# Succession Planning Guide

Association of Governmental Risk Pools

May 2022

# TABLE OF CONTENTS

# Introduction

Having an executive-level succession plan in place is a good practice for any well-run organization. Yet many pool leaders (including top pool executives and governing body members) say they're not entirely satisfied with the quality of their current plan. This is concerning, as pooling is expected to lose over 75 percent of top executive talent by 2031.

Because of this growing talent risk, AGRiP launched its Succession Planning Residency to support pools through online resources, templates and video tutorials.

If you participated in our residency efforts in real time, you can use this guide as a reference for building on the work you did in 2020 and 2021.

> This publication was written primarily to support top pool executive succession planning, but the same guidance can be applied to succession in many other pooling roles.

If you weren't able to participate, this publication outlines a path to build a quality succession plan for your pool. By reading this guide and utilizing the resources linked within, you'll be able to:

1. Understand the basic goals of and rationale for succession planning (pg. 2–3)
2. Assess your pool's current succession readiness (pg. 4–6)
3. Articulate a strategic vision to guide succession planning work (the "big picture") (pg. 7–10)
4. Inventory your pool's knowledge silos and experts (pg. 11–16)
5. Engage in knowledge transfer from mentors to apprentices (pg. 17–24)
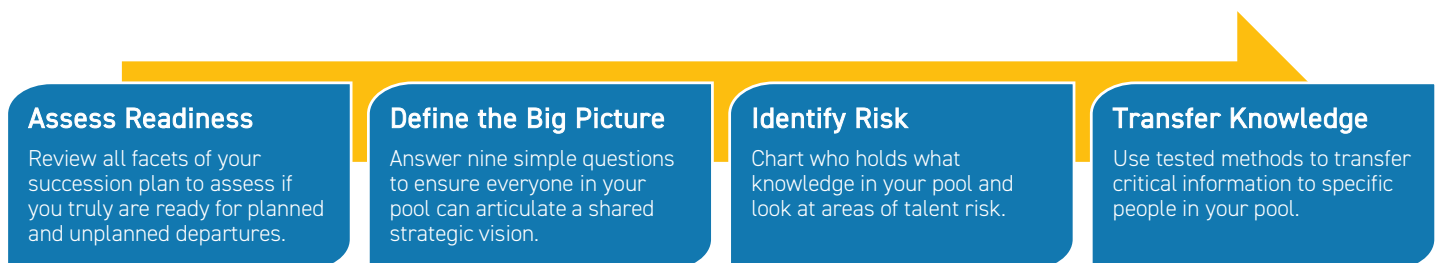
# 1. Succession Planning Basics

Every pool executive will eventually transition out of their job. What happens during and after that transition is largely a function of the succession planning work done beforehand.

Because all pools are unique, there is no "right" format for a pool executive succession plan. Your plan needs to align with and address your pool's goals, your top executive's goals, and the long-term needs of your pool's membership.

A good succession plan will answer and help you address questions like:

- How can we ensure continuity of service to our member entities if our executive leaves?
- Where do we rely solely on our executive to set operational and cultural standards?
- Where are we at risk of operational, cultural and other changes in the event of an executive transition?

In addition, you will know your succession planning work is complete enough when you can identify people who could be tapped to "do the work" of the current leader—either over the long term or only until a more permanent successor can be recruited and onboarded.

| **Assess Readiness** | **Define the Big Picture** | **Identify Risk** | **Transfer Knowledge** |
|---|---|---|---|
| Review all facets of your succession plan to assess if you truly are ready for planned and unplanned departures. | Answer nine simple questions to ensure everyone in your pool can articulate a shared strategic vision. | Chart who holds what knowledge in your pool and look at areas of talent risk. | Use tested methods to transfer critical information to specific people in your pool. |

## Why and When You Need a Succession Plan

Some pools question the importance of completing a thorough plan given other tasks or the status of their current executive. For example, if your current leader has no plans to leave and is currently successful in the role, you might be tempted to let succession planning slide. Or your team might be particularly busy with an urgent priority and feel that you can't take time to engage in this important work.

But here's the reality: Your pool needs a succession plan right now. Regardless of your executive's plans, status or commitments, here are some reasons to take time every month to focus on succession planning:

- **It is rarely clear to the governing body and all team members what the pool executive actually does.** People talk about "magic" and "secret sauce" to describe successful leaders because the work is a combination of relationship-building, planning, decision-making, situation analysis and showing up at the right place at the right time. Replacing this feels

daunting because pools lack a way to talk about all of these nuanced tasks. Spending time now to deconstruct all this value helps ensure the best of it can continue upon an executive transition—and also helps you better appreciate and understand the current work of your pool executive.

- **The rest of the pool team will benefit from opportunities to learn and grow as apprentices of the executive.** If you have a clearer idea of the value the executive brings, you can use that framework to grow capacity in more junior members as well as in governing body members. Even if none of these people might ever replace the executive, their experience and understanding of the executive's work will allow them to serve temporarily and also to support an incoming leader's transition. Another side benefit is improved retention of talented people who stay longer when they see more opportunity to learn.

- **Succession planning can improve organizational alignment.** If the succession plan lays out the work, the priorities and the "big picture" for the current executive, it can improve mutual understanding of critical issues from the governing body chair all the way down to the newest hire. This alignment will improve the likelihood of successfully executing the pool's strategy and foster clearer communication and improved productivity overall.

- **Work on succession planning will ease the path to recruiting, hiring and onboarding a new pool executive.** It will also increase that new executive's ability to maintain continuity in service to pool members—even if the current executive's departure comes unexpectedly. In other words, succession planning is really about business continuity and is an important fiduciary responsibility.

## Challenges Unique to Pools

Pools face unique challenges that make planning for executive-level succession particularly important. For example:

- Pools are sometimes too small to have potential replacement candidates already on staff.

- Pooling is highly relational and includes interpersonal work that often must be built on over time.

- If ongoing retirement trends continue, many executives will need to be replaced over a short period—and the number of replacement candidates is not large.

# 2. Assessing Your Current Succession Readiness

Everyone can agree that having a succession plan in place is a good practice, but developing one can be a daunting prospect. Again, while there is no "right way" to create a succession plan, there is one big test to check that your thinking is complete enough—and it's not just having an executive successor lined up.

Instead, measure the quality of your succession plan by thinking about who (and how many people) could be tapped to "do the work" of the current leader—either over the long term or just until a more permanent successor can be recruited and onboarded.

## Pool Succession Readiness Assessment

Taking the **Pool Succession Readiness Assessment** is critical preliminary work in the succession planning process. It gauges your pool's urgency and readiness to implement a succession plan in case the executive makes a planned or unplanned transition.

Watch Resident Steve Trautman discuss the readiness assessment.

Readiness should be measured by more than one person at your pool, with responses compared and discussed so your pool has a comprehensive view of readiness perspective. First, your top executive and chair of your governing body should answer the assessment questions. Then, validate those responses with at least one senior leader who understands the day-to-day activities of your pool's top executive (or, even better, your entire management team).

Your succession plan is considered "ready" if it can be implemented immediately with limited disruption of services to your pool members. The assessment should help find any holes in your plan. If you have done enough to reduce the service continuity risk of a departing executive, your answers will be clear, confident and color-coded in green.

# READINESS ASSESSMENT

**How soon do you expect transition in your pool's top executive role?**

- Within the next two years
- Within the next five years
- Not for the foreseeable future

Consider the following questions as they relate to your pool's top executive role. The more red and yellow answers you give, the more urgently you need to begin succession planning.

If you're unsure about any particular question, err on the side of caution and choose the red answer.

**Do you have a succession plan in place for the top executive role?**

- No
- Yes

*If no →*

**Do you have an emergency plan to name a successor?**

- No
- Yes

*If yes →*

**How much disruption do you anticipate in your pool's operations upon implementation of your succession plan?**

- A great deal
- Some
- None or minimal

**Has your pool designated a specific person or team to develop/maintain a succession plan for the top pool executive role?**

- No
- Yes

*If no →*

**Do you have a person or team in mind who can be responsible for your pool's succession planning work?**

- No
- Yes

*If yes →*

**Is this person or team available to commit five hours per month on average to succession planning work?**

- No
- Yes

# How prepared is your team to take on executive duties in the silos below?

→ Imagine the top executive became unexpectedly and completely unavailable.

| | Not at all | Moderately | Completely |
|---|:---:|:---:|:---:|
| Support for the pool governing body | ○ | ○ | ○ |
| Pool strategy | ○ | ○ | ○ |
| Political and regulatory relationships | ○ | ○ | ○ |
| Regulatory compliance | ○ | ○ | ○ |
| People management and staffing | ○ | ○ | ○ |
| Business process management | ○ | ○ | ○ |
| Strategic systems and technology | ○ | ○ | ○ |
| Key vendor relationships and contracts | ○ | ○ | ○ |
| Strategic financial oversight | ○ | ○ | ○ |
| Underwriting strategy | ○ | ○ | ○ |
| Actuarial analysis and interpretations | ○ | ○ | ○ |
| Reinsurance structure, relationships, placement | ○ | ○ | ○ |
| Claims strategy | ○ | ○ | ○ |
| Litigation management | ○ | ○ | ○ |
| Risk management or loss control strategy | ○ | ○ | ○ |
| Member relations | ○ | ○ | ○ |
| Business development or growth | ○ | ○ | ○ |
| Marketing and communications | ○ | ○ | ○ |

# 3. Articulating a Strategic Vision (The "Big Picture")

Many pools have a strategic plan or other regular work to define and articulate their goals. In the context of succession planning, the "big picture" represents an **executive's strategic vision for their pool** using a few very specific considerations—addressing executive vision in way that can be readily shared and understood by everyone involved with pool governance and operations.

If your pool's staff and governing body understand the pool's big picture consistent with the existing executive, they can be more effective in the current state and can maintain continuity through any executive transition, whether expected or unexpected.

**Core Purpose**
**Products and Services**
**Customers and Stakeholders**
**Partners**
**Pool Measures of Success**
**Competitors**
**Trends**
**Relevant History**
**Support the Strategy**

On the other hand, if your pool's team members don't understand the big picture, they'll be unprepared to support executive-level succession. Moreover, team members who don't "get the big picture" will have a hard time making the right decisions when it comes to things like choosing which member issue to address first with training resources, which claims need priority attention, or what information should be flagged to share with the governing body.

Bottom line: No matter the state of your pool's strategic plan or your pool's circumstances when it comes to the timing of executive succession, understanding and sharing the big picture is always important.

## Creating Your Big Picture Slide Deck

To help pools address key big picture questions for this purpose, we've created a pooling-specific exercise using a simple set of questions and a resulting set of presentation slides.

First, download the Big Picture Project slide deck, which includes questions and potential starting answers relating to your individual big picture. Then, edit the deck so the written answers accurately reflect your pool's big picture. As you do, you can refer to our deck of complete sample answers for inspiration.

For further guidance, watch Resident Steve Trautman and Executive Director Ann Gergen discuss:

• How to complete the Big Picture Project

• Key considerations for each question

• Best practice recommendations

# Big Picture Questions

Here are key considerations relating to each question in the Big Picture Project slide deck.

## 1. What is our pool's core purpose or function?

When answering this question, use plain language to explain your core purpose as though you were responding to the question informally to a friend. Don't use your pool's mission statement to answer this question, and don't focus on what your pool does—focus on why you do it.

## 2. What are the products and services we provide? How are they prioritized?

Imagine explaining to a new member of your governing body what you do for pool members. You would not list every training, model policy or coverage your pool offers, but you would want to provide a complete, high-level overview. Your answers should reflect groups of products and services.

As you list your products and services, be sure to prioritize them in order of importance and discuss your rationale for each. Prioritizing a list like this is often a difficult task—and of course there are situations where the priorities might change. But think about priorities in general terms and give it your best shot.

## 3. To whom do we deliver our products and services? How are those entities prioritized?

It can be hard to prioritize pool members, so instead think about how you would want your team to prioritize service delivery. Imagine you have an important risk management initiative that has to be delivered to members, but you can only deliver it to one member per day. What methods would you use to choose which member to deliver it to first? For instance, you might decide based on which member has the highest loss ratio or which member makes the most regular use of your pool's resources.

## 4. With whom do we partner to deliver our products and services? How are those entities prioritized?

Pool members are important partners but are not within the intended scope of this question. The goal here is to list external resources or service providers that are instrumental to supporting your pool operations. Where appropriate, include the names of unique people or companies so that their importance to your pool stands out from the others.

Be sure to prioritize the list once you've completed it. For example, which partners are more critical to your success, deserve more attention because of the work they do, or are granted greater access to pool information and resources?

## 5. What metrics do we track, and how are they prioritized?

Pools have many ways to measure and track success. Use this question to list the top five to ten measures you think are most valuable at a pool-wide level. These should be measures you want both your governing body and your staff team to appreciate as important.

Again, be sure to prioritize the metrics once you've listed them so that your team knows which metrics they should keep in mind before the others.

## 6. Who are our competitors, and how are they prioritized?

Pools often have three types of competitors: commercial market insurers, other public entity risk pools and self-insurance by members. List specific competitor names that fall under these or other categories. Then, prioritize the list so as to communicate which competitors are most important for your pool to monitor.

## 7. What external trends or issues are important to our strategy?

Most pools monitor three main categories of trends: those that impact members, those from the broader insurance industry, and those that affect business operations. List and prioritize the trends your pool is following today.

## 8. What is the relevant history that explains our current state?

Provide the most important high-level overview about how your pool got to its current state. Give context for why and how risk pools came into existence if needed, but mostly focus on nuances unique to your pool.

Note that speaking to the relevant historical context can be a great opportunity to reframe events that are perceived as problematic or to explicitly address changes you are making going forward. You can say what you're not doing anymore, and you can be explicit about how it used to be versus how it is now.

## 9. What are the top three things our pool is doing to support our business strategy?

Think about the top three things your pool is doing right now that support your overall strategy (one to three years out). Don't just repeat the services or coverages you're already offering routinely. Talk about the things you're doing to move into the future.

## How to Use the Big Picture Deck

After thinking about these questions and framing them in your Big Picture Project slide deck, deliver your presentation to your governing body and all pool staff (or to groups of managers and teams as appropriate for your pool's staffing structure). Roll out your answers to these questions and explain your rationale for answering them the way you did. Use this as an opportunity to talk about why and how the big picture is important in your pool's day-to-day operations and delivery of service to members.

Your goal is to make sure everyone at your pool understands and can articulate the same big picture as you. The measure of success here is that **everyone—*from the top to the bottom of the organization*—can answer these questions and sound like their bosses and peers.** Once you've validated that everyone can explain their roles in the big picture, you're ready to talk about the technical and specialized work that will need to be done to execute the strategy.

For more ways you can put your completed slide deck to use, read our 10 Ways for Pool Executives to Use the Big Picture Project document.

# 4. Inventorying Knowledge Silos and Experts

Once you've achieved a common understanding of your big picture for your pool, download and begin work on a Knowledge Silo Matrix (KSM).

This tool helps inventory areas of expertise ("silos") within any working team of a pool. The KSM also categorizes the knowledge of the people already working in those silos (as experts, independent and consistent workers, or someone actively learning in the silo).

Completing a KSM for your pool will help you identify knowledge and skill gaps that would exist if your pool executive left. It can also identify other knowledge gaps and training opportunities within your pool's work team. Many pools find the KSM to be a useful exercise and resource, even if top executive transition is not on the immediate horizon.

> Watch our tutorial videos for further guidance:
>
> • Introducing the Knowledge Silo Matrix
>
> • Assigning Colors and Assessing Risk
>
> • Action Plan and Alignment

## Defining Silos

For the KSM, a "silo" is a narrow but deep area of expertise usually consisting of 20 to 100 skills and tasks that must be known for someone to work independently in that discipline. It can take a month to a year to learn all the skills and tasks in one silo, so it is a large amount of work. For instance, underwriting is a likely silo for many pools because it requires deep knowledge of processes, methods, platforms, member risk profiles and more. (Later in this guide, we will walk you through defining the specific skills and tasks that make up a silo. For now, focus on the silo-level areas of work.)

The analogy of building a house helps illustrate what silos are. To build a house, you'll need work done in plumbing, roofing, siding, flooring, electrical and so forth. These are your silo work areas. You may have subspecialties where the workers who do the framing are not skilled enough to do the finish carpentry, but both fall under the "carpentry" silo.

By making a list of all your silos, you can break down the total work of your pool into digestible parts and begin to look at areas of talent risk in a whole new way.

Within the KSM template, a list of example silos appears on top of the "Knowledge Silo Matrix" tab. Detailed descriptions of them appear in the "Pool Silo Descriptions" tab. You can and should edit the silo names and descriptions in both places to reflect your pool's operations, vocabulary and current state. Remove silos that do not apply and add any that are missing.

*Sample Knowledge Silo Matrix*

## Adding Employees

In the first column of your KSM, list the people working with your pool right now (whether employed or contracted). Most pools will list every employee and contracted resource on one page (generally 30 or fewer people).

However, you can consider the scope that makes sense for your pool. Larger pools might create a separate KSM page for each department or operating unit as well as one for the overall leadership team. Creating a series of KSMs may alter the silos you list on each KSM page. For instance, in a larger pool with 60 staff and several contracted resources, you might have a KSM sheet for "claims" and one for "risk management." These sheets may have more detailed sub-silos listed on the top row that are specific to those functional areas.

Include consultants and other third-party vendors who provide specific knowledge you would need to replicate if that person or vendor no longer provided services to your pool. Your pool's reinsurance broker and actuary, for instance, both belong on this list.

## Categorizing Employees

This is where the KSM starts to really come together.

For each person you've listed, assign a color in each silo column denoting their current familiarity and learning within that silo. Click a cell and type "p" for purple, "g" for green or "y" for yellow.

- **Purple** means the expert—i.e., the person whose expertise you want to replicate in this silo of knowledge. This is the "mentor." The purple may or may not be the head of a department or otherwise connected to authority—formal seniority doesn't necessarily equate to automatic "expert" status. Instead, purple is the person you send someone to if you want them to learn a skill.

  *There should be only one purple expert per silo.* If you have more than one purple in a silo, ask whether you're being fully honest in your assessment or trying to keep the peace among experienced and valued people. If you still feel strongly there are two experts in a silo, consider subdividing the silo into what each person actually sets the standard for.

- **Green** means the person is consistent with the standards set by the purple. Someone who has been with the pool for years and knows just about everything there is to know in a silo is a green. A person who is green is doing acceptable or even great work. They might even be an effective mentor for new staff—but they aren't the ones responsible for setting the standard (that's the purple). Having many green boxes means a team has a stable, competent workforce. Green is good. Most people should aspire to be green.

- **Yellow** means the person is actively pursuing development of that skill because they will use the skill for their job. They're actively learning, so you might think of them as an "apprentice." Someone could be marked yellow because they are new, because the silo is new, or because they are being cross-trained or retrained.

  Being marked yellow is not a function of how old someone is or how long they've been with the pool, and it is definitely not a bad thing to be marked yellow. Yellow means the person has a plan to get to green, and that is always a good thing. However, it is possible for yellow to be a warning sign. For instance, if you have an employee who has been working in a silo area for several years and has received all the training you currently offer but is still yellow, it may be a good time to reassess training, goals and performance standards.

- **White** means the employee is not currently doing the work in the silo at this time because it is outside their job role. It doesn't mean they have never done it or couldn't do it if asked, but it means that right now they are doing something else.

## Translating Data Into Risks

The KSM gives your pool a framework and lexicon for conversation that is consistent, quick and clear. Once you have data in the KSM, you can immediately begin analyzing it and deciding what to do.

While there is no algorithm that tells you precisely how to interpret the data, you can ask the following questions as you engage in conversation between managers and key stakeholders who know the "rest of the story."

**Consider the following for each silo:**

- Does this silo have enough resources overall (purples/greens)?

- Are there sufficiently independent resources (greens) available to take on work in this silo if needed?

- Are there alternate resources (in-house, on the market, as a new hire or consultant) available to take on work in this silo if needed?

- Is the expert in this silo at risk of leaving or being unavailable? Do they sit outside the team? Are they ready to retire? Are they at risk of burnout or needed elsewhere?

- Would it take a lot of time or money to train another expert resource in this silo?

- Are there too many purples in this silo (which might create confusion and conflicting directions)?

**Consider the following for each employee/vendor:**

- Is this person purple in too many silos? Are they at risk of burnout? Have they announced retirement/departure? Are they a bottleneck?

- Is this person a new hire/transfer and still yellow in many silos?

- Is this person an underutilized resource (green, yellow and/or purple in too few silos)?

- Is this person a shared resource on multiple teams (spread too thin)?

## Knowledge Silo Matrix

The Steve Trautman Co.
Talent Risk & Knowledge Transfer Experts
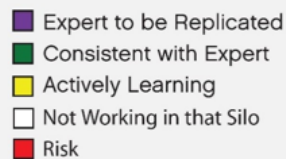
**Legend:**
- 🟪 Expert to be Replicated
- 🟩 Consistent with Expert
- 🟨 Actively Learning
- ⬜ Not Working in that Silo
- 🟥 Risk

| Name | Priority | Governance (1) | Business Strategy (1) | Advocacy, Lobbying, Politics (4) | Regulatory Compliance (4) | People Management (4) | Process Management (4) | Contract Management (4) | Financial Management (4) | Budgeting (3) | Underwriting (4) | Actuarial Interpretations (4) | Reinsurance (4) | Claims and Litigation Management (4) | Risk Management Services (2) | Member Relations (4) | Member Development, Marketing and Comms (4) | Public Entity Operations (4) | Insurance Expertise (4) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Jayden Kim, Executive Director | | | | | | | | | | | | | | | | | | | |
| Leslie Mine, Finance Director | | | | | | | | | | | | | | | | | | | |
| Pat Davis, Claims Manager | | | | | | | | | | | | | | | | | | | |
| Lee Vang, Claims Adjuster II | | | | | | | | | | | | | | | | | | | |
| Armani Duvee, Claims Adjuster I | | | | | | | | | | | | | | | | | | | |
| Angel Hernandez, Underwriting Manager | | | | | | | | | | | | | | | | | | | |
| Loren Michaels, Underwriter | | | | | | | | | | | | | | | | | | | |
| Cory Riggs, Technology Director | | | | | | | | | | | | | | | | | | | |
| Zain Mitra, Risk Management Consultant | | | | | | | | | | | | | | | | | | | |
| J.C. Meyers, Reinsurance Broker | | | | | | | | | | | | | | | | | | | |
| Deema Knowel-Peehl, Management Consultant | | | | | | | | | | | | | | | | | | | |

If you look at the sample KSM again with this context in mind, you might be able to pick out the reasons a person or a silo was marked red, which denotes risk.

For instance:

- Jayden is purple in too many silos. If he left the pool, it would put operations at risk.

- Loren is only consistent with the expert in one silo. She is being underutilized.

- Budgeting only has one purple and no other resources. If Leslie left, no one would be able to do her work in this silo right away.

To mark a person red on your KSM, type an "r" next to their name (in Column A). To mark a silo red, type an "r" above its title (in Row 1).

Note that the silos in this example have a "Priority" number attached to them. You may also number your employees. Priority numbers let you identify the silos or employees that need to be addressed immediately (1), as soon as is feasible (2), within the next three to six months (3), and at some point in the future (4). Each pool will have different priorities.

# Creating an Action Plan

For each at-risk silo or individual, list the silo or individual's name, why there is a risk, and the potential impact of not resolving the risk. In each row, select the appropriate proposed mitigation plan and priority from the dropdown menus. Enter your timeframe for mitigation. For silos using knowledge transfer as the mitigation plan, list the proposed expert or mentor and apprentice(s) if known.

| Silo/Individual at Risk | Risk Justification and Impact of Risk | Mitigation Plan | Priority | Mitigation Timeframe | KT Expert/Apprentice(s) | Mitigation Plan Notes | Status |
|---|---|---|---|---|---|---|---|
| Governance | Inadequate Resources | Knowledge Transfer: The risk is handled by training a new purple or more greens | 1. Urgent/immediate priority. Address right away. | 1 month | | | |
| Business Strategy | Inadequate Resources | Hire FTE: The risk is handled by reassigning resources | 2. High priority. Address as soon as feasible. | 2 months | | | |
| Budgeting | Inadequate Resources | Knowledge Transfer: The risk is handled by training a new purple or more greens | 3. Medium priority. Mitigation needed, but it's not time sensitive. | 6 months | | | |
| Risk Management Services | Inadequate Resources | Borrow Resources: The risk is handled by borrowing resources from other teams | 1. Urgent/immediate priority. Address right away. | 1 month | | | |
| Jayden Kim, Executive Director | Possible Retirement | Knowledge Transfer: The risk is handled by training a new purple or more greens | 1. Urgent/immediate priority. Address right away. | 1 month | | | |
| Armani Duvee, Claims Adjuster I | Possible Retirement | Borrow Resources: The risk is handled by borrowing resources from other teams | 2. High priority. Address as soon as feasible. | 2 months | | | |
| Loren Michaels, Underwriter | Steep Learning Curve | Knowledge Transfer: The risk is handled by training a new purple or more greens | 2. High priority. Address as soon as feasible. | 2 months | | | |

Once you have identified your at-risk silos and at-risk employees, you can create an action plan to mitigate the risks. See the "Action Plan" tab in your KSM workbook.

This action plan lets you lay out a strategy, indicate a time frame, and identify the mentors and apprentices who will be paired for knowledge transfer. Knowledge transfer is not the only mitigation strategy that you can use. Here are the most common alternative strategies:

- Borrow resources from other teams

- Reassign resources

- Hire more staff or contractors

- Phase out work on the silo because it is no longer needed

- Deprioritize the silo, put it on hold, reduce expectations, etc.

An action plan isn't the only benefit of creating a KSM. Read our 10 Ways to Use the Knowledge Silo Matrix document to get the most out of your work.

# 5. Executing Knowledge Transfer

Effective succession from an existing to new pool executive requires thorough transfer of knowledge. However, transfer of executive knowledge should not be work that is conducted only once a successor has been named. Nor should knowledge transfer efforts be contained only to the top executive's role. It must be done frequently and at all levels.

Knowledge transfer is most effectively done silo by silo. For each of the at-risk silos you identified using the KSM, you will:

1. Deconstruct the silo to the task level by using the Skill Development Plan template.

2. Hold hour-long knowledge transfer sessions between mentors and apprentices to transfer knowledge and test comprehension.

3. Document these sessions and store information for future use.

## Completing a Skill Development Plan

A Skill Development Plan (SDP) is a methodical, proven method to transfer knowledge from the expert(s) in a silo to any number of apprentices. Using the SDP provides a measurable roadmap for all the unique skills an apprentice needs to learn to successfully work in a silo. It provides a clear list of every task they must perform along with specific ways they can be "tested" to ensure they're competent. It also points at resources they can use to improve their learning.

| **Skill Development Plan** | | | | | Mentor: |
|---|---|---|---|---|---|
| **Skill/Task** | **Learning Sequence** | **Test Questions** | **Completion Date** | **Resources** | **Status** |
| Present quarterly performance to the governing body | | 11, 19, 6, 14, 9 | | Template(s), past examples or examples from another pool, ratios and AGRiP benchmarks, minutes from prior meetings, <could include name of person with specific piece of expertise> | |
| Build a relationship with the governing body | | 15, 1, 18, 4 (management, board), 20 | | Introductory event, assessment tool/workshop, facilitator for team-building (governing body and staff), meetings/dinners/organized activities, contact list | |

For *each identified silo at your pool*, fill out a separate Excel workbook. Within each workbook, make a copy of the Master SDP tab (in purple here) for each apprentice and customize it to meet their learning needs.

| Instructions | Silo Perspective | Air, Food and Water | Test Questions | **Master SDP** |
|---|---|---|---|---|

# → Read the subsections ahead to learn how to work with each column.

## *List of Skills and Tasks*

Although it seems simple, creating a list of skills and tasks within a silo to be transferred takes some real work. This work is done by the knowledge expert. It will likely take two to four hours of work time to list all the skills and tasks routinely completed in a silo. We recommend you break this work into three or four segments that are spaced a couple days apart. This will allow you a chance to draft a starting list of skills, then add to it or revise it after a day or two away.

Based upon input from many pool executives completing knowledge transfer work with AGRiP, the best advice we can offer for creating an effective list of skills and tasks for any silo is this: **Think at a tactical, granular level.** You'll want to get specific about the tasks you complete in your work area. Consider emails and memos you write, phone calls you make, meetings you conduct, the work from others you edit or guide, presentations you draft and present, people you get to know over lunch or at a professional dinner, conferences you attend, and all the other nitty-gritty details of doing your work.

Examples of well-articulated skills and tasks for SDP purposes include:

- Write a requirements document for an RFP for a new underwriting system.

- Analyze month-end claims data to identify anomalies and trends the governing body may need to hear about.

- Plan and lead a quarterly staff meeting.

- Build a relationship with the city manager at the pool's largest member.

In addition to this overarching advice, each skill or task listed should comply with three rules:

1. **Start the skill or task statement with a verb.**

2. **Be sure the skill or task is fully actionable.**

   » You should be able to say "go do [this task]." (Hint: A skill or task should not start with the verb "understand." You cannot say "Go understand how to underwrite a member experiencing significant discord in its operations.")

   » Verbs like "learn," "know," "understand," "use," and "be familiar with" are not effective in this context.

3. **Be sure each skill or task listed can be explained in about an hour.**

See the Appendix for a list of sample skills and tasks for the Governance silo.

## Learning Sequence

Whether you are the mentor or the apprentice, it can be hard to prioritize all the learning that will take place in a silo. In this column, list the sequence of learning that is most appropriate. This sequence is the order in which knowledge transfer meetings will be held.

## Test Questions

Thinking about testing knowledge as part of the knowledge transfer process is critical. Knowing the level of knowledge and familiarity you expect an apprentice to have about any particular topic will help you teach to that standard.

### Key Test Questions for a Skill Development Plan

Consider the prompts below to develop and ask apprentices three to five test questions for each skill/task. Testing is important to measure whether knowledge has been transferred. The accuracy/quality of apprentices' answers reflects their level of readiness.

Ask a question to ensure the apprentice is able to explain:

1. The most common vocabulary words, acronyms and terms
2. The steps in the process and why each is important
3. The top three things that often go wrong when someone is learning this skill
4. The relationship between x and y
5. How to troubleshoot the three most common problems
6. The potential cost of making a mistake while executing this task/skill
7. Who is/should be involved/affected/consulted and why
8. How to identify and define a "problem" vs. a "crisis" in this area
9. How to escalate a problem or crisis in this area to get additional help
10. The three best practices for this topic
11. How to find resources (documents, experts, samples, websites, etc.)
12. How to choose between x and y
13. How to recognize "quality" work
14. What standards exist and how rigorously they are applied
15. How the skill relates to the overall job
16. The three greatest potential safety hazards on this job
17. How to uncover opportunities for innovation in this skill or task
18. What to look for, listen for, feel or smell
19. The relevant historical issues to consider
20. The characteristics of a normal state and the most common characteristics of an abnormal state

In this column, list three to five test questions that relate to each skill or task you intend to teach. You'll find examples in the "Test Questions" tab of the SDP workbook and in the graphic below.

The number of test questions per skill (three to five) serves as guidance on what can realistically be covered in a one-hour knowledge transfer meeting. If you are trying to teach to more than five questions, the meeting will be longer than an hour. If that's the case, break the skill into two (or more) skills to allow sufficient time for the knowledge transfer effort.

## Completion Date

In this column, enter the date by which the apprentice should be able to successfully address the selected test questions. Choose realistic dates that ensure the apprentice has time to become genuinely competent and perform the skill independently.

## Resources

In this column, list all the content and learning opportunities an apprentice can use to learn a skill or task, such as:

- **Things to read:** websites, standards, standard operating procedures, regulations, interviews, books

- **Things to see:** videos, visual diagrams, flowcharts, organizational charts, instructor-led or online training

- **People to talk to:** other approved experts on the team or other relevant experts such as consultants, contractors, vendors, customers, etc.

- **Things to help do the task:** templates, spreadsheets or special software tools

It is important to capture resources as specifically as possible. For example, include the relevant page numbers or chapter name when listing a reference manual as a resource.

## Status

This column allows both mentor and apprentice to monitor progress in transferring knowledge by skill or task. The SDP prepopulates with three options: Blank, In Progress and Complete. The skills marked Complete are used in the formula at the bottom of the sheet to indicate the percentage of skills transferred relative to the total number of skills for the selected silo.

## Other Tabs in the Workbook

- **Silo Perspective:** Transferring knowledge requires lots of detailed conversations and information sharing, so it's important for both the mentor and apprentice to have starting perspective on the silo overall and how it fits into pool operations.

  Early on in knowledge transfer, be sure to complete the prompts on the "Silo Perspective" tab. Your expert answers to these questions provide context so an apprentice can prioritize and make good decisions on where to focus energies when learning and executing new skills.

- **Air, Food and Water:** "Air, food and water" is how we refer to baseline needs of a new learner in any silo for any skill or task. These are the things anyone would need to have or know to be ready to learn the skill or task.

  For any knowledge transfer work you do, take a minute to address these starting needs. They may include showing an apprentice their office setup, introducing them to other members of the team, getting them connected to group emails and invited to team meetings, providing access to shared documents, etc.

## Knowledge Transfer Meetings

As mentor, once you have completed the SDP for a silo, you are ready to begin transferring knowledge. For each silo, you will:

1. Complete a First Meeting Agenda on your own. Hold your first meeting.

2. Complete a Five-Minute Meeting Plan to prepare to teach each skill or task.

3. Effectively teach the most important information.

4. Adapt to the apprentice's learning styles.

5. Test for comprehension.

6. Repeat Steps 2 through 5 until each skill or task is transferred.

### 1. First Meeting Agenda

The First Meeting Agenda can help organize a kickoff meeting that gives everyone a chance to compare notes, confirm roles and responsibilities, and discuss team goals. You should all leave the meeting with clear expectations of each other.

### 2. Five-Minute Meeting Plan

The Five-Minute Meeting Plan is both a tool for the mentor to use to organize their thoughts and a resource that the apprentice can use to take notes and file as a quick reference sheet. Once you've developed a plan with this tool, you have a valuable resource that can be used in a number of ways:

- Use it as an outline whenever you're teaching. It'll help you focus on what you need to cover and what you don't need to cover.

- Delegate the teaching to another subject-matter expert by asking them to use the meeting plan to stay on track and maintain consistency.

- Post it as a link from the SDP's resource column so others can use it.

### 3. Teach the Most Important Information

The human brain has two kinds of memory: long-term and short-term.

- Long-term memory is as vast as an ocean. Your long-term "ocean memory" is for information you want to keep forever, like your mother's birthday and your home address. It's in. It stays. You can access it at any time.

- Short-term memory is much more limited—much like a one-gallon bucket. Your short-term "memory bucket" is used for all the information you remember for a day, an hour or the time it takes to send a text. It's in, and it's out.

Knowledge transfer has to deal with these two types of memory. As a learner, you put what you need for a little while into your short-term bucket and ultimately put the important stuff in the long-term ocean. The trouble is, you can't get information directly into your long-term ocean. Information has to start by going into your bucket. And, in order to get from the bucket to the ocean, it has to pass through a very small tube.

When peer mentors start sharing new information (filling up the bucket), they often start with information that is irrelevant or out of place. Next, they summon all they know on the topic, turn on their "firehose of information," point it at the apprentice's bucket and spray. The sheer volume of new information simply overwhelms the bucket. Everything important spills out. All that talking results in very little learning.

Here are some ideas you can use every time you're about to start teaching some new material.

- **Assess what your apprentice already knows.**

- **Teach the information right before it will be used.** If it isn't relevant for today's tasks, consider putting it off until it is.

- **Give context.** How does this material fit into this job, and how important is it? (Should the apprentice memorize it, be able to find it in their notes, or post it on the wall?)

- **Describe the basic concepts at a high level.** No heavy details, just main points and the expected outcome.

- **Talk through the concepts.** Give more detail and show examples as appropriate.

- **Have the apprentice paraphrase the main concepts or steps in the process.** Or have the apprentice review notes aloud to make sure they are complete.

- **Provide an opportunity to practice.** Set a time to meet and go over the results.

- **Give resources for troubleshooting possible problems.**

## 4. Test for Comprehension

You've already prepared for this part of knowledge transfer. Simply ask your apprentice the questions you developed and entered into your SDP. Make sure the apprentice can answer them at the end of the learning.

## 5. Adapt According to Apprentice Learning Styles

Learning styles affect the way a mentor teaches and how an apprentice learns. As you think about learning styles, keep in mind that one style is not better than the others. We all learn differently and we learn new information best when it fits into our learning style.

For example, if you prefer to be given a problem, a pile of documentation and a quiet corner to work in, that is likely to be what you give to your apprentice. If that works for your apprentice, you're in luck. If it doesn't, then you may find the apprentice struggling to learn.

There are many learning style frameworks. The following four are fairly easy to discern:

- **"Why?"** These people want to know how information relates to them. Learners might ask:
  - » "Tell me why this is important."
  - » "When will I use this information?"
  - » "Should I memorize this or just be able to find it in my notes?"
  - » "I am not going to be able to listen to what you have to say until I figure out why you're trying to say it."

  As you teach, make sure you **explain the benefits and the purpose of the information.**

- **"What?"** These people want to cut to the chase. Learners might ask:
  - » "Give me the facts from beginning to end in a clean outline format. What is the first step, and so on?"
  - » "What kind of documentation do you have for me?"
  - » "If you want me to learn from you, avoid tangents."
  - » "I like order. Think about what you'll say before you start talking and I'll get it faster."

  As you teach, **develop an outline and follow it.**

- **"How does it work?"** Context is the thing for the "how does it work" learner. They might ask:
  - » "Tell me about the before and after."
  - » "Connect this idea to those we talked about yesterday."
  - » "Show me a picture or a diagram. I'm a visual learner."
  - » "Give me an opportunity to do some problem-solving. Let me practice so I understand how to apply these ideas."

  As you teach, **provide plenty of practice. Discuss relationships and the big picture.**

- **"What if?"** These people go for multiple scenarios, pushing at the edges of what is possible. Learners might ask:
  - » "What if we went about it this way instead of that way?"
  - » "I wonder if there is a quicker way to get to that same result. Can you tell me what ideas you tested to get you to this point?"
  - » "If you let me poke around and question your thinking, I will learn what you want me to learn."

As you teach, be prepared to **discuss the possibilities.**

# Conclusion

Top executive succession planning is critical work for any pool, especially in today's employment environment. By following the steps in this guide and engaging with the resources within, you'll not only be able to prepare a quality succession plan but also improve the knowledge and resiliency of your existing team.

Be sure to contact AGRiP if you have questions as you do this important work.

# Appendix A: Additional Resources

- AGRiP's Succession Planning Residency page
  - » Big Picture Project
    - · Big Picture Project slide deck
    - · Model slide deck (with clear, practical answers to reference)
    - · Best practices video
    - · 10 Ways for Pool Executives to Use the Big Picture Project

  - » The Knowledge Silo Matrix Exercise
    - · KSM template
    - · Tutorial videos
    - · 10 Ways to Use the Knowledge Silo Matrix

  - » Skill Development Plan
    - · SDP template
    - · Sample SDP collaboratively developed at the Knowledge Transfer Workshop
    - · Sample SDP developed by Executive Director Ann Gergen
    - · Rules for a Skill Development Plan (with guidelines for writing out skills and tasks as well as questions to measure whether knowledge has been transferred to your apprentices)
    - · First Meeting Agenda (template to prepare for your first knowledge transfer meeting with an apprentice)
    - · Five-Minute Meeting Plan (template to quickly organize knowledge into a structured mentoring meeting outline)

  - » How to Transfer Pooling Knowledge (*Intelligence* article)

  - » Executive Succession Planning Tips for Governing Bodies (webinar)

  - » Emergency Succession Planning (webinar)

- Books by Steve Trautman
  - » *Do You Have WHO It Takes?*
  - » *Teach What You Know*
  - » *The Executive Guide to High-Impact Talent Management Powerful Tools for Leveraging a Changing Workforce*

# Appendix B: Sample Governance Silo Skills/Tasks

Below are example skills and tasks associated with the operational silo of pool governance. As you list out skills and tasks in your SDP work, consider using these as inspiration (or even as a starting point).

## GOVERNING BODY MEETINGS

- Determine what should be on a meeting agenda.

- Identify background, resources and analysis needed for the governing body to make decisions.

- Write and edit memos to support governing body decisions.

- Deliver presentations and analysis to the governing body for decision-making.

- Oversee the delivery of information and presentations to the governing body by others.

- Make sure governing body officers understand and are connected to key meeting items and decisions.

- Communicate with governing body members individually and collectively, and formally and informally, about key issues and decisions.

- Facilitate meetings of the governing body and its committees.

- Help the governing body chair to facilitate effective meetings.

- Manage meeting process (motions, seconds, votes).

- Review and edit meeting minutes.

- Create and maintain retention strategies for all decision-making materials, governing body materials, minutes, etc.

- Develop and manage a governance schedule/calendar appropriate for routine and annual governing body conversations.

- Identify when an issue is appropriate and ripe for governing body consideration.

## GOVERNANCE DOCUMENTS, REQUIREMENTS, COMPLIANCE

- Ensure compliance with all governance policies, bylaws, etc., about meetings, decision-making accountabilities, elections, officers, etc.

- Review all governing documentation such as bylaws, policies, etc., every few months for accuracy, currency, possible changes, compliance, etc.

- Draft changes to governance policies and documents in order to update, clarify or improve.

- Review recommendations from others about governance policy or changes to governance documents.

- Understand the impact of any state laws or regulations on governing body practices and manage all practices for compliance.

- Draft and review interlocal agreements, joint powers agreements and related member agreements.

- Identify when updates to member agreements are necessary, draft or edit language, secure governing body approval, distribute to members, and execute on business process to update agreements.

## MEMBERSHIP MEETINGS, ELECTIONS

- Determine all timing and logistics for annual membership meetings (or similar).

- Decide what's on the agenda of annual membership meetings and what supporting documentation is needed.

- Produce and/or edit annual membership meeting information.

- Facilitate the annual membership meeting agenda, information presentation, voting, etc.

- Conduct (or instruct the governing body about) the annual membership meeting.

- Ensure governing body and officer election processes are clear.

- Ensure governing body and officer election processes are met and conducted as outlined.

- Recruit new governing body and officer candidates and/or guide others to do so.

- Give candidates useful information on governing body and officer expectations and decisions.

- Provide information about governing body and officer candidates to the membership.

## GOVERNING BODY EDUCATION

- Determine orientation information needed for governing body members; develop and deliver orientation training.

- Determine appropriate ongoing training needs and opportunities for governing body members, develop training and/or provide information about available training.

- Attend training with governing body members; interpret and educate them about how standard governance processes are implemented in our pool.

- Travel with governing body members to training; create social opportunities to build relationships between governing body members (and staff).

## RELATIONSHIPS

- Build one-on-one personal relationships with governing body members, get to know them personally, and understand their professional role(s) to grow trust.

- Identify and model appropriate staff/governing body relationships.

- Show the governing body respect and deference, but also lead them and guide them.

- Demonstrate an openness to governing body ideas and input.

- Be the voice of the governing body to the staff, and vice versa.