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Disney Succession Must Prioritize Strategic Relationships
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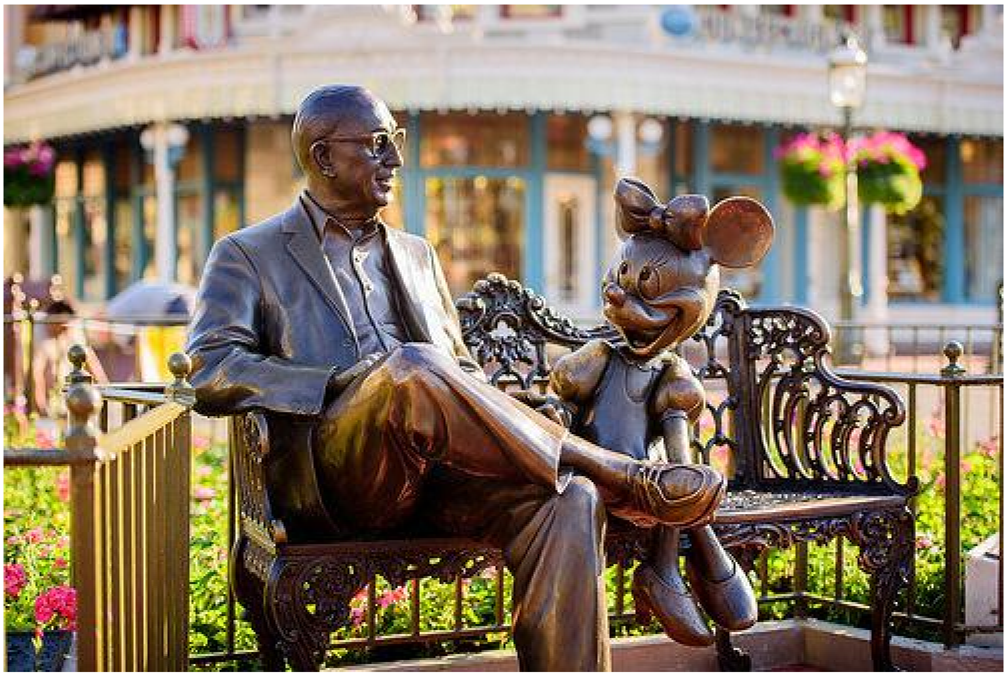

Succession at the world's largest entertainment company is in disarray following the resignation of Disney COO Thomas Staggs. That's the view of the New York Times and other media commentators after Monday's announcement that Staggs, who was in line to become CEO replacing Rober Iger, would instead be leaving next month. Clearly, Disney's leaders have not prioritized strategic relationship development, or their succession woes would not be earning so much ink.

https://docs.google.com/document/d/1p4YC-r0HY0EZ3fIDgT8HGvSBbgjDmRp_KDdGntL6hqs/edit?usp=sharing

We often think about strategic relationships outside our organizations: our connections with customers, suppliers, and the media, for example. But strategic relationship development is just as crucial within an organization, and its impact is at most evident in succession planning. Disney's rocky history of transitions of power shows the Mighty Mouse has not yet learned this fundamental principle.

Staggs joined Disney in 1990, was named chief financial officer, and in 2010 become chairman of Disney's parks and resorts division. In 2015, he was appointed COO. How that worked out is a case study in apparent failure to prioritize relationships.

"At least some board members were not convinced he had the skills required to maintain Disney's creative momentum," Brooks Barnes wrote in that New York Times article, which goes on to describe Stagg's championship of a theme park marketing executive to become Disney's chair of merchandising, who subsequently proved a poor fit. (She left Disney two months ago.) "Mr. Staggs also lacked the support of some Disney shareholders," the article continued. Board of directors, shareholders, and management reports all showing strain? To me that reveals a clear a lack of fundamental skills in initiating, nurturing, and capitalizing on strategic relationships.

In my 20-plus years of consulting with leading Fortune 1000 enterprises, I've made strategic relationships my major focus. As a recognized expert in an under-recognized business skill, I have a few words of advice for the Disney crew.

1. Your next generation of leaders will emerge from the strategic relationships already within your company. What do the high performer/high potential people on your staff need? How are you helping them develop the strategic relationships they'll need to reach their career goals? The energy you invest in helping these people today will build their loyalty to your organization, increasing the likelihood they will be on your bench when you need them in the future—and that, when nominated for senior positions, they'll have the support Staggs lacked.

2. Take succession planning seriously and prioritize it as an ongoing activity. Informal networks of relationships exist in every organization; start building your succession plan around these informal relationships by insisting that managers at various levels groom their replacements. CEOs, division leaders, VPs, directors, and managers right down to the frontline supervisors can conduct "skip-level" meetings with high-potentials that build strategic relationships across levels.

3. Identify individuals who are at the leading edge of social and mobile technologies, analytics, and cloud-based computing. Given the disruptive nature of these "SMAC" technologies, your organization needs people who understand and have deep experience with them.

Relationship Economics® is the art and science of business relationships. It generates quantifiable ROI. Disney's leadership needs to develop its team's mastery of its fundamental skills.

Nour Takeaways

1. Development of strategic relationship is crucial within an organization; its reward is smooth transitions when succession takes place.

2. Your next generation of leaders are already high performers/high potentials within your organization; help them develop relationships with higher-level managers.

3. Disruptive technology is a given, so identify and develop the people who are at the leading edge of "SMAC"—social and mobile technologies, analytics, and cloud-based computing—for your next generation of leaders.

David Nour has spent the past two decades being a student of business relationships. In the process, he has developed Relationship Economics® - the art and science of becoming more intentional and strategic in the relationships one chooses to invest in. In a global economy that is becoming increasingly disconnected, The Nour Group, Inc. has worked with clients such as Hilton, ThyssenKrupp, Disney, KPMG and over 100 other marquee organizations in driving profitable growth through unique return on their strategic relationships. Nour has pioneered the phenomenon that relationships are the greatest off balance sheet asset any organizations possess, large and small, public and private. He is the author of nine books translated into eight languages, including the best-selling Relationship Economics - Revised (Wiley), ConnectAbility (McGraw-Hill), The Entrepreneur's Guide to Raising Capital (Praeger), Return on Impact (ASAE), and the 2016 forthcoming CO-CREATE. (St. Martin's Press), an essential guide showing C-level leaders how to optimize relationships, create market gravity, and greatly increase revenue. Learn more at www.NourGroup.com.