

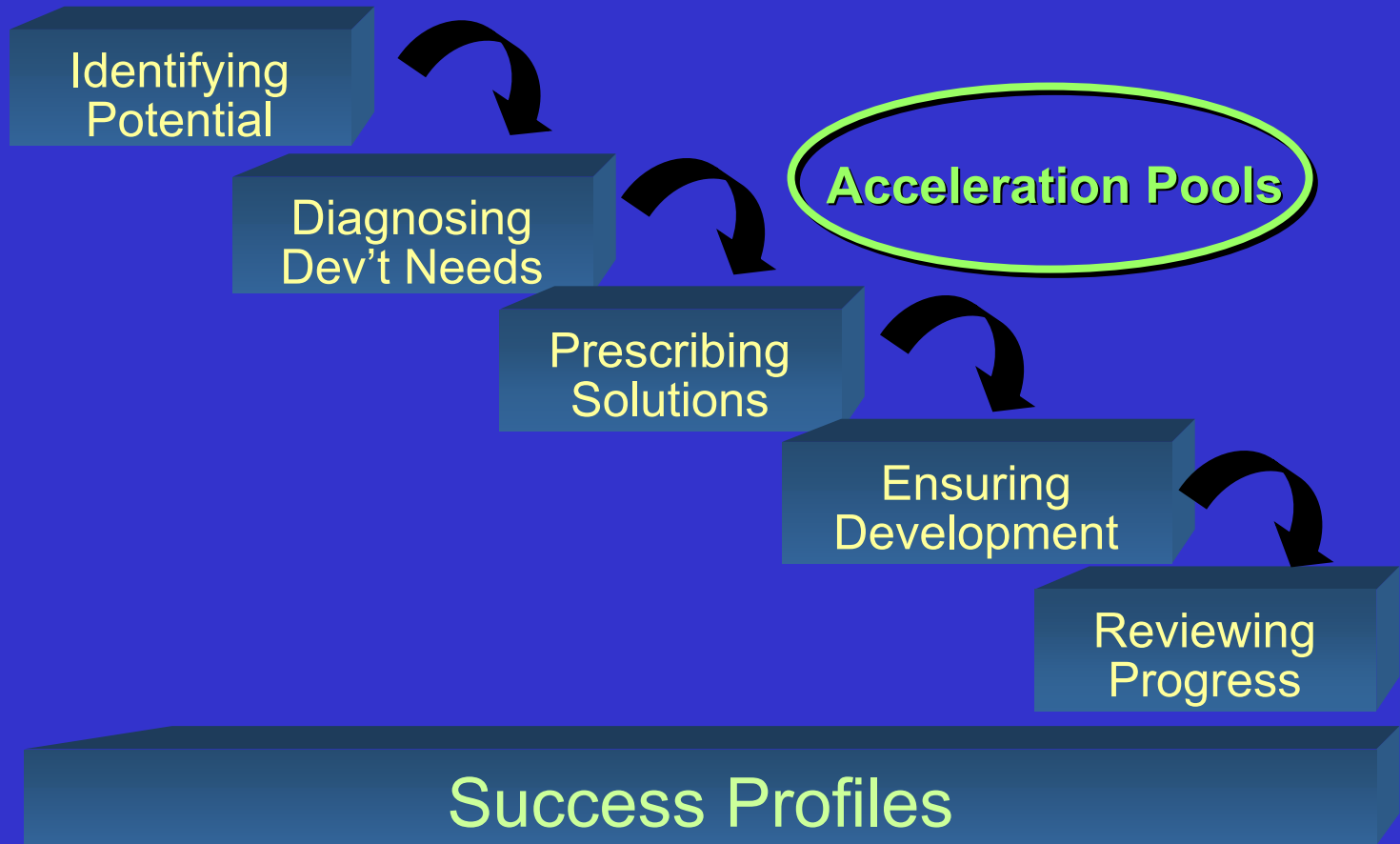
Managing Acceleration Pools

*From Identification Through
Development*

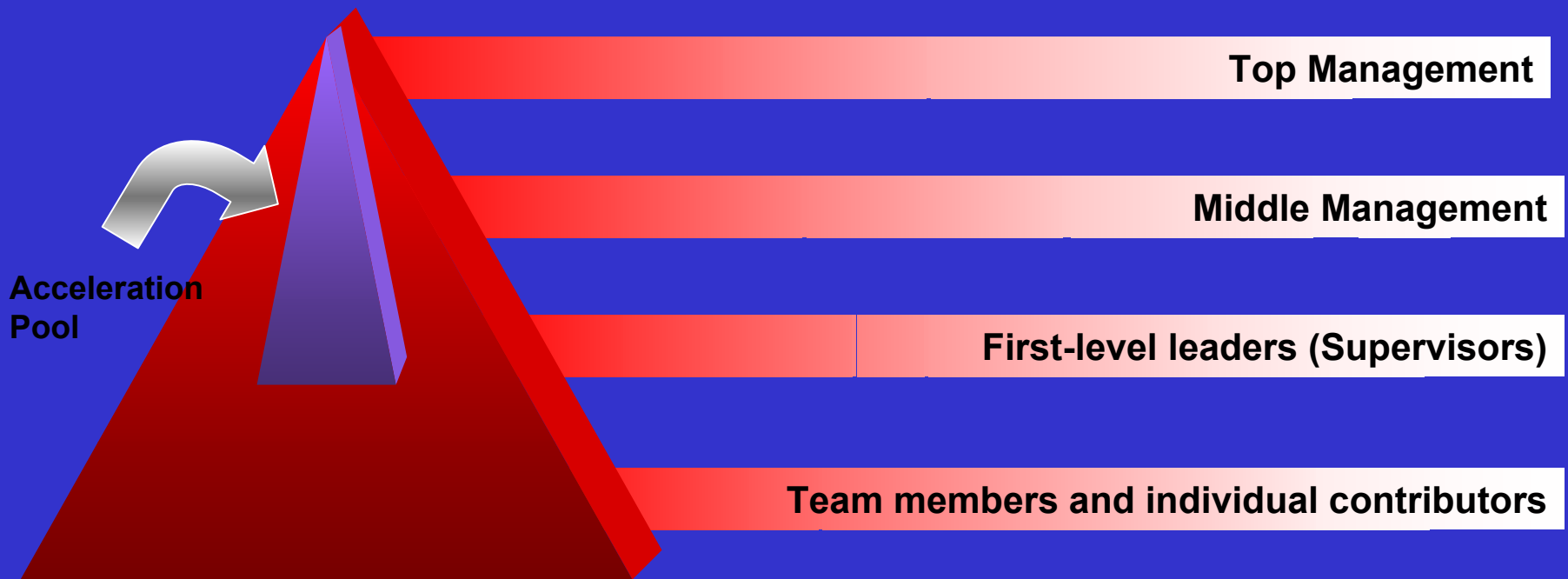
The need for acceleration pools.

1. **Increasing failure rates.** *Two thirds of all major companies worldwide have replaced their CEO at least once since 1995 - Manchester Consulting*
2. **Executive Retirements.** *On average, organizations will lose one third of their executives to retirement within the next 5 years - DDI, 2000*
3. **Cost of Talent.** *On average, organizations will pay \$1,000,000 each time an executive role is filled with an external candidate - Ernst & Young, 2000*
4. **Readiness.** *75% of companies worldwide are not confident in their ability to fill strategic leadership positions over the next five years - DDI, 2000; Corporate Leadership Council, 2001*

Managing Succession



Acceleration Pool



Acceleration Pools vs Traditional Succession Management

Traditional

- Position focus
- Vertical Movement
- Limited understanding of learning impact/intent
- Limited follow-up to see that development occurs
- Movement is based on time not accomplishment
- Development focuses on knowledge and experience
- Training is delivered in classrooms
- Focus on current performance

Acceleration Pool

- Business strategy and roles focus
- Vertical and horizontal movement
- Candidates are prepared for learning
- Measurement systems and coaching accountabilities are in place
- Movement is based upon performance
- Development also includes management, leadership and interpersonal skills
- Development is delivered through variety of medium
- Focus on future & current performance

Talent Pools vs Acceleration Pools

Talent Pool

- Members enter at the bottom
- Has defined development steps/ 'one size fits all' rotational strategy
- Carries implicit guarantee of promotion.
- Little structure to learning
- HR department and manager provide coaching
- Individuals are assigned to the pool

Acceleration Pool

- Members enter at multiple career points
- Has defined development goals; job assignments are made one at a time
- No guarantee - members must do a good job in each assignment.
- Learning objectives set for every job/ training experience.
- Choose most appropriate coach
- Individual chooses to be in the pool.

Theme #1

*“Leadership is hard work,
and we need more people to do
the job. FAST!!”*

Theme #2

“Leadership success is not just about doing the things that lead to success. It’s also about NOT doing the things that lead to failure.”

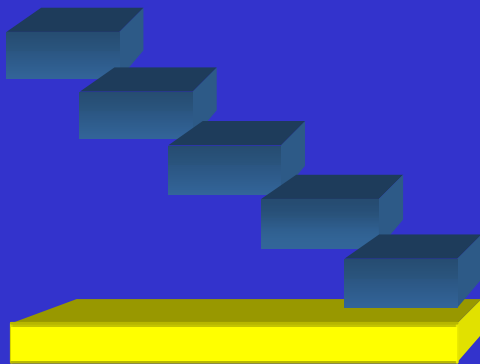
Theme #3

“You can’t outsource good parenting, and you can’t outsource the growth of your best leaders.”

Success Profile

Key Questions:

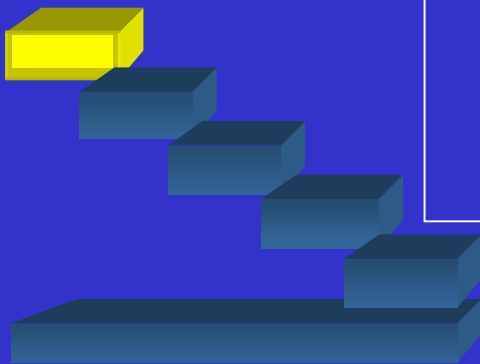
- Executive success factors identified?
 - Experience
 - Knowledge
 - Competencies
 - Derailers & Personal Attributes
- Aligned with business strategy?



Identifying Potential

Key Questions:

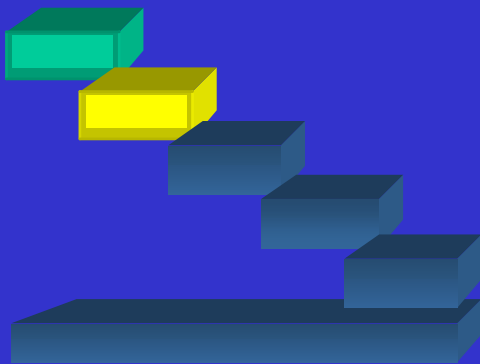
- Criteria for nomination established?
- Efficient nomination process in place?
- Objective, behavioral discussions?
- Communication strategy to participants?



Diagnosing Development Needs

Key Questions:

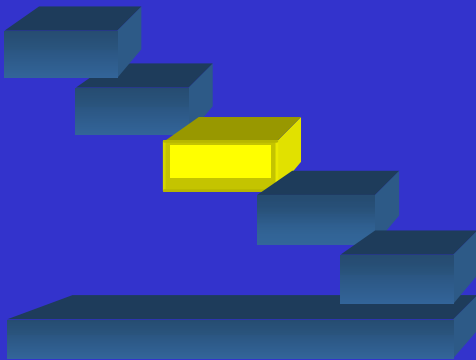
- Accurate, reliable measurement of:
 - Experience?
 - Knowledge?
 - Competencies?
 - Derailers & Personal Attributes?
- Assessment against future requirements?
- Is leadership benchmarked against external standards?



Prescribing Development Solutions

Key Questions:

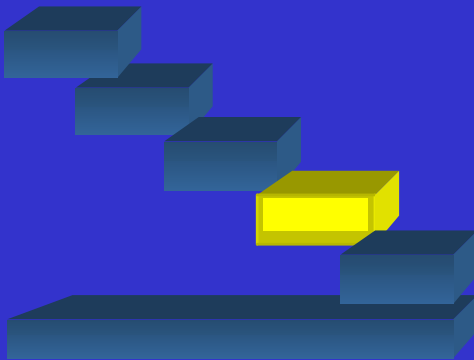
- Are development prescriptions aligned to individual needs?
- Optimal use of job assignments? Learning experiences? Training? Coaching?
- Do development help leaders preview future leadership roles?



Ensuring Development

Key Questions:

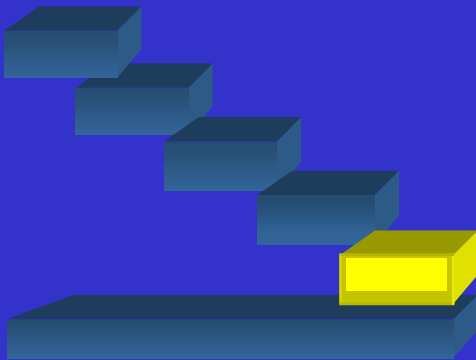
- Does the process create pressure to develop?
- Does real development and change take place? How frequently? Why/ why not?
- Development linked to performance management system?



Reviewing and Measuring Progress

Key Questions:

- Measures of individual and group success established?
- Periodic review meetings conducted?
- Review meetings managed effectively?
- Multi-rater feedback used to assess developmental progress?



Achilles' Heels

- No Orientation
- Oversimplification of Success Profile
- Overemphasis on Identification
- Misdiagnosis of Development Needs
- Wrong Prescriptions
- Training-Only Approaches to Development
- No Accountability for Development
- No Link to Business Strategy

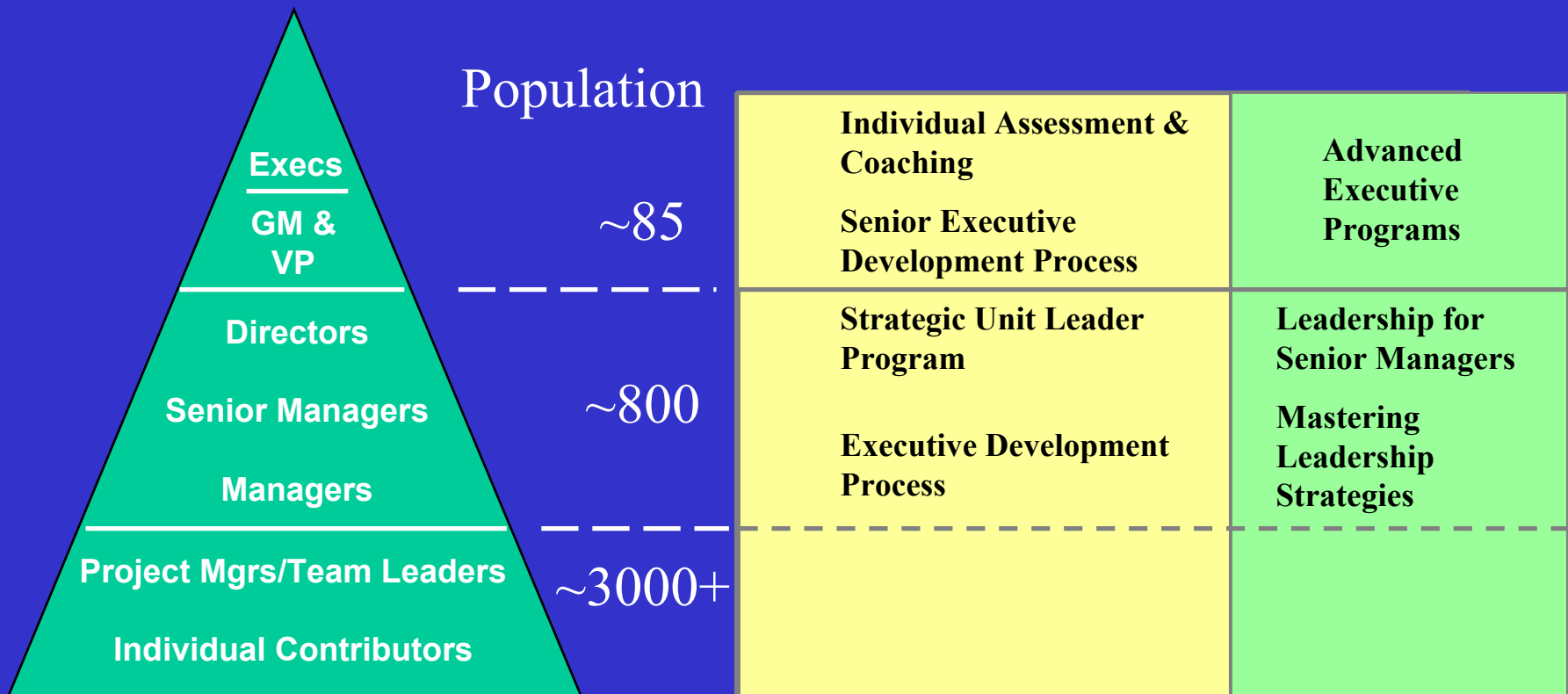
PPG is...

- A global maker of coatings, flat glass, continuous-strand fiber glass, industrial and specialty chemicals
- A company founded in 1883
- Composed of 16 strategic business units in four major product areas
- More than 33,000 employees in 21 countries
- Based in Pittsburgh, Pa

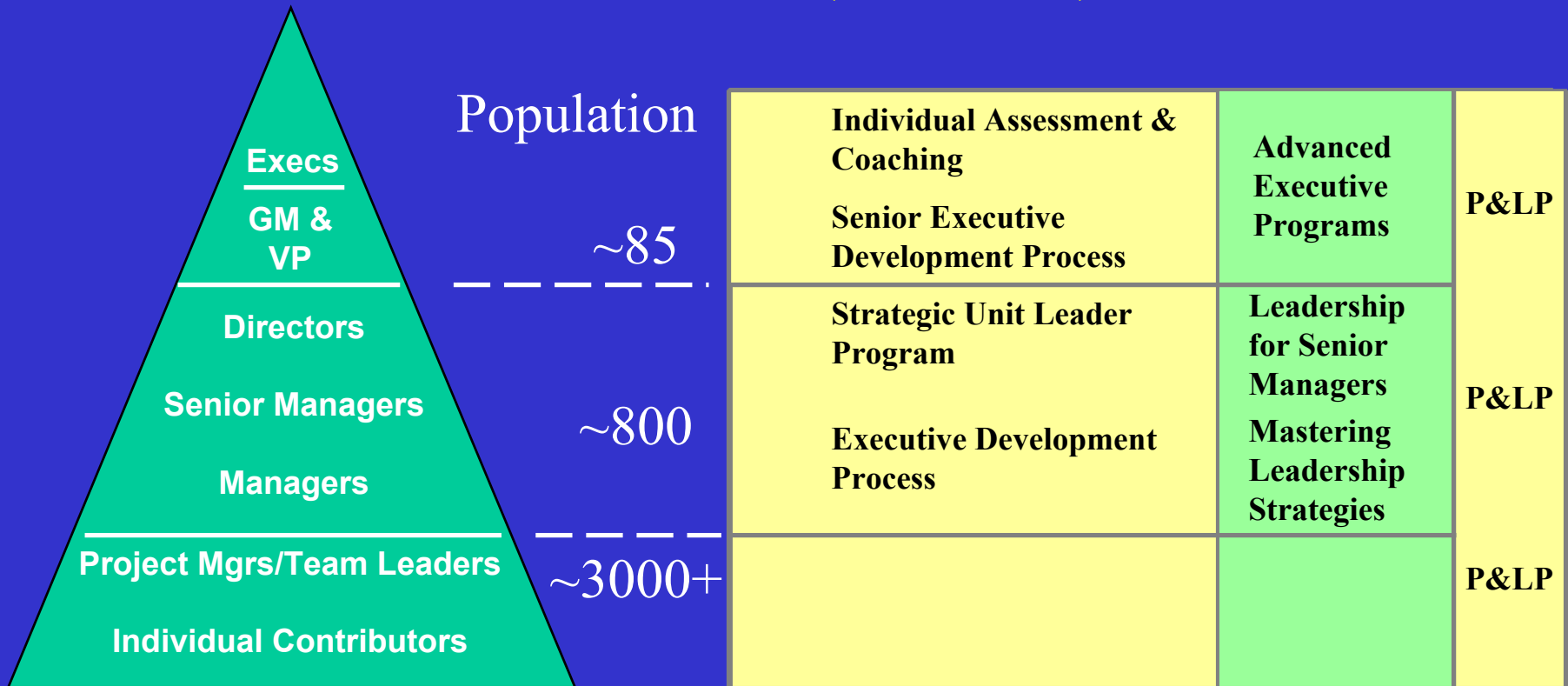
PPG Executive Development and Succession Management

- Evolution 1993 – present
- Vertical Acceleration Pool

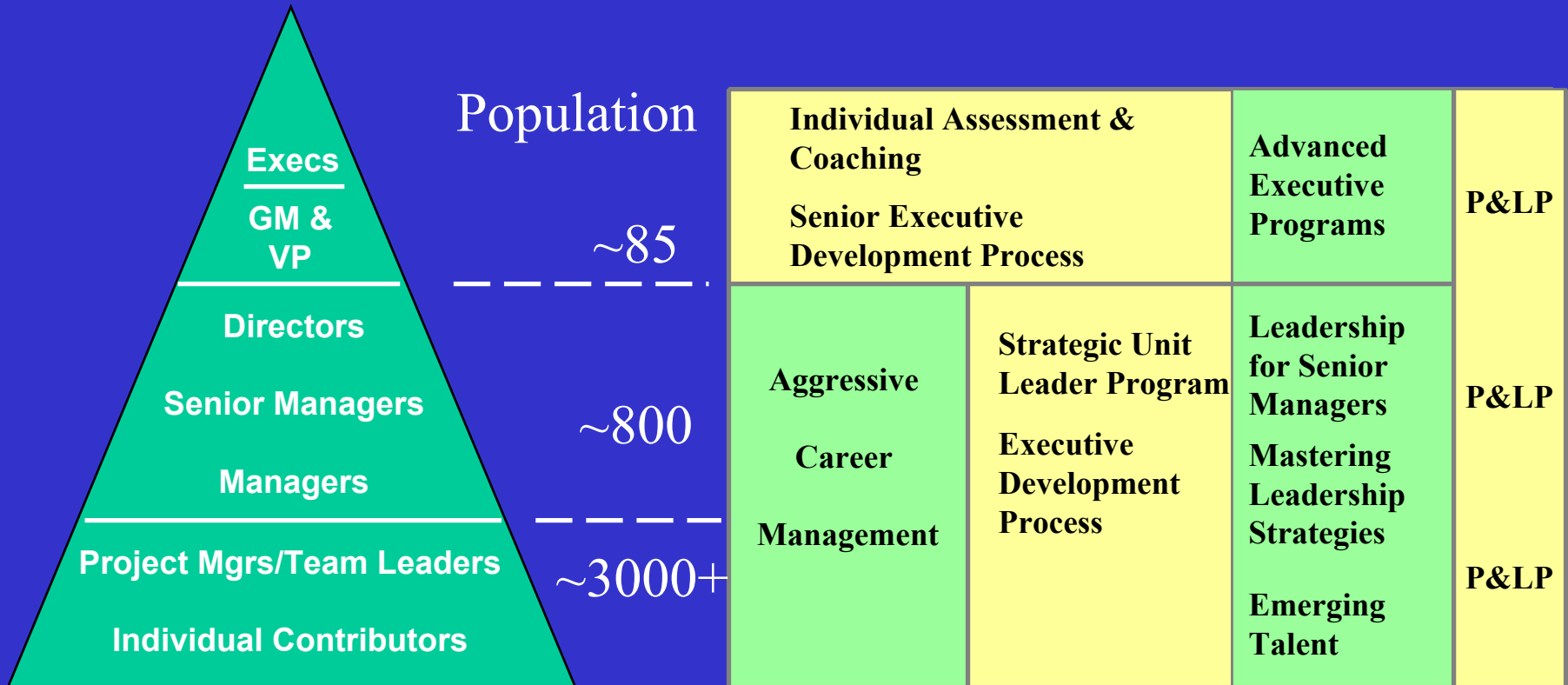
Leadership Development/ Succession Management 1993-1998 (CEO #1)



Leadership Development/ Succession Management 1998-2000 (CEO #2)



Leadership Development/ Succession Management 2000-2002 (War for Talent)



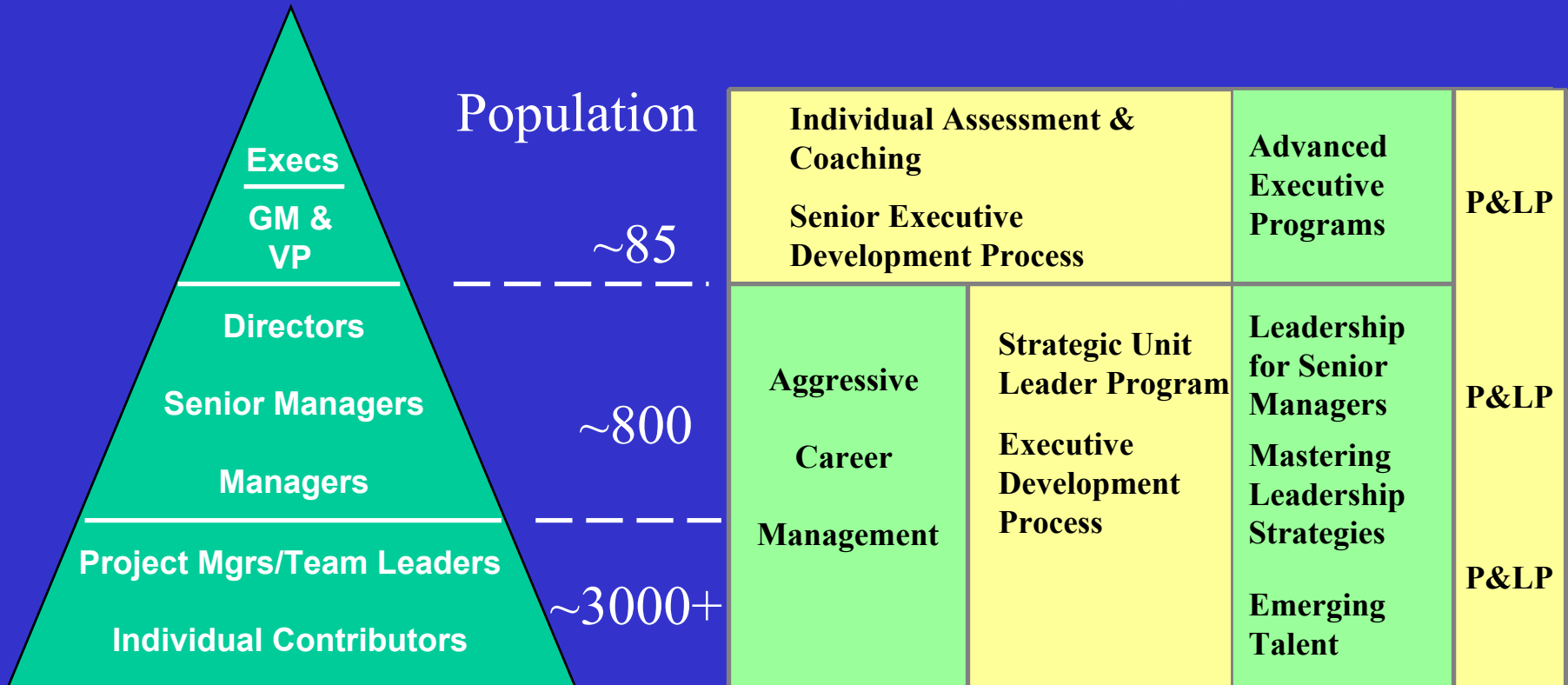
8 Year Migration

Process	From	To
Target Audience	Horizontal	Vertical
Performance Management	Independent discreet processes	Integrated process
Succession	Planning: <ul style="list-style-type: none"> • High Potential • Promotable • Well Placed • Problem Placement 	Management: <ul style="list-style-type: none"> • Forced Distribution • Rigorous Assessment • Develop top talent • Manage low performers
Leadership Development	One Size Fits All	<ul style="list-style-type: none"> • Key Career Events • Customized
Executive Accountability	++	++++

Lessons Learned

- Culture change takes time
- Coincident with major leadership change
- Must be very targeted
- Requires significant time commitment of Senior Executives
- Take full advantage of assessment data

Leadership Development/ Succession Management 2000-2002 (War for Talent)



Aggressive Career Management

- **Purpose:** Develop individuals for GM roles
- **Structure:** Two executive committees
- **Process:** Nomination, invitation, executive meetings, performance
- **Development:** Stretch job assignments + customized training plans
- **Measurement:** Results and job moves

Case Study #1

HR Professional - 10 Years experience

- Strengths
 - Honest and direct communications style
 - Adaptable - multiple business unit experience
 - Excellent influence/facilitation skills
- Needs
 - Customer contact & P&L accountability
 - Determine if he can drive change

Next Role: Sales – Major Account Manager

Case Study #2

Sales/Marketing Mgr Auto Coatings – Italy

- Strengths
 - Demonstrated high learning ability
 - Drives change – willing to take risks
 - Critical, analytical thinker – legal training
- Needs
 - Broader business exposure – company culture
 - Business acumen and financial training

Next Role: Corporate Marketing + MBA

On-Going Strategies

- Communicating
- Balancing corporate succession with individual business priorities
- Customizing development
- Integrating all HR processes
- Identifying/assessing talent