Tiverton Media has spent much time and money on its management-development and succession process. So why have the heirs apparent left the company?

Succession and Failure

by Frank V. Cespedes and Robert M. Galford

THE WALK from Norman Windom's snug midtown digs to the Etoile, a jewel box of a theater located just off Times Square, was just a few blocks. "Those Singing Sinatras" had opened some weeks earlier, and it was about time he went to see it, he thought, given its importance to Tiverton Media, the London-based conglomerate Norman ran and chaired. Tiverton had invested only $7 million in the show – an investment that was unlikely to throw off the kind of profits that could make much difference to a company of Tiverton's size. But Norman had been persuaded that the show would revive interest in the Sinatra catalog, the rights to which he had acquired, at great expense, the year before.

In truth, 62-year-old Norman didn't know much about popular music, having spent the better part of his career at Tiverton at its classical labels and music publishing and magazine divisions. But he did fancy himself a superb judge of managerial talent. Sean Kinnane, the heir apparent at Tiverton's biggest and most profitable record company, had come to him with the idea for a Broadway show. It presented the supposedly heartwarming story of the relationship the legendary vocalist had with his son, Frank, Jr., the leader of a touring big band, and with his daughter, Nancy, who had charted a couple of sunny pop hits in the 1960s. In Norman's view, Kinnane was one of the only music executives around who followed neither

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DANIEL VASCONCELLOS

instinct, which often proved to be unreliable, nor trends, which often proved to be short-lived. His specialty was leveraging dormant properties, a skill of prime importance to an organization as rich in them as Tiverton.

Arriving at the theater, Norman took his seat between Zara Sandyston, Tiverton's director of corporate communications, and Neil Brodie, its marketing vice president, both of whom had been present on opening night. As Norman opened his Playbill, out fluttered a thin slip of paper. It read, "Due to illness, the part of Nancy Sinatra will be played tonight by Thea Conboy. Maggie Schippers will return for tomorrow's matinee performance."

"Why does this have to happen the night I decide to come?" Norman thought sourly. Most of the reviewers had reserved their praise for Maggie's perky charm. The show, they had said, couldn't be carried by Lenny Blank's rather ponderous portrayal of the Chairman of the Board.

"Zara, you saw the show with Maggie. She was a knockout, wasn't she?" Norman asked.

"Oh, Mr. Windom, to die for," Zara drawled in a Knightsbridge accent. Neil nodded his head in agreement.

Norman felt himself getting upset that the rest of the audience wouldn't be seeing the show in its most acclaimed incarnation. But then he remembered a different Lenny, and he stopped himself. Hadn't a young and unknown Leonard Bernstein become an instant celebrity when he stepped onto the Carnegie Hall stage to replace an ailing Bruno Walter? Bernstein had had virtually no time to prepare for that night's performance, and yet the very next day he was the talk of the town. It wasn't impossible for something like that to happen to Thea Conboy, he mused.

In the entertainment business, Norman continued thinking to himself, a lightning strike can indeed electrify an entire career. But it can also leave a charred wreck. He had long been preoccupied with the contingencies life poses and how good planning can overcome them. Like "Those Singing Sinatras," he reminded himself, Tiverton had an understudy for every major executive role. He relaxed as the house lights dimmed.

A Study in Contrasts

COO Sean Kinnane may have been Aleph Records' designated heir, but for some time his accession had seemed as distant as it was inevitable. The big question mark was Derek Solomon, aged 68 and still going strong. A personal manager until he founded Aleph Records in 1981, Derek had supervised every aspect of his clients' careers, from dealing with booking agencies to choosing material for them and even what they wore onstage. Although his responsibilities had expanded when he became the recording label's CEO, his relationships with the artists remained as intimate as before. Instead of being banned from the studio, Derek was a ubiquitous presence, whether the session was hip-hop, punk, or light jazz. His track record as the business changed proved he had a great ear. Just as important was his skill at creating a supportive atmosphere for his artists. Many of the performers had told the trade magazines they had come to Aleph because Derek understood them and was able to keep the bean counters at bay.

On the other hand, in exactly the areas where Derek was weak, Sean had strengths. No one, for instance, ever knew Derek to institute a round of cost cutting, devise a long-term budget, or handle financial matters inventively. He was far too sentimental about his artists, too grand in manner, too uninterested in detail. Sean was the one who advised Aleph's veteran acts to issue bonds secured by the steady royalties their older CDs generated. He figured they wouldn't clamor so loudly for royalty rates they no longer merited. It was also Sean who decided that the recording costs for all new acts would be charged against future royalties instead of being absorbed by the label, and that all recording would be done in Tiverton-owned studios and billed at the going rate. And it was Sean who had persuaded Bright's Chewing Gum years before to underwrite the touring costs of a couple of Aleph's artists. Now corporate sponsorships were the norm. Not only were such schemes alien to Derek's

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way of thinking, they were contrary to it. Yet much of Aleph's profits depended on them.

Although Norman was convinced that Sean's talents had become more necessary than Derek's, he recognized that Sean needed a bit more polishing before stepping into Derek's shoes. That was why Sean would occasionally be assigned tasks outside his routine–why, on this late-winter Monday night, for instance, Sean was being ferried in a stretch town car to a club in a converted truck depot at the edge of the New Jersey meadowlands. A band from Wolverhampton, England, calling itself the Skivvies, was performing, and Sean, along with Jimmy Leung, a longtime associate of Derek's and Aleph's top talent scout, was going to check out the group.

A Fish out of Water

The two executives stepped out of the car and into the cavernous gloom of the nightclub. To Jimmy, the environs were as comfortably familiar as the nearby marshlands were to the Canada geese that paused there. To Sean, however, the scene was oppressive. Thin, shadowy figures bawling abuse leapt about in the deafening din. Still, Sean knew better than to rely on his own musical tastes in deciding whether to sign an act. The Skivvies, he calculated, could help Aleph reposition itself as cutting edge. His fear was that the combination of the Sinatra show's original cast recording and Derek's new interest in jazz-influenced singer-songwriters like Norah Jones, plus some other signings in this vein, had made the label seem unwelcoming to bright young acts.

"They've got amazing energy, Jimmy. I think you should sign them," Sean shouted between sets.

"If we can get them cheap," Jimmy cautioned, hoping to dampen Sean's enthusiasm in a polite way.

A Confirmed Planner

Since acquiring Aleph Records in 1995, Norman had tried to turn it into the kind of business that wouldn't give his shareholders heart attacks. He pushed Derek to repackage recordings from Aleph's back catalog so that the label would be less dependent on Derek's prowess at spotting talent. His idea was also to offer the repackaged recordings to one of the big CD clubs, which would market them to late-night TV viewers. To placate the securities analysts to whom he had promised the proverbial synergies, he tied the bonuses for the talent-development department to its success at persuading Aleph artists to record material that Tiverton Publishing already owned.

But Norman's greatest source of pride was the succession plan he had installed at Aleph, its sister labels, and its publishing and new-media divisions. Most of the employees quickly grasped the necessity for such a plan, even the off-the-shelf kind that Kindred Consulting had recommended and Norman, with a few modifications, had approved. But patriarchal Derek Solomon was touchy about anything that might slow down Aleph's responses to the market's ever-shifting preferences – or call into question his indispensability. Unfortunately for Derek, the analysts, too, wanted to see a plan, and, as an owner of a large tranche of Tiverton stock, he was forced to conclude it would be foolish to deny them one. So he agreed to the selection of successors for each of Aleph's top eight positions.

After receiving 360-degree assessments, all eight would attend an executive education program at some leading business school for two weeks every year. All would be assigned a coach and a mentor from a different department for one year, during which they each would be expected to bring one project to fruition. All would spend another two weeks observing how their immediate superiors did their jobs. And all would be expected to spend at least 10% of their time over six months on some kind of task force that included people from at least two of Tiverton's subsidiaries.

If Norman had not been a planner by nature, bitter experience would have him taught him to be one. Never, Norman had vowed to himself, would any Tiverton manager be as unprepared for his next job as he had been 18 years earlier following the sudden demise of Sir Ranulph Goings, Tiverton's president and an ineffectual gent of the old school. Sean, for example, had joined Tiverton's finance department straight out of Wharton. But precisely because he'd done so well, Norman decided to move him to Aleph to acquire operating experience and the creative savvy that even a company as big and solid as Tiverton needed at the top.

The Chain Snaps

Derek Solomon's office occupied the northwest corner of the tenth floor of the Tiverton Building. The space was so vast that it usually took a visitor a few moments to notice the white Steinway grand occupying one corner. Derek, on the other hand, was hard to overlook. A vigorous 6'1", he wore open shirts, a perpetual tan, and a brilliant smile, and he spoke in a commanding baritone. His shiny pate and fringe of gray hair were the only evidence of his true age.

It was the morning after Jimmy's excursion to the New Jersey swamps. He stepped into Derek's sun-filled office.

"How did it go?" asked Derek, who had high regard for Jimmy's ear but infrequent success reading his thoughts.

"About as well as expected, considering the talent – and the company," Jimmy shrugged.

"Yeah, the Skivvies and Sean make for a pretty crazy pairing," Derek agreed.

"Maybe so, but he wants to sign them," Jimmy said. "Did you get the DVD I dropped off?"

"It's ghastly," Derek said. "The Wolverhampton scene is just a retread of 1980s London," he complained. "I like to treat our bands like family, but I'd never let those hooligans in the door of my Palm Desert place. The pastel rugs couldn't take it. What does Sean see in them?"

"He wants to reposition the label. He thinks you're no longer hip," Jimmy said.

"I appreciate the compliment," Derek said wryly. "Rock 'n' roll has been good to us, but times change. Unless we start selling to an older demographic, the kind of people who can't figure out how to download free music, we're toast. I've got people I trust in talent development, and marketing, and promotion and publicity. But God help Aleph if any of you leaves. With Norman's encouragement, Sean will fill the ranks with suits."

Jimmy took Derek's bluntness as an invitation. "Instead of jumping through all these training hoops, they should be watching what *you* do," he said. "But the message is so strong that Sean is the new guy. So, everyone is busy figuring out what *he* wants."

"I blame myself to an extent," Derek confessed. "You can't really argue with what Norman and the investors asked for. Don't tell anyone, but I may not live forever. And my hearing isn't what it used to be. But, dammit, executive talent is just as singular as musical talent – it comes in all shapes and sizes. You can't just write up a job definition and then groom someone for it. It's possible to turn a musician into an accountant. But when you do it the other way, what do you get for your trouble? 'Those Singing Sinatras.'"

At that moment, Derek's speakerphone buzzed. His assistant announced, "Sean is here to see you. Should I send him in?"

"See you later," Jimmy said to Derek, passing Sean on the way out.

"I hear you had an adventure last night," Derek said.

"Not really," Sean replied, after settling into one of the office's sleek Art Deco armchairs. "It's the kind of thing I should have done a lot more of." He turned his gaze toward the window. "Derek, I think you know how much I respect you, and how grateful I am for all the help you've given me. But I've decided it's time to move on."

Derek stared at Sean in amazement. "That makes no sense. Where are you going? Sony? MCA? Whoever they are, they must have made you one hell of an offer."

"Yosemite Capital asked me to join as one of five principals," Sean replied. "I'll be able to use what you taught me to pick entertainment properties to invest in – and to ensure that the company doesn't blow it after I make those picks. But my partners are all originally finance guys, so it's probably a better fit."

"Sean, I'm stunned," Derek said. "You've practically been running Aleph, and we all thought that someday you'd take over Tiverton. Norman thinks so highly of you."

"Perhaps he does. But Aleph is your baby – always was, always will be."

"But surely Norman would create a staff position for you within Tiverton?" Derek offered.

"I thought about going back to headquarters," Sean confided, "but I knew Norman wanted me to prove myself at the helm of Aleph before I did that. And if you ever did retire, and it was ultimately me who climbed into your chair, I figured some of our artists would start leaving as soon as I took over. After all, they're your relationships. I've never had much contact with them, so they only know me as the guy who made their lives difficult. I might as well tell you that some of the others who came to Aleph from Tiverton also wonder how well they fit in here. Several of them – Alex, Sam, Ian, and Wendy – have asked to join me as associates."

Derek opened his humidor and offered Sean a Havana. "You've decimated Norman's succession plan. Congratulations." He dropped his voice. "Of course, it's a blow." He brightened. "But it happens all the time in this business. We know how to cope, I can assure you."

The Man or the Plan?

That week's trade and business magazines were all over the story of the walkout. Everyone had viewed Sean as the bridge between Derek's entrepreneurial style and Norman's penchant for predictability. With the departure of Sean and his associates, the future leadership of not only Aleph but Tiverton was now in doubt.

Norman felt he had no choice but to introduce the topic at the board meeting the following month. Two of the board's nine members were entrepreneurs who had sold their businesses to Tiverton. Three – Denny Persall, an Atlanta radio executive; Serge Malevic, a London merchant banker; and Bob Sundquist, a Hollywood talent agent – came from companies that did business with Tiverton. The three independent directors were the CEOs of a French water company, a Dutch oil outfit, and a UK supermarket chain.

Executive talent is just as singular as musical talent – it comes in all shapes and sizes. You can't just write up a job definition and then groom someone for it.

"We all know that Tiverton's stock price has taken a hit since the defections became public knowledge," Norman began. "But I want to assure you that we have deep reserves, and from them, replacements will be named for all five, including Sean Kinnane, by the fall."

"I hear that guy, Nick Gemelli, from Warner, is in play," Bob Sundquist said. "He'd be great. There are some other folks out there we might want to pick up. It shouldn't be hard to locate them."

"I don't know," said Serge Malevic, who had experience dealing with turnover problems in his own industry. "What assurance do we have that, whoever we pick, the situation won't repeat itself? I think we know that Sean didn't leave because he was poached. Perhaps he wasn't the perfect person to succeed Derek. But Derek can't be the only one at Aleph with a knack for romancing performing artists. I've seen people like Derek, in my own business. He's a hoarder of key relationships. We need him, but we also need to get him to let go a little."

Dirk van Houten, one of the independent directors, jumped in. "There are many similarities between the oil business and the entertainment business." Dirk at times seemed anxious to justify his presence on the board of a media company. "We drill for oil. Tiverton drills for talent. Of course, we make some money from refining and retail, but we like having control of our own oil supply. As artists become popular, I think, they make unreasonable demands. Better to sign them to a long contract, as we did with the Indonesian government, and give them reasons other than money to stay with you."

"That sounds like a ringing endorsement of Derek's approach. But he won't be around forever," Denny Persall added.

"Look, no one can seriously oppose the implementation of a sound succession plan, especially when a company is in as many businesses as Tiverton is, and the music industry changes as often as it does," said David Newsom, another independent director. "The point is that Norman's plan doesn't seem to be working. Frankly, when we endorsed it, I assumed Derek would be gone by now. Instead, Sean and four others – Aleph's future – are."

Everyone looked at Norman. It was unusual for a board member to challenge a pet program of his so directly.

There was a long pause. Norman responded, "I agree with David. If it had been the right plan, we wouldn't be discussing this. It's tempting, I know, to call Sean an ingrate and leave it at that. But I know him too well to believe it. Often, the most qualified people are also the most impatient. I thought, the bigger the ultimate prize, the longer he'd be willing to wait. I was wrong. Now we're going to roll up our sleeves and reexamine every aspect of the plan – training, incentives, qualifications, timing. I hope I can keep your confidence till we get it right."

What kind of succession plan should the board adopt? • Four commentators offer expert advice.

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THE FUNDAMENTAL SOURCE of Aleph's succession crisis is not the succession plan. It springs from Norman Windom's unhappy experience 18 years earlier and the securities analysts' insistence on some kind of formal plan. Norman and the board developed a succession plan when first they should have developed a business plan reflecting how Aleph figures in Tiverton Media's future.

Norman admits he doesn't know the pop music business, but he thinks he knows management talent. Yet he moved Sean Kinnane from a financial position, which was highly compatible with his academic preparation and professional outlook, to a role that requires him to work behind Aleph's 68-year-old founder and CEO so that he could acquire operating experience and creative savvy – quite disparate attributes.

If Norman sees Sean as someone who can get value out of dormant properties, why is he putting money into a new production and scouting talent? Are such forays likely to prove his mettle? As Norman acknowledges, understudies can get you through the night's performance, but headliners make for long, successful runs.

Derek Solomon tells us he relies on skills in talent development, marketing, promotion, and publicity. Sean and the other identified successors haven't shown much flair in these areas, but no one seems to have told them what is expected of them. Instead, eight people saw their names placed in boxes in the succession document and got generic prescriptions for their "development."

Instead of fixating on why the plan failed, the board should concentrate on what needs to happen in the business generally.

And even if they had been told what to expect, from whom would Sean and the others have learned? Norman comes from a different part of the business, and Derek is Aleph's CEO because he's an entrepreneur, not a manager. Assigning Sean tasks outside his routine rather than real business issues to deal with isn't really an alternative because it offers little opportunity for professional growth in line with business needs.

Norman and the board seem so fixated on the elegance and the completeness of their succession plan that they have become myopic about its limitations. Even if the plan reflected carefully considered judgments, its success isn't guaranteed. External and internal events, group behavior, and personal motivations are potential obstacles. Sound planning helps mitigate those risks, but it can't overcome them. How well Aleph responds to the market environment, makes money, and secures its role as a valuable portfolio company seems to have been forgotten, even by the board members, who instead are focusing on the plan itself and its architect, Norman.

The plan may be elegant, but it's detached from how things really work. For example, Norman, Derek, and Sean are anything but similar management talents. Norman's roots are in classical music and publishing. Derek is a hands-on, often solo, manager of artists. And Sean is a Wharton-trained organization man. Norman's succession plan doesn't account for the idiosyncratic nature of these incumbents. Plans like Tiverton's can be a success, but the business dies anyway.

If Aleph's business plan is to acquire new talent while maximizing the return on existing properties, how does the succession plan advance that? It may have the trappings of management development, but it lacks business context and buy-in by the participants.

Instead of fixating on why the plan failed, Norman and the board should concentrate on what needs to happen in the business generally. My advice is to examine Aleph's competitive strengths and vulnerabilities as well as the professional and managerial qualities likely to affect success in a changing environment that calls for artistic instincts, relationship skills, and business-management capabilities. Derek's strong suit has been commercializing initiatives tied to new talent. The new plan should compensate for Aleph's vulnerabilities in this area once Derek leaves while making candidates' success the basis for promotion and rewards.

WENDY WRAY

Any good succession plan has to encompass not just the people being groomed for succession but those they would replace.

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NORMAN IS SENDING an important message by calling for a comprehensive reexamination of the succession plan. As the sponsor of the existing plan, he might have easily reaffirmed his commitment to it and explained away the recent departure of Sean and his associates as an exceptional event. By acknowledging the plan's failure, Norman not only invites the board to adopt a more effective system but stands as a model for learning from mistakes.

The redesign of Aleph's succession plan needs to begin with data collection. That Sean's departure "stunned" Derek, not to mention Norman and the board, indicates that all of them need to find out more about the motivations of Sean and the four other defectors and what their experience of the company has actually been. Understanding why they thought they'd be a better fit at another organization might illuminate how to tighten the gap between the succession plan's intentions and its implementation.

Aleph's plan seems to have addressed the development of future leaders but paid little attention to their selection and retention. Was Sean truly the right person to succeed Derek? And what would have been necessary to keep Sean and thereby protect Tiverton's investment in him?

What's more, unless Norman and the board give serious thought to Aleph's strategic direction, there's little chance that the selection, development, and retention planning, no matter how well conceived, will ever be in alignment with it. Before even considering sending Sean to Aleph, Norman should have asked himself, for example, whether Aleph might want to emphasize its existing assets or instead acquire new talent that represented a decided break. The answers to those questions would have helped determine the leadership qualities Aleph will need in the future. Derek and Jimmy Leung seemed to doubt Sean's suitability for the top position, but others felt Aleph's continued success depended on Sean's particular talents.

Although Aleph's succession plan was designed to provide shadowing assignments, coaching and mentoring, project responsibilities, and other development programs, Sean clearly did not get the exposure to artists that someone in Derek's job would need. Any good succession plan has to encompass not just the people being groomed for succession but those they would replace. In Aleph's case, that would mean ensuring that the current leaders are generous with opportunities and advice and are prepared to gradually let go of the reins. Sean's comment that Derek's relationships with artists were just that – Derek's relationships – indicates that preparing candidates for leadership positions is only half the equation.

If Aleph hopes to retain possible successors, it has to assess more carefully whether these candidates perceive eventual promotion and success to be truly attainable and worth the wait. Although most people at Aleph saw Sean as the heir apparent, Sean knew he hadn't forged the relationships with artists he would need to do Derek's job. If he does not believe he is fit to be CEO, his performance will suffer when he becomes it. That's why top management must learn whether a particular candidate believes that the right job has been chosen for him and that he has been given the necessary opportunities to learn and to show his capabilities. No one at Aleph heard from Sean on these matters until he had taken a position with another company. Candidates for top positions are unlikely to volunteer such feelings. Their employers must actively solicit them.

Before Norman and the board reexamine the competencies and qualifications required of Aleph's top executives, they must be sure they know what Aleph's strategy will be. Otherwise, they risk choosing a successor whose divergent talents and interests will pull it in a different direction. With a strategy in place, top management can concern itself with the classic succession issues of selection, development, and retention.

Good succession management builds a long "talent runway" – one that extends deep into the organization. Tiverton may have lost a dozen future CEOs and not known it.

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ON THE SURFACE, it appears as though Norman simply bet on the wrong horse. But in truth, Sean's jump to Yosemite Capital is the inevitable outcome of a misguided succession-planning system.

Executive succession can be an intensely personal process, particularly for company founders like Derek. Executives must have tremendous confidence in their chosen successors and a compelling plan for their own futures outside the organization. The companies that are best at managing succession assemble a strong bench of proven future leaders, they set clear expectations, and they convey the importance of having a plan. Even so, the special case of founder succession poses its own dynamic, almost always requiring significant time and effort on the part of the board and CEO.

Tiverton and Aleph, by contrast, offer an object lesson in how not to manage succession in general and founder succession in particular. The board adopted a plan chiefly to assuage the analysts, not to serve the company's needs. The board members installed an off-the-rack process, not one tailored to the cultural traits and strategic needs of the business, and they did so, apparently, without the active involvement of the executive team. Rather than testing candidates by giving them positions of significant responsibility, they made supporting tools like 360-degree feedback, executive education, and special projects the main events. They focused on operating-division roles instead of addressing succession needs all the way up and much further down the hierarchy. Worse yet, they assumed that operating managers were willing and able to groom the successors that headquarters had designated. Finally, they ignored the true talents and career interests of the individuals being developed.

Sean obviously brought tremendous innovative skill and financial discipline to Aleph, but he was no "creative," and he knew it. He also knew that Derek Solomon was an "heir eater" who would resist handing over the reins, particularly to Norman's guy. It's not surprising that Sean had serious doubts about his chances of succeeding Derek and, therefore, of eventually replacing Norman.

So what should Tiverton's board do? Clearly, the answer isn't to call in the headhunters. I'd encourage board members to junk the current succession process and build on fundamentals. That means starting with Tiverton, not the divisions, because the end game is replacing Norman, who is 62. The board must become far more hands-on, both in vetting candidates and developing a plan and a timetable. As for Norman, he needs to start working more closely with all of his senior officers to determine time frames for succession, identify the skills required of successors, build his list of internal and external candidates, and sculpt the experiences that will effectively test and develop the next generation of Tiverton leaders. All of this will take some time to accomplish. But the alternative is another false start, which the company can't afford.

Good succession management builds a long "talent runway" – one that extends deep into the organization. Tiverton may have lost a dozen future corporate and division CEOs in addition to Sean and not known it. At National City Corporation, we work hard to develop an annual, "three-deep" succession plan for the top 300 jobs. We do so because people leave or fall off the bench and because a thorough process of review and planning reveals critical gaps in our talent base.

If Norman doesn't want his successor to inherit the same problems he did 18 years ago, he and his board had better get to work.

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NORMAN WINDOM deserves congratulations for pushing succession planning further than most chairs do. However, by failing to decide whether Aleph CEO Derek Solomon should be the model for his successor, Tiverton's leaders have adopted a plan that is one-dimensional. They need to ask themselves whether Aleph's business model should continue to be based on its top executive's intimate relationship with artists, or whether the time has come to shift to a model based on realizing the full financial potential of existing assets. A clear choice of one or the other would have dictated the succession needs of Aleph and established a much higher probability of success.

If a decision were made to maintain the status quo, then perhaps Jimmy Leung, Aleph's top talent scout, would be the best choice for the job. Norman might also have told Derek, "Let me have one of the people you think is strong. I'll expose him to other parts of the company or broaden his management skills in other ways and then ship him back to you."

For both actors and executives, there is more to mastering a role than merely studying it.

If, on the other hand, a clear decision to move to a new business model had been made, then Sean might have been the right choice. But that would have required developing a very specific exit strategy for Derek. Because this was never done, the chance of success for Sean or anyone with a background and skills different from Derek's was going to be limited. Without a carefully defined direction for Aleph, or an idea of how Derek's role would change and when he would leave Aleph, Norman was in no position to evaluate whether Sean was the right person to replace Derek.

In general, it's easier to stick with what works than to try something new. But it's possible that someone resembling Derek, for all his success, would not be the right person to take Aleph to the next level. A business built on close relationships might not ever grow past a certain point. To come up with the right succession plan, Norman and the board needed to consider such hazards. Norman found Aleph's culture hard to pierce, and Sean became isolated there. If Aleph stayed that way, any other candidate to succeed Derek would run into the same difficulty.

Although Norman states he is ready to rethink Tiverton's succession planning, there are indications that the new plan will repeat the mistakes of the old one. At the board meeting, it's apparent Norman still thinks of executive candidates as understudies, and he tells the board he has a long list of them. But it wouldn't have been enough for the understudy for a role to have memorized her lines and understood her part. She would also need to have the right personal qualities and skills. For both actors and executives, there is more to mastering a role than merely studying it.

Board member Bob Sundquist flippantly suggests there is an abundance of outside candidates. Having to reach outside the firm, though, is usually an admission of failure. Internal candidates know the business, the personalities involved and, most important, the company's culture.

Finally, if Norman decides that Aleph should continue in the pattern that Derek has set, Derek should be involved in the process of developing his successor. Anyone like Derek who has trouble accepting the idea of retirement is more likely to leave willingly and on schedule if he has some say in the choice of his replacement. And a candidate he has approved faces a much smaller risk of being aced out.

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