



51A Middle Street Newburyport MA 01950
Phone: 800-588-7039 Fax: 877-902-4284
contact@bhfe.com www.bhfe.com

Course Information

Course Title: Succession Planning #368217

Number of continuing education credit hours recommended for this course:

CPA: 3 (All states)

In accordance with the standards of the National Registry of CPE Sponsors CPE credits have been granted based on a 50-minute hour.

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration

Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)

Hawaii Board of Accountancy: 14003

New York State Board of Accountancy: 002146

Ohio State Board of Accountancy: M0021

Texas State Board of Accountancy: 009349

Course Description

The Succession Planning course describes every aspect of succession planning – its advantages, the steps involved in operating the program, and ways to enhance its effectiveness. The course also addresses training systems for employees targeted for advancement, special issues related to succession planning for the chief executive officer position, and the measurements that can be used to determine the performance of the program

Program Delivery Method: NASBA QAS Self-Study (interactive)

Subject Codes/Field of Study: Personnel/Human Resources

Level: Overview

Prerequisites: None

Advance Preparation: None

Course Content

Publication/Revision date: 11/6/2017.

Author: Steven M. Bragg, CPA.

Final exam: Fifteen questions (multiple-choice).

I Instructions for taking this course

You must complete this course within one year of the date of purchase (if you do not complete the course within one year, contact us to determine whether an updated edition of the course is available, in which case we will provide you with a PDF of the updated course and the online exam at no charge).

A passing grade of at least 70% is required on the final exam for this course. You may retake the exam if you do not pass it on the first attempt (no charge).

Complete the course by following the learning objectives listed below, studying the text, and studying the review questions at the end of each major section (or at the end of the course). Once you have completed studying the course and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Final Exam Online

- Login to your account online at www.bhfe.com.
- Go to "My Account" and view your course.
- Select "Take Exam" for this course and follow instructions.

Additional Information

- The exam may be started, stopped, then resumed at a later date.
- The exam is "open book," it is not timed, and it may be retaken if not passed on the first attempt (no charge).
- Results (correct, incorrect answers) and certificate appear immediately upon passing the exam.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

Learning Objectives:

- Recognize the costs of recruiting and onboarding.
- Note who might be included in the different types of talent pools.
- Describe the characteristics of someone who is ready for promotion.
- Cite the differences between succession planning and backup planning.
- Recognize what constitutes leadership competency.
- Note the indicators of a key position.
- Describe the techniques that can be used to make a succession planning program more effective.
- Cite the training methods that can be used to enhance employee capabilities.
- Recognize the uses to which coaching can be put.
- Describe the problems associated with hiring a CEO from the outside.
- Note the characteristics of an insecure CEO.
- Identify the types of costs that can be incurred to replace an employee.
- Recognize the different causes of unavoidable turnover.
- Recognize the organizational structures that tend to block employee advancement.
- Note the methods that can be used to retain employees.

About the Author

Steven Bragg, CPA, has been the chief financial officer or controller of four companies, as well as a consulting manager at Ernst & Young. He received a master's degree in finance from Bentley College, an MBA from Babson College, and a Bachelor's degree in Economics from the University of Maine. He has been the two-time President of the Colorado Mountain Club, and is an avid alpine skier, mountain biker, and certified master diver. Mr. Bragg resides in Centennial, Colorado. He has written the following books:

Copyright © 2017 by AccountingTools, Inc. All rights reserved.

Published by AccountingTools, Inc., Centennial, Colorado.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, except as permitted under Section 107 or 108 of the 1976 United States Copyright Act, without the prior written permission of the Publisher. Requests to the Publisher for permission should be addressed to Steven M. Bragg, 6727 E. Fremont Place, Centennial, CO 80112.

Limit of Liability/Disclaimer of Warranty: While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by written sales materials. The advice and strategies contained herein may not be suitable for your situation. You should consult with a professional where appropriate. Neither the publisher nor author shall be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential, or other damages.

Table of Contents

Chapter 1 - Succession Planning	1
Problems with Not Having Succession Planning	1
The Succession Planning Concept.....	2
Advantages of Succession Planning	3
The Costs of Recruiting and Onboarding	4
Succession Planning and the Strategic Plan	5
The Pooling Concept.....	5
The Well-Rounded Candidate	6
The Specialist Candidate.....	6
The Insider vs. Outsider Issue	7
The Insertion of Outsiders	7
Backup Planning	7
Review Questions.....	9
Chapter 2 - The Succession Planning Process.....	10
1. Identify Core Competencies	10
2. Compare Employees to Core Competencies	12
Unusual Candidates	13
Those Not Interested in Advancement	13
3. Provide Training.....	13
4. Provide Career Planning.....	14
5. Post Available Jobs	16
Enhancements to the Succession Planning Process.....	16
Limit the System to Critical Positions	16
Minimize the Number of Core Competencies	17
Adjust Job Competencies into Manageable Pieces	17
Identify High Potential Employees	17
Introduce High Potentials to Other Managers.....	18
The Cloned Candidate.....	18
The Clawback Provision	19
Extended Job Periods.....	19
Avoid Bureaucracy	19
Review Questions.....	20
Chapter 3 - Succession Training	21
Assigned Work	21
Coaching	22
Formal Training.....	23
Generic Training	23
Mentoring.....	24
Lateral Moves.....	25
Review Questions.....	26
Chapter 4 - CEO Succession Planning.....	27
The CEO Replacement Problem	27
Replacement Preparation.....	27
The External Hire Conundrum	28
Essential CEO Attributes.....	28
The Hiring Decision	29
Existing CEO Cooperation.....	31
Post-Hiring Activities.....	31
Review Questions.....	33
Chapter 5 - Succession Planning Metrics	34
Employee Replacement Cost.....	34
Percent of Non-Baseline Positions Filled Internally	35
Percent of Critical Positions Filled Internally	35

Employee Turnover	35
High Potential Employee Turnover	36
Projected Retirement Dates	37
Review Questions.....	38
Chapter 6 - Succession Planning Failures	39
The Low Commitment to Succession Planning	39
How to Improve the Odds of Success	39
The Balancing Point	40
Employee Departures	41
Review Questions.....	43
Answers to Chapter Questions	44
Glossary	48
Index	50