of talent are rewarding the people in their organizations? More importantly, are your key people happy and motivated? Can they see opportunities to develop their careers? How do they feel about their managers and the way their department is run?

Start by developing a short list of your most valuable employees, and for each performer identify or discover what he/she thinks and feels about their job. It is a combination of logical and emotional input that makes a person tick. This is not a formal appraisal or an employee review, but rather informal and personal sleuthing to discover what your employees think about their jobs, their rewards, their prospects for the future and where they see themselves in 1, 3 and 5 years from now.

Having identified your top performers and building up an understanding of how they feel about their roles and rewards, the next question to address is two-fold. Have you fixed the issues in job dissatisfaction that you may have uncovered? Secondly, do you have a plan to replace them if they suddenly leave?

Developing a plan for replacing top performers isn't simply a matter of succession planning; it is more of a case of knowing your options, which may include re-organization of roles, re-deployment of key resources or direct hiring. The plan should include clear benchmarks, strategies for retention and replacement, business processes and on-gong actions to effectively manage the risks.

The process of developing replacement strategies for top performers is a very powerful tool for corporate development. Not only do you clearly manage your risks, you strengthen your core.

The process clearly identifies the individuals who drive your company's success, and refines your knowledge and processes for retaining these key performers. At the same time, the process improves future hiring by providing a well maintained database and set of relationships with similar top performers that will have an immediate impact on your bottom line.

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