

Management Succession & Leadership Development in an ESOP



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Session Agenda



- 1. Introductions and Overview**
- 2. Background on King Arthur's program & program goals**
- 3. Key elements of effective programs**
- 4. Effectiveness from a participant's perspective**
- 5. Impact from perspective of Leadership Team**
- 6. Continuous development**
- 7. Q & A**

Issues in Succession



- Typically not planned for far enough ahead**
- Not considered for all critical positions**
- Challenges re external candidates: skills & values**
 - Hard to determine values & mgt style
 - Commitment to EO & reason for it
- Internally, not necessary to have just one possible successor in mind**

Finding the Right Successor



❑ Advantages in Promoting Insiders:

- Values, work ethic, strengths & weaknesses are known
- Provides career path for top performers
- Consistent with underlying ownership values
- You know what you're getting

❑ Disadvantages in promoting insiders:

- No one with the right knowledge and/ or skill set
- There may be several potential successors – problems with competition
- Need someone with more experience, wider perspective
- Need someone who brings new energy

Leadership Development



- Building internal capacity**
- More is better**
- Formal & Informal programs**
- Consistent with Ownership Culture**

Why Leadership Development at King Arthur?



- The timing was now, well then!
Business, personnel and a little help
from the state of VT**
- We had tried: Offsite/Onsite trainings,
focused group trainings, individual
learning's, online learning's etc...**
- First Step – The development of the
Goals for the program**

King Arthur's Goals for LD



- 1. Increase cross-company interaction at high level**
- 2. Free senior team's time for more focus on strategy**
- 3. Improvement of all on developed competencies**
- 4. Increase depth of capacity across the company; more stability**

Elements of Effective Programs



- **Senior team involvement (buy-in)**
- **Competencies**
 - Self Assessment
 - 360's
- **Cohort participates together, over time**
- **Concept, practice, apply, reflect (tie in)**
- **Projects: individual and group**
- **Structural integration**

Competencies



- 1. Leads change**
- 2. Thinks & acts strategically**
- 3. Wows customers**
- 4. Drives accountability**
- 5. Develops self and others**
- 6. Communicates effectively**
- 7. Excels as team member/ leader**
- 8. Models positive attitude**

Competency Example



EXCELS AS TEAM MEMBER/LEADER

Individual Contributor	Manager of People/Projects	Leader of Business/Function
Works well in teams as a member.	Works well in teams whether as a participant or leader.	Works well in teams whether as a participant or leader.
	Coaches others to be effective team members or leaders.	Coaches others to be effective team members or leaders.
Acts in ways that support the team's direction.	Clearly communicates and builds support for his or her team's direction.	Clearly communicates and builds support for the direction of the company.
Willingly participates with teammates in problem solving and decision-making.	Willingly participates with teammates in problem solving and decision-making.	Willingly participates with teammates in problem solving and decision-making.
	Creates forums for problem solving and decision-making that encourage participation of all teammates and relevant others.	Creates and supports a culture of participation and engagement in problem solving and decision-making.

Examples of Projects



□ Individual Projects

- Enhance the Retail Experience -- Create a more interactive experience for our customers
- Encouraging baking in children
- Opportunities in new markets

□ Group Projects

- Trends – One input for strategic planning is a scan of the current and future business environment.
- Creating a Sustainable Lean Structure

Participant's Experience



- 1. Program Overview-** from a participant's perspective
- 2. 360 process-** self evaluation and team feedback
- 3. Group involvement-** exercises and role playing
- 4. Strategic Thinking-** a different approach to problem solving
- 5. Individual and Group Projects**
- 6. Mentor role-** guiding someone else through the program

□ Senior Team experience: succession planning

- Companywide seeing the effects and benefits of Leadership Development
- Strategy Team focused more time on growing the business
- Participants' skills to drive their business forward.
- All moving forward under the framework of KAF competencies!

- ❑ **This was not simply a flash in the pan, flavor of the month...**
 - Competency Roll Out, Hiring Practice, Feedback, Performance Review etc...
 - Succession tracking and development for key positions