Succession Planning

Practical tips and advice for senior leadership planning

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Introduction

Most large organisations already have a succession planning process. Leadership teams review their talent annually, discuss who is performing well and identify individuals with the potential to take on more senior roles, but the discussion itself is only one part of the process.

Preparing someone for executive leadership often takes years. The experiences people gain throughout their careers, the roles they are offered, the projects they lead and the exposure they have to different parts of the business all influence whether they are ready for when a more senior opportunity arises.

There are practical decisions for boards and executive teams to consider throughout that process. How much should careers be actively managed? When to move people between business units to a new sector or region? When does moving someone into a different function add value, and when does it come at the expense of specialist expertise? How do organisations create a broader and more diverse leadership pipeline without treating succession planning as a quota exercise?

These are questions we discuss regularly with clients across the transport and infrastructure sector. This guide brings together some of the approaches we see most often, alongside a number of considerations for organisations reviewing their own succession planning processes.

Building your leadership pipeline

Many organisations use a structured approach to succession planning. One of the most common is the 9-box grid, which assesses individuals against two dimensions: current performance and future potential. Leadership teams typically review people two or three levels below the CEO, identifying those who are performing strongly today and who could realistically progress into more senior leadership positions over time.

For senior leadership roles, however, performance and potential alone are rarely enough. Future CEOs and Managing Directors typically combine deep expertise in their own area with experience across different functions, business units or regions. This broader perspective helps leaders understand how decisions affect the wider organisation and prepares them for the commercial, operational and people challenges of running a business.

Development therefore plays a central role in the succession process. Executive coaching, leadership programmes and formal education can all contribute, but practical experience is often the most valuable. Many organisations deliberately move high-potential leaders into unfamiliar roles, giving them responsibility for a different function, business unit or region before they are considered for executive positions.

In larger organisations, future leaders are often given group-level responsibilities before moving into the most senior roles. Someone who has built their career within one division may, for example, become Group Engineering Director or Group People Director, giving them responsibility for a function across the whole business and exposure to executive leadership team decision-making.

Approaches vary. Some organisations actively manage career paths, encouraging leaders to move roles every few years to broaden their experience. Others place greater emphasis on functional or sector specialisation and allow careers to develop more organically. The strongest succession plans usually strike a balance between developing broad leadership capability and retaining valuable technical expertise

As individuals move closer to CEO and Managing Director positions, board exposure becomes increasingly important. Participation in executive committees, presenting to boards and, in some cases, Non-Executive Director appointments can all help prepare future leaders for the demands of leading complex organisations.

How to get more women into CEO roles

The infrastructure sector has made progress on gender diversity, but representation remains uneven across the leadership pipeline. In our most recent Diversity Report, we found that women hold 15% of CEO positions across the UK's 200 largest transport and infrastructure companies. Women are also disproportionately represented in support functions. For example, 72% of HR Directors are women, while representation remains much lower in Operations, Engineering, Commercial and Capital Projects leadership roles.

This matters because CEOs and Managing Directors are frequently appointed from operational and commercial leadership positions. Experience leading a business unit, managing a P&L or delivering major programmes often carries significant weight in senior appointments. Where women are underrepresented in these roles, the pool of future CEO candidates is naturally smaller.

Progress at executive level therefore depends on decisions made much earlier in a leader’s career. Organisations are increasingly looking at how high-potential leaders gain operational experience, commercial exposure and responsibility for larger teams before they reach executive level.

Succession planning should identify talent women early and ensure they are given the experiences most commonly associated with future CEO appointments. That may include leading a business unit, taking ownership of a P&L, managing major programmes, or moving into operational and commercial leadership roles rather than remaining solely within support functions.

Mentoring and sponsorship also have an important role. Senior executives can actively support future leaders by advocating for stretch assignments, introducing them to influential networks and helping them build the board-level relationships and visibility that often influence succession decisions. There are a number of different groups within the transport and infrastructure sectors. In transport, there’s “Women in Transport” and “Women in Rail”, for the Built Environment there is “The National Association of Women in Construction”, Utilities has the “Women’s Utilities Network” amongst many others.

Where internal successors have strong leadership potential but limited board experience, high performing women should also consider opportunities to gain Non-Executive Director experience outside the business. NED roles can broaden commercial judgement and strengthen governance experience, preparing future CEOs before an executive appointment becomes available.

Organisations should also review whether traditional succession criteria unintentionally narrow the talent pool. Requiring highly specific sector or career backgrounds may exclude capable leaders who have developed the right commercial and operational skills in adjacent industries. Focusing on leadership capability and future potential, rather than identical career paths, can create a broader and more diverse pipeline for future CEO appointments.

Knowing when to hire externally

Developing internal talent should be foundation of any succession plan, but there are times when an external appointment is the right decision.

An organisation may be entering a new market, delivering a major transformation programme or pursuing a different commercial strategy. In these situations, the experience required may not exist within the current leadership team. Equally, a business may identify talent successors who are likely to be ready in the future but not yet ready for the role that needs filling today.

External appointments can also bring fresh perspectives. Leaders who have worked in different organisations or sectors often introduce new ways of approaching delivery, client relationships or organisational change. When combined with a strong internal pipeline, these appointments can strengthen leadership capability rather than replace it.

For boards, the decision should not be framed as internal versus external. The more useful question is whether the organisation has the right person, with the right experience, available at the right time. Using an external firm to do a leadership assessment can help identify how internal candidates compare to the market. A well-managed succession process should always consider internal candidates first, while remaining open to external talent where it will strengthen the business.

Common succession planning mistakes:

- Assuming your highest performer is automatically your next leader
- Waiting until someone resigns
- Keeping successors in the same role for too long
- Overestimating how quickly someone can step into an executive role
- Failing to develop commercial or operational breadth

Should you use Leadership Assessment?

Many organisations incorporate leadership assessment into succession planning to bring greater consistency to decisions about future leaders. Performance reviews and interviews remain important, but they rarely provide a complete picture of an individual's readiness for a more senior role.

The process usually begins by defining what good leadership looks like within the organisation. This might include behaviours, values and personal attributes alongside commercial judgement, decision making and the ability to lead through change. In partnership-based organisations, these frameworks are often well established and provide a consistent benchmark for promotion.

Once a framework has been agreed, organisations can assess individuals against the same criteria. Psychometric profiling is commonly used to explore leadership preferences and behavioural traits, while structured interviews, business exercises and stakeholder simulations help assess how someone is likely to perform in real situations.

An external assessment also brings a degree of independence. Managers inevitably have their own experiences and perceptions of colleagues, particularly where they have worked together for many years. A third-party assessment introduces a consistent methodology and can challenge assumptions that develop over time.

For companies considering succession planning, leadership assessments can highlight strengths, identify areas for leadership development and provide a clearer view of where additional experience may be needed before someone is ready to take the next step. It gives you the extra context and useful insight needed to make a well-considered plan.

Key Takeaways

- **Manage expectations.** Being identified as a potential successor is not a promise of promotion. Clear conversations help people understand where they stand, what they need to develop and how the organisation will support them.
- **Build diversity awareness into succession planning from the outset.**
- **Define what good leadership looks like.** By clearly agreeing the behaviours and capabilities required at each level, companies can make more consistent decisions about development and succession.
- **Strike a balance between managed career paths and organic progression.** Moving high-potential leaders between roles can broaden their experience but overly engineered careers can create disruption and/or reduce depth of specialist knowledge. Consider how much movement you want to encourage and whether current career paths give people the breadth needed for senior leadership.

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