SLWDB
SARNIA LAMBTON WORKFORCE DEVELOPMENT BOARD

Succession Planning in the Automotive Sector

Ontario

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ACKNOWLEDGEMENTS

The purpose of this toolkit is to provide guidance and helpful tools for succession planning.

Numerous professionals were consulted in the creation of this toolkit, alongside the review of much literature on the various topics presented throughout. SLWDB makes no representation or warranty, expressed or implied, as to its accuracy or completeness. In providing this material, SLWDB does not assume any responsibility or liability. The views expressed in this publication are the views of the Sarnia Lambton Workforce Development Board and do not necessarily reflect those of the Province. The Government of Ontario and its agencies are in no way bound by the recommendations contained in this document.

Please contact SLWDB if you have any questions about the information contained within this toolkit.

We would like to thank everyone who contributed their time, ideas, and expertise to this report.

We sincerely hope this toolkit and templates contained within provide helpful information and strategies when thinking about succession planning. We invite your feedback on all publications produced by the SLWDB. Additional questions, comments, and information can be obtained by contacting SLWDB interim Executive Director Mikelle Bryson-Campbell.

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Who You Are:
Identifying Yourself as a Company

In this section, you will learn:

- ✓ **Key questions to ask yourself about who you are as a business**
- ✓ **The benefits and types of organizational charts**
- ✓ **Elements of strategic planning**
- ✓ **How to write a vision, mission, and values statement**
- ✓ **How to perform a SWOT analysis**

Thoughts & Questions for Reflection

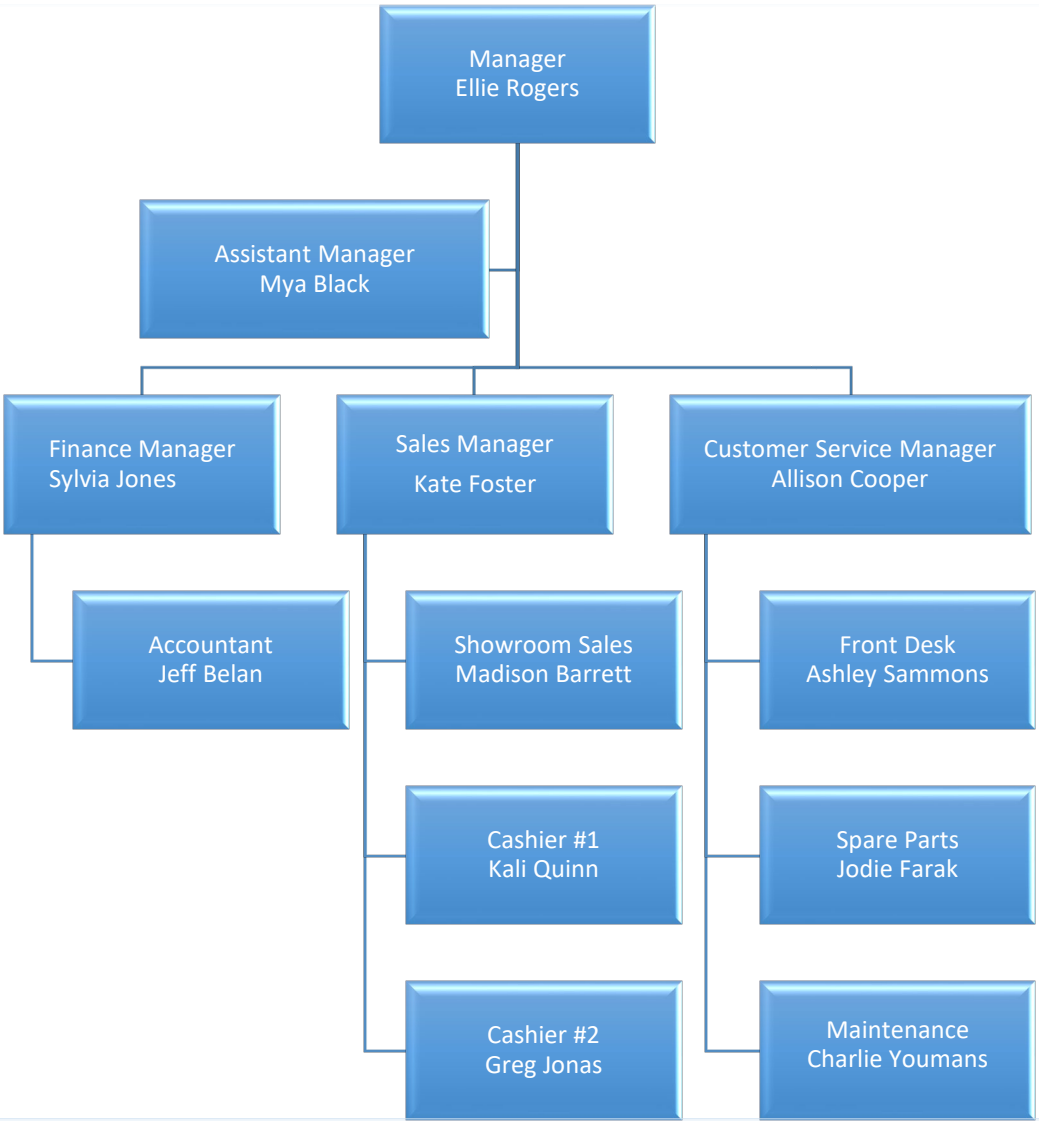
Begin with a clear idea of who you are as a business in order to properly plan for the future.

Consider...

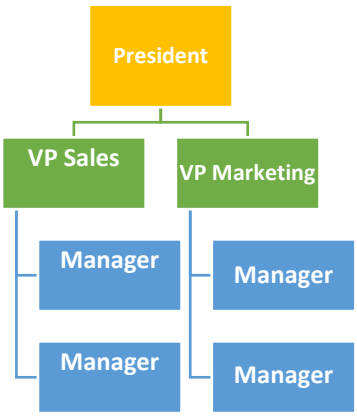
- What is the overall vision for your company?
- What is your mission statement?
- What are the main values you hold as an organization?
- Who are the key players in the day to day operations?
- What some key words or phrases that define the "essence" of your business?
- What do you want customers/clients to think of when they think of your company?
- Where do you want your company to be in 3 years from now? 5 years from now? 10 years from now?

Getting Started: Organizational Charts

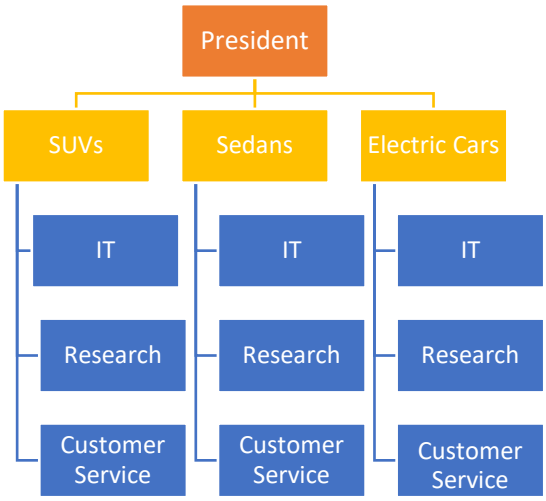
- Show the internal structure of the business
- Assist in clarifying roles and responsibilities
- Help management see employees in each department, how to best allocate resources
- Through shapes, boxes, or photos, provide a visual representation of:
    - The hierarchy and who reports to whom
    - Points of contact
    - Critical roles in the business



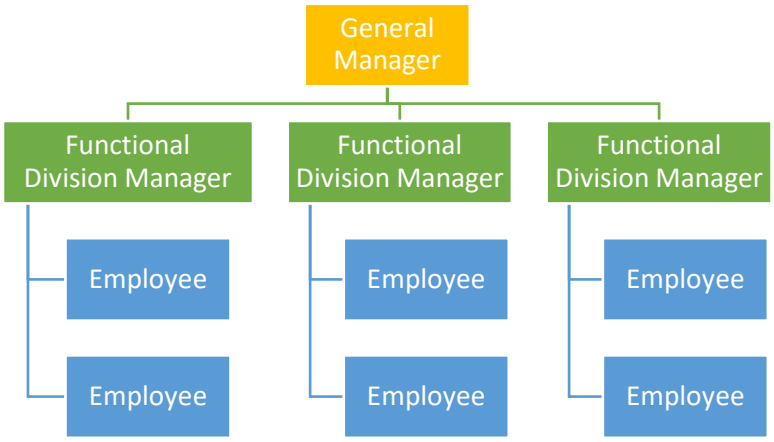
Types of Organizational Charts



Functional Top Down Hierarchy:
Reflects a traditional business structure: C-Suite at the top, followed by senior management, middle managers, etc.

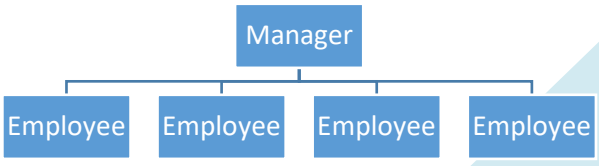


Divisional Organizational Chart
Reflects a company organized along a product line or a specific geography.



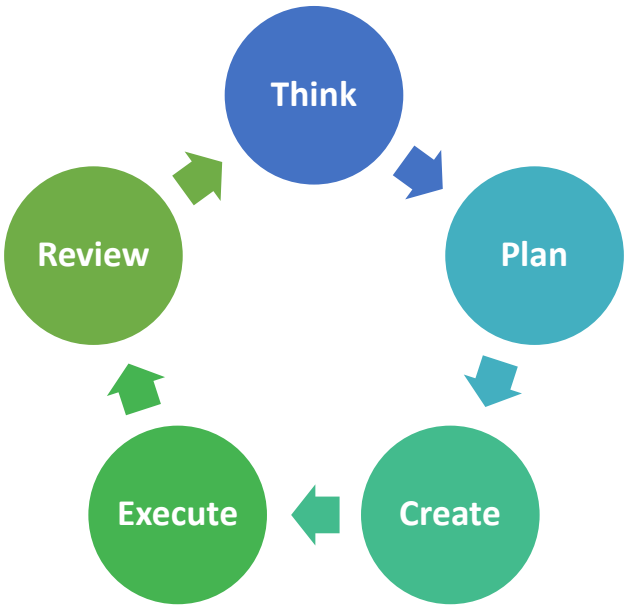
Matrix Organizational Chart
Reflects a company where employees are divided into teams by projects, or project manager

Flat Organizational Chart
Most common in small businesses, showing few or no levels of management between executives and all other employees. Typically has two levels: administration officials and workers.



Strategic Planning

- Determines where the organization is going
- Sets responsibilities, due dates, and objectives

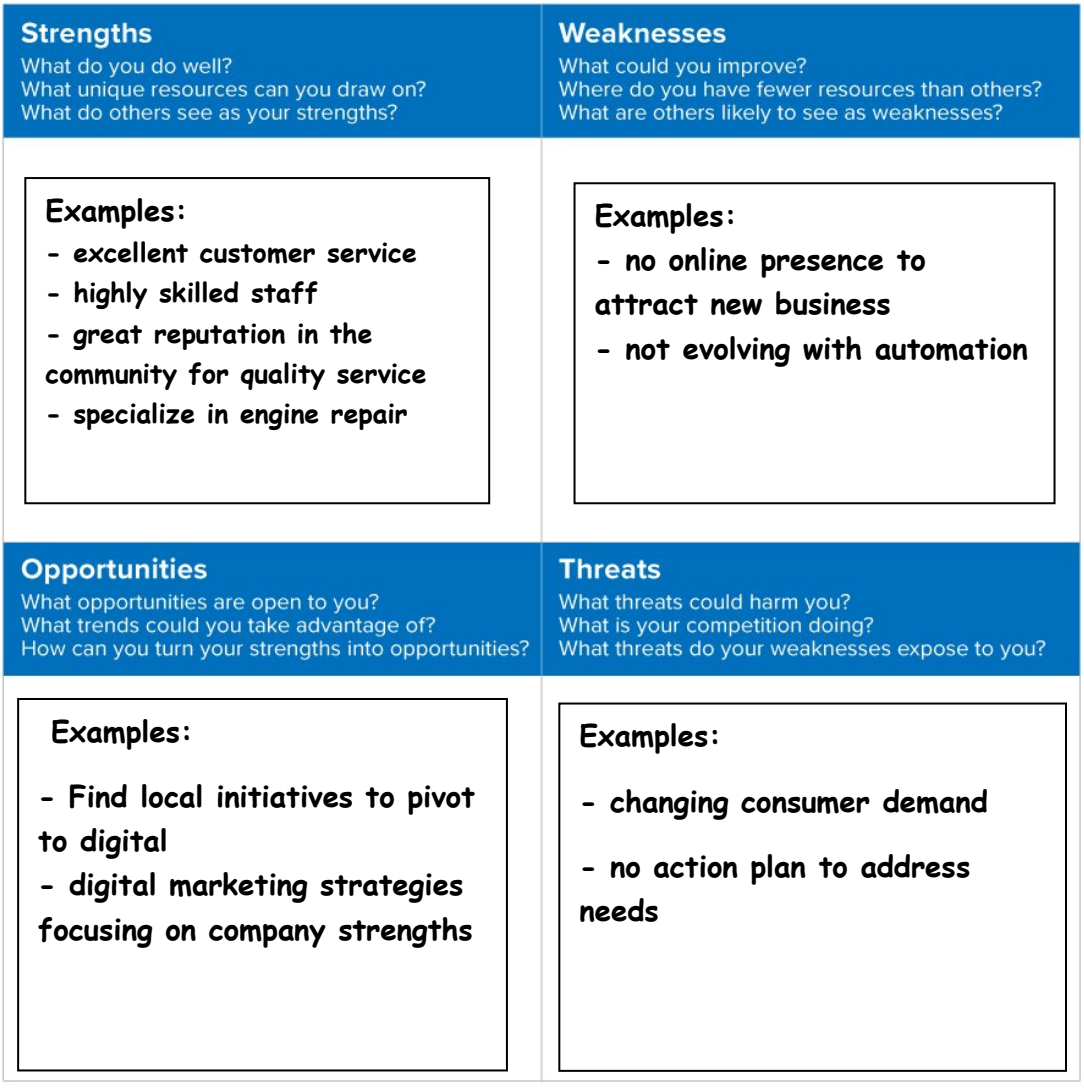


What elements are included in a strategic plan?

- *Describe what you hope to achieve (vision), how to support that vision (mission), and defining what the organization believes in (values).*
- *Identifying the company's strengths, weaknesses, opportunities and threats (SWOT)*
- *Explanation of what it is you are trying to accomplish: your strategy answers the "what" question and your tactic(s) answers the "how" question.*
- *The steps needed to attain both short and long term business goals*
- *Show how much money you expect to need, spend, and make, and how you will do this*
- *Detail the ways in which you will collect, analyze and evaluate the success of both short and long term goals*

SWOT Analysis

A strengths, weaknesses, opportunities and threats analysis is a technique for assessing these four elements of your business. You can use this tool to make the most of what you currently have, while reducing the chances of failure by understanding what and where you are lacking, and planning for difficulty before it hits. Additionally, it can help you to craft a strategy that distinguishes you from your competitors, and ultimately, seek to plan for leadership succession with the right people who align with the overall strategy.



Template Source: https://www.mindtools.com/pages/article/newTMC_05.htm

Once you have considered all four aspects, you may want to reflect on potential connections between the quadrants of your SWOT analysis matrix. Use your SWOT analysis tool during both strategic and succession planning to be sure your plans align with your business goals, and you are working towards a comprehensive picture with the right people at the right time and place to successfully carry it out.

Strategies in Succession

In this section, you will learn:

- ✓ **Recruitment strategies: tips to attract great employees**
- ✓ **Retention strategies: tips on retaining employees**
- ✓ **Apprenticeship training: how apprenticeships and a culture of training benefits businesses, steps to apprenticeships**
- ✓ **Financial incentives for hiring an apprentice**
- ✓ **Training and professional development strategies**

ATTRACT GREAT EMPLOYEES!
STRATEGIES FOR RECRUITMENT

Create compelling job descriptions

An attention-grabbing and thorough job description is one of the most important parts of the hiring process. Make titles as specific as possible, open with a captivating job summary, include the core responsibilities and day to day activities, and keep descriptions concise.

Treat candidates like customers

Treat your interviewees with the same care and respect you would treat your customers.

Use social media

Share job postings, photos, videos, and day to day office life to give potential applicants a glimpse of your company culture in addition to the role you're hiring for. Your posts can be "shared" by other online users to reach more candidates.

Check for resumes with local Employment Ontario supports

Find local resumes from job seekers through local Employment Ontario providers

Consider past candidates

When you hire for a position, there are often a few talented candidates that end up not making the cut due to timing or other external factors. When you're recruiting for a similar position, consider re-visiting the resumes of past applicants. These candidates are already familiar with your company and may have picked up new skills and experience since you last spoke.

RETAIN GREAT EMPLOYEES!

STRATEGIES FOR RETENTION

It is cheaper to keep employees than it is to hire new ones

1. Be respectful to all employees at all levels
2. Compensation/pay/incentives
3. Build trust between employees and senior management
4. Job security
5. Provide opportunities to use their skills and abilities at work

Source: https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/pages/2017-job-satisfaction-and-engagement-doors-of-opportunity-are-open.aspx

Retention strategies can:

- ❖ Increase employee performance and productivity
- ❖ Increase employee productivity
- ❖ Reduce employee-related conflict
- ❖ Increase morale
- ❖ Save money on training

BUILDING A CULTURE OF RESPECT

Consider this…

Walk the talk: never ask your staff to do anything that you yourself wouldn't do

Protect your team: standing up for your employees creates loyalty and the drive to go over and above

Know your people: understand their situation and barriers [i.e. education, small children, ability to work being restricted, struggles they have].

Controlling clients: be sure your clients appreciate your staff

Speak clearly, consistently and honestly with staff about expectations

Conflict management: performance issues require a meeting that starts with kindness, ends in clarity

Be Accountable:
- take ownership & deal with problems as they arise
- respond timely and personally
- Keep lines of communication open with staff when clients have an issue
- Be honest and open with your team

Everyone loves to be appreciated: SHOW your staff they're appreciated!
Consider a Christmas time bonus, occasionally buying lunch, and take the time for words of encouragement and praise

APPRENTICESHIP TRAINING

Did you know?

1. Hiring an apprentice helps build your team
2. Apprenticeship training takes 2-5 years
3. Generally, training requires three levels, eight weeks each
4. Evening and part time options are available.

Steps to Apprenticeship

For more information visit:
http://www.tcu.gov.on.ca/eng/eopg/publications/OALCF_GPD_Apprenticeship_Oct_11.pdf

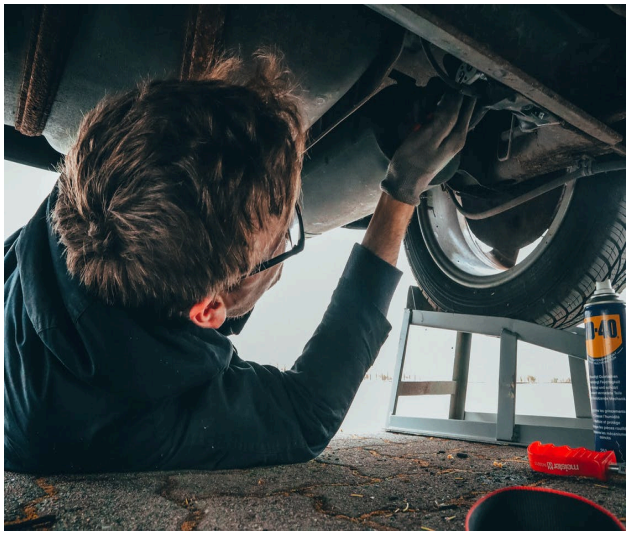
Why Hire an Apprentice?

When you train an apprentice, you also train them to **understand your unique work**.

The average age of an Ontario journeyperson is *47 years old*. Taking on an **apprentice trains the next generation** of workers and helps you **prepare for the future** of your business.

Retention: apprentices feel **more loyalty** to employers who trained and eventually hired them.

Eligibility for different **grants and/or federal tax credits** when you train or hire an apprentice. Recruiting potential apprentices through the Ontario Youth Apprenticeship Program (OYAP) can be **a cost-effective way to train and hire** young workers.



Local colleges, high schools, training, and pre-apprenticeship programs can help **you find the best talent** and match you with the most qualified apprenticeship candidate.

*For more information, visit: https://www.ontario.ca/page/hire-apprentice#section-3

Hiring an Apprentice: Return on Investment

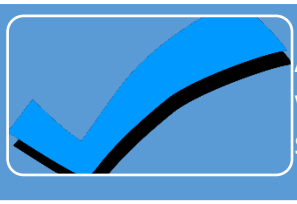
Employers receive a return when they invest in apprentices. For every $1 spent on apprenticeship training, an employer receives a benefit, on average, of $1.47 or a net return of $0.47

Analysis over the four-year apprenticeship indicates a net benefit ranging from $39,524 (Cook) to $245,264 (Heavy Duty Equipment Mechanic)

Detailed analysis for 3 trades shows there is a return for all regions across the country and for all sizes of business.

The net benefit of apprenticeship training increases in each year over the course of the apprenticeship period. Employers noted their journeypersons benefit from having an apprentice

The majority of employers believe a “homegrown” journeyperson who they trained as an apprentice is more productive. Employers estimated that a “homegrown” journeyperson is 29% more productive



Additional benefits to hiring apprentices include having employees which are a better fit with the organization and reduced risk of skills shortages.

Employers were evenly split in terms of whether they view a poaching risk from other employers to be a very serious issue

14% of employers who hired journeypersons in one of the sixteen trades, but did not hire apprentices, indicating that they would be willing to hire an apprentice, except that there were few or no apprentices applying to their organization.

Source and more information available at:
https://apca.ca/wp-content/uploads/Return-on-Investment-2009.pdf

It pays to hire an apprentice!

Consider the following financial incentives*

The Group Sponsorship Grant

- Up to $1,000,000 annually to encourage employers to come together using a group sponsorship arrangement and provides grants over a maximum of three years for activities such as on-the-job and in-class trades readiness; on-the-job mentoring supports; and recruitment and retention of apprentices and employees.
- For more information, visit: http://www.tcu.gov.on.ca/eng/eopg/programs/gsg.html

Apprenticeship Job Creation Tax Credit

- Non-refundable tax credit equal to 10% of the eligible salaries and wages payable to eligible apprentices in respect of employment after May 1, 2006.
- For more information, visit: https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/line-41200-investment-tax-credit/apprenticeship-job-creation-tax-credit.html

Apprenticeship Training Tax Credit

- A financial incentive program to support employers to come together and train apprentices. It is available to businesses that have permanent establishments in Ontario, pay Ontario income tax, incur eligible expenses in training apprentices in certain skilled trades that began prior to November 15, 2017.
- For more information, visit: https://www.fin.gov.on.ca/en/credit/attc/index.html

*All government programs were active at the time of publication. To access the most up to date information, visit https://www.ontario.ca/page/start-apprenticeship or contact the nearest Employment Ontario Apprenticeship Office.

Financial Resources for Apprenticeship

Note: The following financial resources lists was accessed from the College of Trades website. For more information on financial resources, visit: https://www.collegeoftrades.ca/wp-content/uploads/FINANCIAL-RESOURCE-LIST-REVISED-January-23-2015.pdf

Financial Resources for Apprentices and Tradespersons
Apprenticeship Incentive Grant (AIG) Taxable cash grant of $1,000 per year up to a maximum of $2,000 per person. Apply at: https://www.canada.ca/en/employment-social development/services/apprentices/grants.html#a1
Apprenticeship Completion Grant (ACG) Taxable cash grant of $2,000 maximum available to registered apprentices who have received their journeyperson certification. Apply at: http://www.servicecanada.gc.ca/eng/goc/apprenticeship/completiongrant/faq/application.shtml#a1
Apprenticeship Completion Bonus in Non-Red Seal Trades Taxable cash grant of $2,000 available to registered apprentices after they complete their apprenticeship training and obtain certification in any Ontario non-Red Seal trade. Apply at: http://www.tcu.gov.on.ca/eng/employmentontario/employers/apprenticeship_bonus.html
Support to Non EO eligible Apprentices Provides up to $3,600 of taxable financial supports for apprentices who are not eligible for federal Employment Insurance. Apply at: https://www.ontario.ca/page/start-apprenticeship#section-4
Loans for Tools An interest free loan for new apprentices to help buy the tools and equipment needed to perform the trade in which they are registered. Contact: 1-800-313-1746 or apply at: www.tcu.gov.on.ca/eng/apprentices/tools.html
Apprenticeship Scholarship $1,000 apprenticeship scholarship for youth who are completing academic upgrading. For more information and to apply, Call 1-800-387-5656 or visit the website at: http://www.tcu.gov.on.ca/eng/apprentices/app_schol.html
Tradesperson's Tools Deduction Deduction for the cost of eligible tools. For more information, Contact: http://www.cra-arc.gc.ca/trades/ http://www.cra-arc.gc.ca/tx/ndvdls/tpcs/ncm-tx/rtrn/cmpltng/ddctns/lns206-236/229/trds/trdsprsneng.html
Canada Apprentice Loan Up to $4,000 in interest free loans per period of technical training for tuition, tools, equipment and living expenses. For more information: http://www.esdc.gc.ca/en/support_apprentices/loans.page

Financial Resources for Employers Hiring Apprentices

Apprenticeship Training Tax Credit (ATTC)

The Apprenticeship Training Tax Credit is a refundable tax credit. The tax credit is based on salaries and wages paid to an apprentice. Qualifying businesses can claim 25 per cent of eligible expenditures (30 per cent for small businesses) made during the first 36 months of an apprenticeship program that commenced on or after April 24, 2015, and before November 15, 2017. The maximum credit for each apprenticeship is $5,000 per year. The maximum credit over the first 36-month period of the apprenticeship is $15,000. Contact: http://www.fin.gov.on.ca/en/credit/attc/ Online calculator: http://www.tcu.gov.on.ca/eng/employers/taxcredit/calculator.asp

Apprenticeship Job Creation Tax Credit (AJCTC)

Non-refundable tax credit equal to 10% of the eligible salaries and wages payable to eligible apprentices in respect of employment after May 1, 2006. Contact: http://www.cra-arc.gc.ca/tx/ndvdls/tpcs/ncm-tx/rtrn/cmpltng/ddctns/lns409-485/412/jctceng.html

Achievement Incentive

The Achievement Incentive is a grant program that: helps employers train apprentices by reducing some of the cost of training and supports apprentice progression by giving grant payments to employers when their apprentices reach major milestones. The program offers up to $4,000 to eligible employers including: $1,000 milestone payments for each level of in-class training completed by the apprentice (to a maximum of 3 levels), an additional $1,000 payment once the apprentice achieves the highest level of trade certification in their respective trade. Milestone payments are retroactive to April 1, 2020. http://www.tcu.gov.on.ca/eng/eopg/programs/aip.html

Canada Ontario Job Grant

The Job Grant will provide direct financial support to individual employers who wish to purchase training for their employees. It will be available to small, medium and large businesses with a plan to deliver short-term training to existing and new employees, and will: Provide up to $10,000 in government support per person for training costs. Require employers to contribute one-third of the total costs. There will be additional flexibility for small businesses to provide an in-kind contribution towards their share of the costs. FAQs and general information: http://www.tcu.gov.on.ca/eng/eopg/cojg/

Find Local Apprenticeship Support

- Facilitates the Canada Ontario Job Grant
- Assists job seekers and employers to find suitable apprenticeships
- Initial $1000 signing bonus to the employer
- Ongoing employer support during apprenticeship
- Phone: (519) 332-4333
- Website: www.goodwillindustries.ca

- Upgrading trade math skills
- Upgrading literacy and essential reading skills
- Studying and preparing for exams: recertification or certification
- Phone: 519-332-4876

- Adult and Continuing Education
- Assistance for apprentice's upgrading their skills
- Numeracy, spatial, literacy for aptitude tests
- Secondary school requirements
- Phone 519-383-8787

- Test prep, basic English, math upgrading
- Learning and basic skills
- Phone: (519) 336-8410 Ext. 285

TRAINING AND PROFESSIONAL DEVELOPMENT STRATEGIES

Employees are the lifeblood of any organization. Ask yourself: does my business need work in the following areas?[1]

Orientation	• Training on corporate culture, mission, vision, and values; organizational structure; leadership team; policies; administrative procedures such as logins, emails, etc •Includes new-hire paperwork; benefit plans
Onboarding	• Usually addresses needs as a new employee; access to information and skills; the technical aspects of the job; improvement of work performance; employee engagement; department goals
Technical Skills	• Basic component of employee education and the primary way to develop the necessary skills to perform the role. Employees who are already competent can undergo further training to gain new skills and stay current with the latest technologies and processes
Soft Skills	• Traits that enable a person to communicate and work effectively with co-workers and customers, including communication, problem solving, teamwork, presentation, leadership, time management, conflict resolution and work ethic.
Products and Service Training	•Information on different aspects of a product or service, such as: instructions for use, benefits, features, maintenance, price, and warranty
Quality Training	• Most commonly occurring in production focused companies, this method ensures that all products meet quality standards. • These standards could be imposed by industry, third party, or the company itself.
Safety Training	• Fire drills, evacuation plans, workplace violence procedures, injuries, use of toxic chemicals or other hazardous materials. • Safety training includes all factors involved in keeping your employees safe and injury free while on the job.
Team Training	• An essential process for employees working together for the first time to enable to members to build stronger relationships to work together in a cohesive manner.

[1] Different Types of Workplace Training. Indeed. https://www.indeed.com/career-advice/career-development/different-types-of-workplace-training

Planning for Succession: Developing Future Leaders

Workbook

- ✓ **Identify critical roles within your organization**
- ✓ **Nominate potential leaders to fill predicted vacancies**
- ✓ **Assess potential successors**
- ✓ **Create a talent development plan**
- ✓ **Measure the progress of your succession candidate(s)**

Step 1: Identifying Critical Roles

To do:

- Assess your current workforce: identify each critical role and each employee in relation to your business operations.
- This will help with any upcoming vacancies and the planning for the future success of your business.
- Once you have an idea of what roles are critical to the success of your business and recognized the level of urgency in identifying successors due to potential upcoming vacancies, it is important to understand exactly what is required to perform the new role.

Consider:

- What type of education and/or experience is required?
- What are the principle duties and responsibilities?
- What are the required core skills and competencies?
- Are there critical relationships inherent to the success of the position?
- What are the essential knowledge requirements? Is there anyone else in the company that has this knowledge?
- How is the knowledge for this position shared? (i.e. job shadowing, mentorship, etc)
- What is the impact of this position in achieving the company's strategic goals?
- Is this role at risk of becoming vacant within the next one to three years?

IDENTIFYING CRITICAL ROLES

Position Title: _____

Job Description:

_____
_____
_____
_____
_____

Principle Duties/Responsibilities:

_____
_____
_____
_____
_____

Education/Credentials/Experience Required:

_____
_____
_____
_____
_____

Core Skills/Competencies Required:

_____
_____
_____
_____
_____

Position Status: [filled or vacant] _____
Position Impact: [high, medium, low] _____
Vacancy Risk: [high, medium, low] _____

List the critical relationships inherent to the success of this position:

_____
_____
_____
_____
_____

Explain the essential knowledge requirements for the success of this position:

_____
_____
_____
_____
_____

Is there anyone else within the organization that has this knowledge? If yes, who?

_____

How is the knowledge for this position shared? (job shadowing, process documentation, mentorship, etc)

_____
_____
_____

Explain the impact this position has in achieving the company's strategic goals and objectives:

_____
_____
_____
_____
_____
_____
_____
_____
_____
_____

Step 2: Nominating Potential Successors

By now, you should have a well-documented profile of the talent and criteria necessary for each critical role for the current and future success of your organization.

Consider: Does the employee want to move up? What are their goals? Additionally, consider a transparent nomination process to make objective decisions for succession.

Organizational Succession Bench

Think of available talent in your company. Complete this for all staff relevant to the critical role for which you are planning: rate your confidence in their potential performance in the role, along with an estimated timeline until the candidate is ready.

Sample Succession Bench

Position Title & Current Incumbent	Exit Status [A,B,C]	Potential Successor & Current Position	Potential mobility/ transfer [H,M,L]	Training options [internal and/or external]	Confidence in candidate [1-5] 1=not at all 5= very confident	When will this candidate be ready? [how many months/years]
Sales Manager Jane Doe	A	Ameem Ahmed Sales Floor	H	Internal	5	1 year
		Chelsea Brown Sales Floor	M	Internal	4	2 years
Accountant Frieda Tiere	A	Outside Hire	N/A	N/A	N/A	N/A
Automotive Parts Technician Fred Martin	B	Kyle Khan Apprentice	M	Internal and external	4	3 years
		Kate Stringer Apprentice	H	Internal and external	5	2 years

Exit Status (potential to leave organization):

A: likely within one year
B: Likely within 3 – 5 years
C: Unlikely to retire/leave

Potential for Mobility of Transfer:

H: High [has skills/knowledge/compentencies]
M: Medium [has interest in future development]
L: Low [unlikely to change positions]

ORGANIZATIONAL SUCCESSION BENCH TEMPLATE

Position Title & Current Incumbent	Exit Status [A,B,C]	Potential Successor & Current Position	Potential mobility/ transfer [H,M,L]	Training options [internal and/or external]	Confidence in candidate [1-5] 1=not at all 5= very confident	When will this candidate be ready? [how many months/years]

Exit Status
(potential to leave organization):

A: likely within one year
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C: Unlikely to retire/leave

Potential for
Mobility of Transfer:

H: High [has skills/knowledge/compentencies]
M: Medium [has interest in future development]
L: Low [unlikely to change positions]

Step Three: Assessing Potential Successors

Once you have some potential candidates in mind regarding the role(s) for which you are planning, you will need to take a more in depth look at the readiness of each candidate.

Create an individual file for each candidate. Typically, you will want to expand on the information collected in the organizational succession bench for each candidate.

The next form will serve as the starting off point for your potential successor. For each succession candidate, fill out the template on the following page and then continue to step four.

ASSESSING SUCCESSORS

Position Title: _____
Current Incumbent: _____
Candidate : _____

1. ***On a scale of one to five, where 1 means not at all confident, and 5 means exceptionally confident, how confident are you in this candidate's ability to perform effectively in this role?***

1	2	3	4	5
not at all confident	slightly confident	moderately confident	very confident	exceptionally confident

2. ***What skills and/or knowledge and/or training does the candidate need to gain in order to be ready for this role?***

_____
_____
_____
_____
_____

3. ***How long do you feel it will take for this candidate to be ready to fill this position? (Check the appropriate box)***

- o Do not feel candidate will ever be ready
- o Ready in 5+ years
- o Ready in 3-5 years
- o Ready in 1-3 years
- o Ready now

4. ***Please explain any concerns or comments you have regarding the candidate's ability to effectively perform in this role.***

_____
_____
_____
_____
_____
_____
_____
_____
_____
_____

Step 4: Creating a Talent Development Plan

Think about the employee's experience, education, skills, and competencies. Next, you will provide the details on the target position's criteria, roles, responsibilities, skills, and competencies, and what is needed to do the job (roles, skills, etc). Then, identify any gaps between the employee and their target position, and finally, set goals to move the employee from their current role into the target role. (i.e. more training, workshops, etc).

Tip: When setting goals for short, medium, and long term range, remember the SMART goals acronym. Be sure each goal is specific, measurable, attainable, relevant, and time bound.

Specific	Measurable	Attainable	Relevant	Time-Bound
Make sure your goals are focused and identify a tangible outcome. Without the specifics, your goal runs the risk of being too vague to achieve. Being more specific helps you identify what you want to achieve. You should also identify what resources you are going to leverage to achieve success.	You should have some clear definition of success. This will help you to evaluate achievement and also progress. This component often answers how much or how many and highlights how you'll know you achieved your goal.	Your goal should be challenging, but still reasonable to achieve. Reflecting on this component can reveal any potential barriers that you may need to overcome to realize success. Outline the steps you're planning to take to achieve your goal.	This is about getting real with yourself and ensuring what you're trying to achieve is worthwhile to you. Determining if this is aligned to your values and if it is a priority focus for you. This helps you answer the why.	Every goal needs a target date, something that motivates you to really apply the focus and discipline necessary to achieve it. This answers when. It's important to set a realistic time frame to achieve your goal to ensure you don't get discouraged.

Source: https://cmcoutperform.com/setting-smart-goals

CANDIDATE PROFILE & TALENT DEVELOPMENT

Succession Candidate: _____ *Target Position: _____*
Current Position:_____ *Readiness: □Now □1-2 yrs □3-5 yrs □5+ yrs*

Candidate Education and Experience:
List all relevant education, training, and experience of the succession candidate

_____
_____
_____
_____
_____

Candidate Skills and Competencies:
List the skills and competencies the candidate demonstrates

_____
_____
_____
_____
_____

Target Position Roles and Responsibilities
List the primary functions, duties, and day to day responsibilities in the target role

_____
_____
_____
_____
_____

Target Position Criteria:
List relevant education, training, and experience necessary for the future role

_____
_____
_____
_____
_____

Target Position Skills and Competencies:
List the necessary skills for success in the target role

_____
_____
_____
_____
_____

Gaps Between Role Requirements and Candidate Abilities:

Explain where the largest gaps in skills, knowledge, or training exists between that candidate's current skillset and the targeted role.

_____
_____
_____
_____
_____

Fill out the chart below to address the gaps between role requirements and candidate abilities.

GOAL *What are you trying to achieve?*	**TASK** *What do you need to do to achieve the goal?*	**SUCCESS CRITERIA** *How will you identify your success?*	**RESOURCES** *Who or what will help you achieve the goal?*	**TIME FRAME** *When will the goal be completed?*
Example: Increase knowledge and ability to manage teams	**Example:** Have ongoing job shadowing opportunity with current manager, review management responsibilities	**Example:** Both current manager and manager candidate will report on knowledge and confidence in the role, candidate will successfully satisfy formal interview process requirements	**Example:** company policies and procedures manual, current manager, human resources, additional workshop on team management	**Example:** Six months

Step 5: Measuring Progress

Track success of the candidates by reviewing the timeline and action plan regularly. Set a goal and follow progress.

Examples of success might include:

- Number of positions filled internally
- Time spent in a role

Be sure to customize your success measures based on the needs of your organization

Stick to timelines created in the talent development template and monitor progress.

Key Principles to remember:

- Transparency
- Objectivity
- Open communication

These principles will benefit all employees.

What You Need To Know:
Buying and Selling a Business

In this section, you will learn what you need to consider for…

- ✓ **Buying a business**
- ✓ **Operational planning**
- ✓ **Record keeping**
- ✓ **WSIB**
- ✓ **Posters required in the workplace**
- ✓ **Employment standards in Ontario**
- ✓ **Selling a business**

What You Need To Know:
Buying a Business

☐ **Business Structure:** Impacts the type of tax returns you file each year. Can be: sole proprietorship, partnership, or corporation.

☐ **Inventory:** Consider what's on hand and the quality and condition of all products and materials for sale, resale, or use in serving a client.

☐ **Building, Furniture and Equipment:** Find out market value, when purchased, present condition, and if owned or leased, for each.

☐ **Tax Returns and Financial Statements:** Ask for the past five years of these statements. Review with an accountant to determine actual financial worth.

☐ **Sales Records:** Evaluate monthly sales for the past three years or more. Understand the sales cycle the business goes through and compare to industry norms.

☐ **Vendors:** Find out who the suppliers are/inventory comes from, and if there is debt involved.

☐ **Policies, Procedures, Operations:** Understand exactly how the business runs. Ask if the seller will stay on as an advisor after the sale to ensure a smooth transition.

☐ **Contracts and Legal Documents:** Obtain copies regarding lease, purchase, distribution, subcontractor, sales, union, employment agreements, registered trademarks, and real estate.

☐ **List of Liabilities:** Consult with a lawyer to examine potential costs and legal ramifications.

☐ **Accounts Payable/Receivable:** Know the age of receivables and determine the number of accounts outstanding beyond 60 days. Know if creditors have placed liens on payables more than 60-90 days old.

☐ **Debt:** Ask for a disclosure of all debt, including outstanding loans, investments, and any other debt the business has accumulated.

☐ **Personnel Files/Employee Records:** Was record keeping following government standard? View the "What You Need To Know: Record Keeping" section of this toolkit for more information.

☐ **Insurance:** Determine coverage and premiums for the operation and property. Obtain information on the current rate they pay for WSIB, and the WSIB history. Compare what they pay for WSIB to what is normally charged for a new company. View WSIB rates at https://www.wsib.ca/en/2020premiumrates

☐ **Safety and Employment Standards:** Review Ontario's employment standards, and how the current owner is upholding the law. For a better idea of what to look for, access the "What You Need To Know: Employment Standards in Ontario" and "What You Need To Know: WSIB" sections of this toolkit.

Let's Talk Operational Planning

*The operational plan is the **playbook for your business:** its importance cannot be understated. While there are endless reasons why it is valuable, the following points detail some of its significance:*

Marketability: when thinking of selling, potential buyers will want to be able to come in and "run" with your business. Not having anything to reference makes your business less valuable and marketable to third parties.

***Quality Management*:** outlining employee expectations aids in managing behaviours by having full and complete understanding by both employer and employee.

***Accountability*:** having a plan of expected duties and performance measures for your business, accountability is brought into daily tasks. If there is a discrepancy, you can see where they have taken place and how it can be resolved.

***Retention*:** Measurable and objective standards are a must. Consistency is important with personnel files, and reputable documentation gives stability to employees by making your company appear grounded and reputable while keeping employees in-the-know with expectations, and treated fairly with no ambiguity.

Creating an Operational Plan

Developing the plan is simple in theory, but if you are new to the planning process, it is wise to contact an HR specialist to guide you. For now, here are some steps you need to consider:

Start with your strategic plan
Your operational plan is ultimately the tool for carrying out your strategic plan. Without a solid strategic plan in place, creating an operations plan is like planning a vacation with nowhere to go. **1**

Determine the goals
Focus on what matters most. Consider where you are now, where you want to be, how you will get there, and what benchmarks will be used to measure progress. Be sure you have short term and long term goals in place. **2**

Tasks
Once you have your goals in place, understand the daily, weekly, monthly, and yearly tasks necessary for reaching your goals. **3**

Delegate
When you have completed your goals and tasks requirements, you can assign duties to the appropriate people. Remember to keep tabs on your plan and make any necessary changes as they arise to ensure you stay on the right path to be successful. **4**

Use Key Performance Indicators
KPIs objectively determine where you are, what you've achieved and where improvements need to be made. The KPIs chosen will guide the work of everyone in the organization, so spend time creating KPIs that effectively measure progress. **5**

Communication is key
It is paramount for everyone to understand the specific metrics, why you've chosen them, how they will help the organization to achieve its goals, and what each individual's role is in the success of the company. **6**

What Employee Records Should You Keep?

Note: This guide is designed to assist in understanding and outlining some of the important employer obligations under the Ontario Employment Standards Act. This guide should not be considered as legal advice and does not take the place of the ESA and its regulations. To access the ESA, visit https://www.ontario.ca/laws/statute/00e41

Employee's name, address, and start date of employment. This information must be kept for three years after the employee ceases to work for the employer

Regular rate for each hour of overtime worked, where the employee has two or more regular rates of pay. If there are two or more regular pay rates and in a work week has worked exceeding the overtime threshold, the dates, times and regular rates for each overtime hour worked must be recorded and kept for three years.

Hours worked each day and week for three years after the day or week of work.

Written agreements to work excess hours/average overtime pay. A copy of every agreement made with an employee to work excess hours or to average overtime pay must be retained for three years after the last day on which work was performed under the agreement.

Substituted day off for public holiday: If a day is substituted for a public holiday, the statement must contain the public holiday substituted, the date of the substituted day, and the date the statement is provided to the employee. This must be kept for three years.

Vacation time records: Employers are required to keep records of the vacation time earned since the date of hire but not taken before the start of the vacation entitlement year, the vacation time earned during the vacation entitlement year (or stub period), vacation time taken (if any) during the vacation entitlement year (or stub period) and the amount of vacation time earned since the date of hire but not taken as of the end of the vacation entitlement year (or stub period). The records must be retained for five years after they are made.

Vacation pay records: The employer must keep records of the vacation pay earned and paid to the employee during the vacation entitlement year (or stub period, if any) and how that vacation pay was calculated. These records must be made no later than seven days after the start of the next vacation entitlement year (or first vacation entitlement year if the records relate to a stub period) or the first payday after the next vacation entitlement year ends (or first vacation entitlement year if the records relate to a stub period), whichever is later. This information must be kept for five years after the record of vacation time and pay was made.

Employee's wage statement: All information contained in an employee's wage statement must be kept for three years after the information was given to the employee.

Information related to employee leaves: All the documents relating to an employee's pregnancy, parental, sick, family responsibility, bereavement declared emergency, family caregiver, family medical, critical illness, organ donor, reservist, domestic or sexual violence, child death and crime-related child disappearance leave must be kept for three years after the day on which the leave expired.

Workplace Safety & Requirements

The Workplace Safety and Insurance Board (WSIB) provides support and insurance for your business and employees, along with access to experts in health and safety for your business sector. Most Ontario businesses that have employees must register within 10 calendar days of hiring their first employee. ***As an employer in Ontario, you have the responsibility to:***

- ✓ Keep a safe and well maintained workplace.
- ✓ Provide hazard information, proper safety equipment, training, and competent supervision
- ✓ Provide first aid training and first aid kits. For First Aid Regulations, click here
- ✓ Provide Health and Safety training. You can access free Health and Safety Awareness Training for Workers and Supervisors here
- ✓ Post WSIB's "In Case of Injury at Work" poster.
- ✓ Post the Occupational Health and Safety Act.
- ✓ Have worker representation for health and safety. For more information on worker representation, visit the Ministry of Labour here
- ✓ Report a work-related accident to the WSIB if you learn that a worker requires health care and support their return to work. For more on Return to Work, click here
- ✓ Keep WSIB informed on any changes to your business within 10 calendar days

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To register with WSIB, visit https://www.wsib.ca/en/businesses/registration-and-coverage/register-us

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Additional posting required in the workplace include:

- **Employment Standards poster**: Download and learn more at: https://files.ontario.ca/mltsd-employment-standards-poster-en-2020-09-08.pdf
- **Health and Safety, Workplace Violence, and Workplace Harassment policies**: If your workplace has more than five regularly employed workers you must prepare, maintain, and post these policies every year. To learn more: https://www.ontario.ca/page/posters-required-workplace#section-6
- **Copy of the Occupational Health and Safety Act, and names and locations of your Workplace Joint Health and Safety Committee members:** You can learn more about these requirements here: https://www.ontario.ca/laws/statute/90o01 and here: https://www.ontario.ca/page/guide-health-and-safety-committees-and-representatives#section-3
- **Health and Safety at Work poster:** You can learn more and download the poster here: https://files.ontario.ca/mltsd_2/mltsd-prevention-poster-en-2020-07-22.pdf
- **In Case of Injury poster**: Employers who are covered by WSIB are required to display this poster, available here: https://www.wsib.ca/en/case-injury-poster-form-82

Employment Standards in Ontario

The Employment Standards Act, 2000 (ESA) sets the minimum standards for most workplaces in Ontario. The following outlines some of the key employment standards information you should be aware of. To read the act, visit: https://www.ontario.ca/laws/statute/00e41?_ga=2.131783372.2111829269.1606849971-1609878732.1606849971

Termination Notice and Pay:
https://www.labour.gov.on.ca/english/es/tools/termination/disclaimer_term.php

Record Keeping
You must keep writen records about employees .Visit the Record Keeping section of this toolkit for more info.

Hours of Work:
https://www.ontario.ca/document/your-guide-employment-standards-act-0/hours-work

Public Holidays
https://www.ontario.ca/page/public-holiday-pay-calculator

Leaves of Absence:
https://www.ontario.ca/document/your-guide-employment-standards-act?_ga=2.191412073.2111829269.1606849971-1609878732.1606849971

Minimum Wage:
https://www.ontario.ca/document/your-guide-employment-standards-act-0/minimum-wage?_ga=2.119659211.2111829269.1606849971-1609878732.1606849971

Vacation Time and Pay
https://www.ontario.ca/document/your-guide-employment-standards-act-0/vacation?_ga=2.262862287.2111829269.1606849971-1609878732.1606849971

Selling Your Business: Points to Consider

☐ **Value**: Hire a qualified professional to review your business, sales, inventory, debts, and other assets to provide a realistic estimate of your company's total value.

☐ **Retaining assets**: Do you plan to sell all assets, or just the shares? Do you wish to sell your company with or without the physical space?

☐ **Financial statements**: Work closely with an accountant to present clear financial statements and business tax returns for the last five years.

☐ **Financing**: can your business be financed by the buyer, or will you be financing the sale?

☐ **Employees**: are there any outstanding employee contracts or expectations to guarantee the jobs of any/all employees on your payroll? Be sure to make clear to potential prospects if this is a factor in the sale.

☐ **Personnel Files**: be sure the personnel files are up to date. Most information within employee files must be kept for a minimum of three years. Review the "What You Need To Know: Record Keeping" (page 39) portion of this toolkit for the necessary requirements.

☐ **Policies, Procedures, Operations**: make sure your policies and procedure manuals are up to date, along with clear explanations on operational procedures. This is the potential new owners "playbook."

☐ **Contracts**: there are a host of legal considerations when deciding to sell a business. Asset purchase agreements, legal contract for the sale, the purchase of assets, physical and intellectual property, employee agreements, and guidelines for the use of websites, to name a few. Decide approximately how long you will remain in an advisory role for the new owner to ensure the transition, and hire a lawyer to be sure all legal considerations are met.

☐ **Transition**: are you prepared to help with the transition of ownership following the sale? What type of transition are you prepared for? Do you have the organization process laid out for someone to take over from day one? Consider clients, employees, and contract continuity.

☐ **Beware the Steps of Grieving**: choose an end date and stick with it. When you have a built a business from the ground up, it can be an emotionally tiring process. Understand there is a learning curve with the new owner: staying on for a few months for the team and clients is important, but you have to decide your end date in advance and stick with it.