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Building the Next Generation of Finance Leadership

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Organizing for the next generation builds on a “talent agenda”

Get the Right People in the Right Seats	Build a Sustainable Organization	Create a High-Performance Team	Organize a Future Delivery Model
• Talent Assessment • Performance Management • Recruiting • Compensation Models • Exit and Out-counseling	• Formal Training • Coaching • Experiential Learning • Progression Plans • Succession Plans	• Baseline Engagement Surveys • Baseline Teaming • Team Empowerment and Culture • Team Communications	• Definition of Missing Capabilities • Extended Enterprise Strategy • Inclusiveness Strategy • Globalization Strategy • Technology and Work Strategy

Source: Lessons from the Lab: What Is Your Talent Agenda?

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Building leaders requires you to sponsor:

The Five Essential Traits	The Shaping Moments	The Skill Sets That Matter	The Relationships That Matter
• Curiosity • Courage • Perseverance to Mastery • Confidence and Self Assurance • Ethical Responsibility	• Crises as Crucibles for Learning • Seizing Opportunities to Grow • Choosing Life over Work	• Communications and Sales • Listening and Approachability • Negotiation and Conflict Resolution • Operating, Change, and Influence • Strategic Judgment and Prioritization	• Great Bosses • Peer Networks • Experts • Role Models and the "Myth of the Mentor" • More Than a Village

Source: Deloitte Report: Journey to Leadership: Perspectives of Women CFOs

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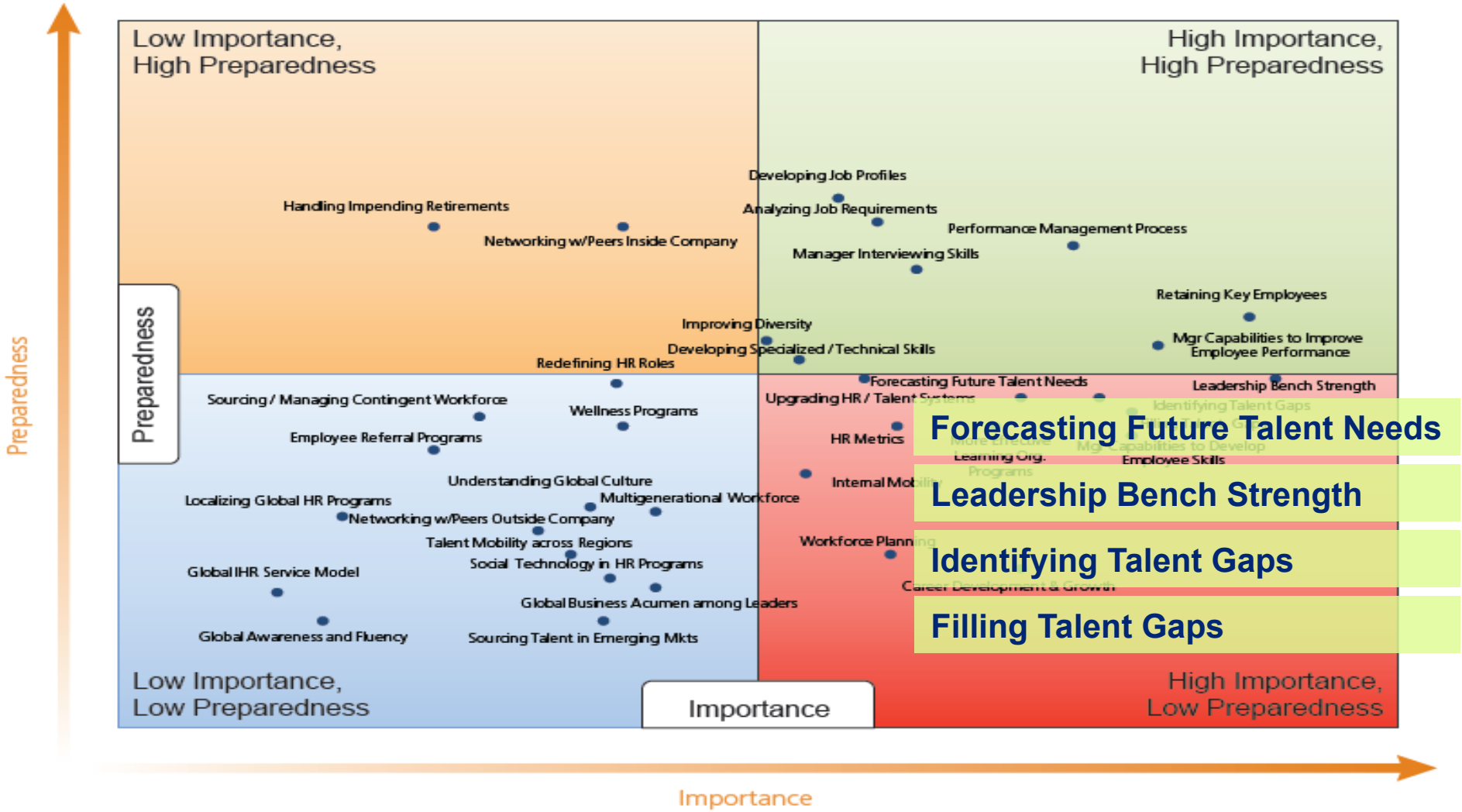
2012 Top Talent Challenges

Business leaders cite leadership bench strength as their most important talent priority.



Source: Bersin & Associates TalentTrends, 2012

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Declining Leadership Capabilities

Confidence in leadership capabilities has dropped over the past two years.

30% rate first-line leaders as "highly capable"—down 2 points.

49% rate mid-level leaders as "highly capable"—down 17 points.

71% rate senior leaders as "highly capable"—down 9 points.

Source: Bersin & Associates TalentTrends, 2012

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The Role of Leadership Strategy

A leadership strategy is the conduit between the organization's business strategy and leadership development strategy.

Source: Leadership Strategy: The Link between Business Goals and Leadership Development Solutions, Bersin & Associates, 2012

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Case Study: Capital Blue Cross

Leadership Strategy

The Goals

- To articulate an easy-to-understand leadership vision
- To increase the quality of current leaders
- To identify and prepare leader candidates
- To define the attributes of a successful leader
- To define the leadership success profile
- To facilitate business ownership of leadership development and talent management
- To facilitate governance for the leadership development strategy and initiatives
- To establish effective feedback loops to monitor and improve the strategy, program, and practices

Source: Capital Blue Cross 2011

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Leadership Development

Bersin by Deloitte MATURITY MODEL

Level 4	**Strategic Leadership Development** *Championed by Executives, Talent Management Integration*
Level 3	**Focused Leadership Development** *Culture-Setting, Future-Focused, Developing Organization*
Level 2	**Structured Leadership Training** *Core Competencies, Well-Defined Curriculum, Developing Individuals*
Level 1	**Inconsistent Management Training** *Content Available, No Development Process, Benefit to Employees*

Source: Bersin by Deloitte, 2012

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Six Leading Practices
High-Impact Leadership Development

1. Maintain Strong **Executive Engagement**
2. Align Leadership Strategy with **Business Strategy**
3. Define Tailored Leadership **Competencies**
4. Target **All Levels** of Leadership
5. Integrate with **Talent Management** Processes
6. Apply Blended, Targeted **Solutions**

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Case Study: Merck & Co., Inc.

Business Challenge

In 2011 Merck faced challenges, including the **expiration of the patent** and exclusivity rights of one of its biggest products, an asthma preventative, which **opened the market to other companies** and generics offering similar products.

Business Strategy

One of Merck's strategies for addressing patent expirations, accelerating revenue growth, and achieving growth in this business environment involved increasing its commitment and strategic investments in emerging markets.

CASE STUDY

FOCUS:

LEADERSHIP DEVELOPMENT

LEADERSHIP STRATEGY

LEADERSHIP ORGANIZATION & GOVERNANCE

LEADERSHIP COMPETENCIES

LEADERSHIP DEVELOPMENT SOLUTIONS

EXECUTIVE DEVELOPMENT

HIGH-POTENTIAL DEVELOPMENT

LEADERSHIP DEVELOPMENT EVALUATION

Bersin by Deloitte.

Cultivating a Global Leadership Pipeline

Merck Accelerates Development of Leaders in Emerging Markets

—**Kim Lamoureux,** *Lead Analyst, Bersin by Deloitte Deloitte Consulting LLP* | August 2013

IN THIS CASE STUDY

In an effort to position itself for future growth, Merck & Co., Inc., has been expanding its presence in four emerging markets—China; Eastern Europe, Middle East, and Africa (EEMEA); Latin America (LA); and Asia Pacific (AP). Merck's expansion presents unique challenges to quickly develop leaders who need to move the company's global business strategy forward by taking advantage of local market opportunities.

The Emerging Markets Future Leader (EMFL) program was designed to provide a rigorous learning experience to a cohort of 56 high-potential leaders in order to build high-level leadership skills and grow participants' social networks. Working with Harvard Business Publishing and leveraging this group's Leadership Direct program, Merck's talent development leaders created a blended curriculum, which combines face-to-face, action, and virtual learning content to support Merck's vision of improving health and wellness of the world's population by expanding access to its medicines and vaccines.

In this case study, we:

- Discuss how the EMFL program design supports Merck's talent development and retention goals
- Describe how Merck selected and partnered with a recognized, effective external development partner
- Determine which leading practices for implementing a virtual leadership development program are appropriate for emerging markets

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Leadership Challenge

Because of the complexity of local emerging markets, including regulations, markets, and language, Merck leaders decided to put a greater focus on **growing local talent into leadership positions.**

Source: Cultivating a Global Leadership Pipeline: Merck Accelerates Development of Leaders in Emerging Markets, Bersin & Associates, 2013

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Case Study: Merck & Co., Inc. (continued)

Leadership Strategy

- **Focus on high potentials** in all countries, including emerging markets
- Quickly **develop** higher-order **leadership skills**
- **Build** company understanding and **loyalty**
- **Expand leaders' networks** outside their functional and geographic boundaries
- **Increase visibility** of top talent to key company leaders

Leadership Development Goals

- **Accelerate the development** of qualified leaders for senior positions in emerging markets
- **Retain top talent**

Leadership Development Solution

Emerging Markets Future Leader

A 10-month Blended Program

- Two in-person sessions to help build peer relationships
- Virtual lectures and self-study resources offering theoretical overview of topic from a strategic and global context
- Case studies to show topics in action
- Content specific to Merck
- Activities designed to place content into specific emerging market context, including action learning

Source: Cultivating a Global Leadership Pipeline: Merck Accelerates Development of Leaders in Emerging Markets, Bersin & Associates, 2013

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Succession Management

Bersin by Deloitte MATURITY MODEL

Level 4	**Transparent Talent Mobility** *Dynamic Process, Highly Transparent, Pool-Based, Talent Movement, Professional and Management Roles*
Level 3	**Integrated Succession Management** *Business Strategy Alignment, Talent Management Integration, Enterprise Perspective, Owned by CEO*
Level 2	**Traditional Succession Planning** *Development Plans, Talent Reviews, Business-Unit Focus, Targets Key Positions, HR-Driven*
Level 1	**Replacement Planning** *List of Senior-Level Positions, List of High Potentials, No Development*

Source: Bersin by Deloitte, 2012

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Succession Management Essentials

Source: “High Impact Succession Management,” Bersin & Associates and CCL, 2009

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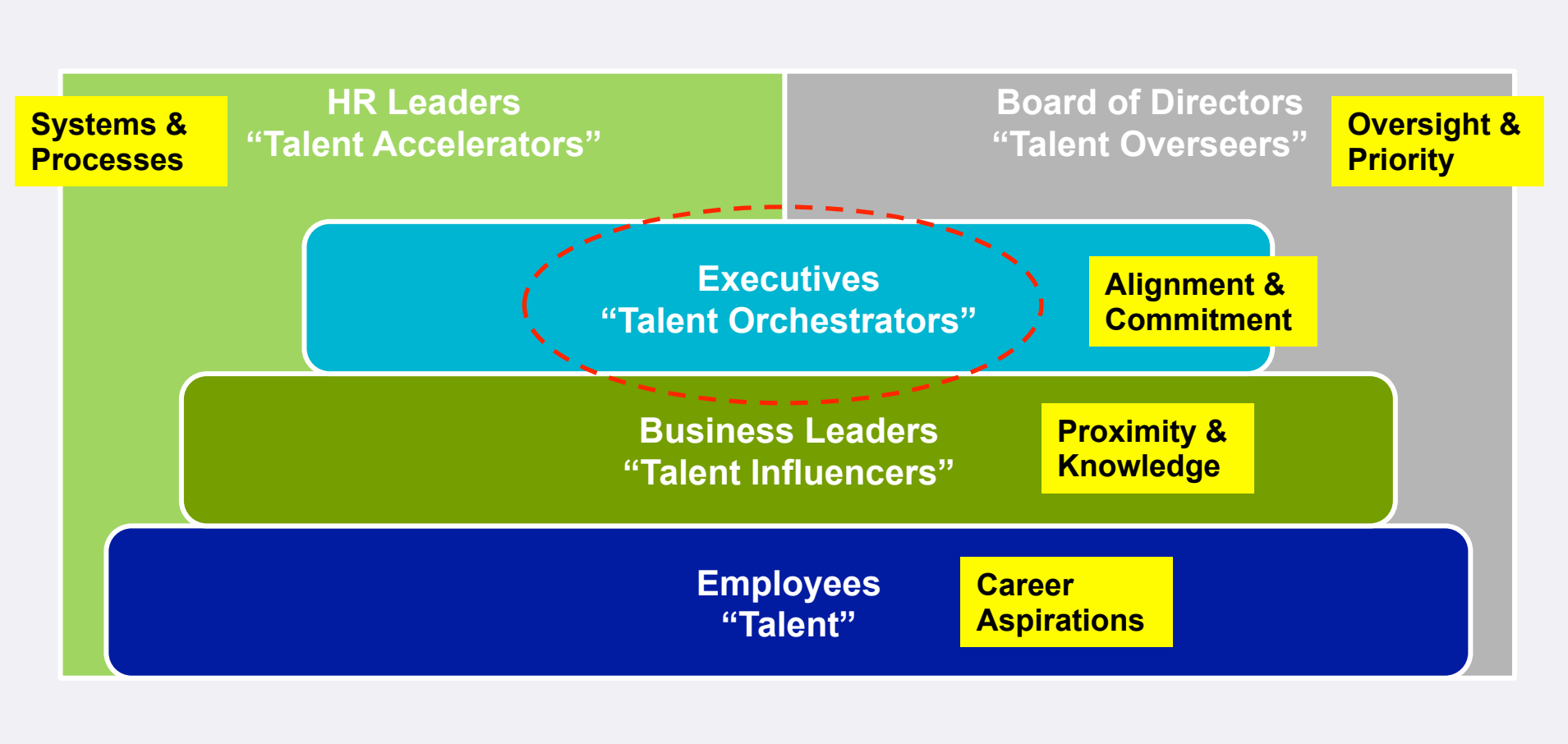
Key Roles in Succession Management

What is your role?



Source: "High Impact Succession Management," Bersin & Associates and CCL, 2009.

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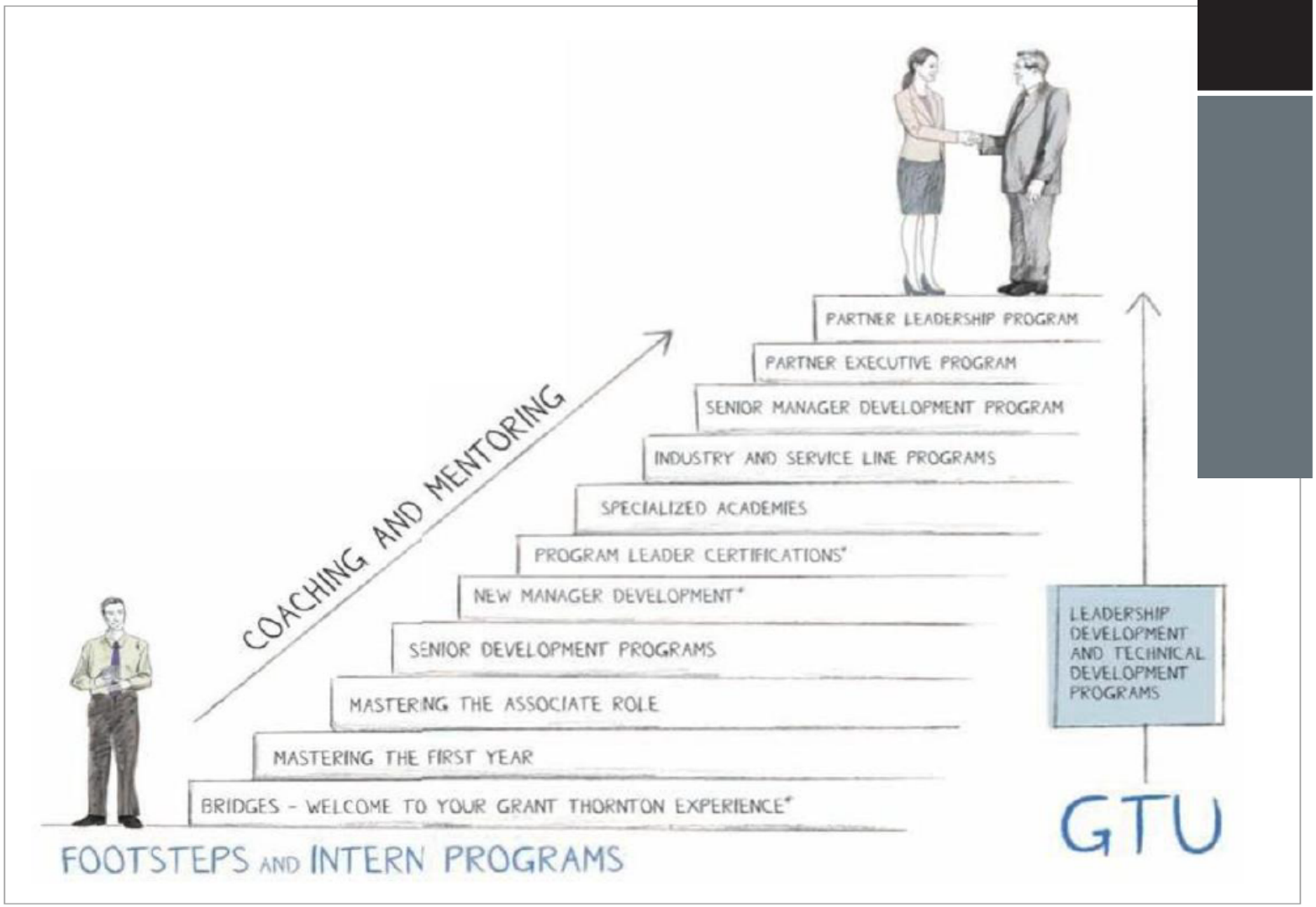
Grant Thornton's Strategy for Supporting Leadership Development at All Levels



Source: Learning Leaders 2012: Lessons from the Best, Bersin & Associates, 2012

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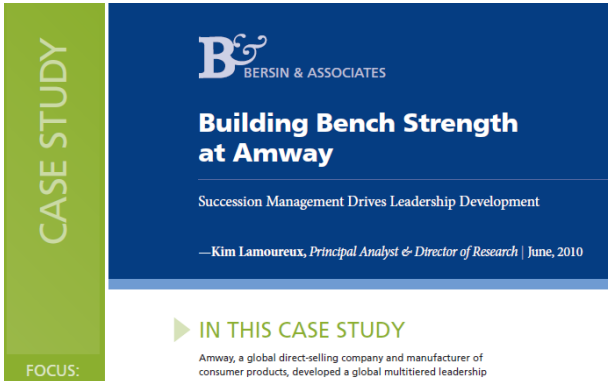
Case Study: Amway

Global Leadership Development Curriculum Model


CASE STUDY

BERSIN & ASSOCIATES

Building Bench Strength at Amway

Succession Management Drives Leadership Development

—Kim Lamoureux, *Principal Analyst & Director of Research* | June, 2010

FOCUS:

IN THIS CASE STUDY

Amway, a global direct-selling company and manufacturer of consumer products, developed a global multitiered leadership

Source: Building Bench Strength at Amway: Succession Management Drives Leadership Development, Bersin & Associates, 2010

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