

# Succession Planning and Transitions

Change is a fact of life, and every Chief Executive will leave the organization sooner or later – whether to leave for a new opportunity, illness, retirement, or because the board has decided it needs a different skill set to lead the organization.

Having a succession plan in place allows the organization to manage these transitions gracefully and effectively, and hopefully avoid crisis management and knee-jerk decisions. It is the board's responsibility to create the plan, keep it up to date and execute the plan when needed.

It is ideal when succession planning happens as a natural course of business. It is optimal to address this as a governance issue and as a needed human resource policy. This should be discussed with the executive as a matter of professional planning and in an atmosphere of “what if.”

Typically, a Governance or HR Committee, which hopefully includes someone with human resource experience, takes on the task of developing a draft succession plan for the board to review, provide input and approve.

## Elements of a Succession Plan

- Designation of which board officer or committee oversees managing the transition
- A brief action plan for an abrupt immediate departure; an action plan for a 3-6 month leave-of-absence and a plan for an advance notice departure (frequently occurs regarding a retirement)
- An up-to-date job description for the Chief Executive, with clear performance expectations
- A strategic plan or other performance indicators for the organization
- If available, a typical work plan of the Chief Executive
- A suggested process for hiring the new Chief Executive
- A plan for notifying key funding partners of the change
- Plans for logistics; the process for managing finances, talking with the staff, understanding any critical deadlines or commitments

## Suggested Steps after the Board Learns that the CEO is Leaving

1. **COMMUNICATION AND CLOSURE WITH THE CURRENT CHIEF EXECUTIVE.** First, board leaders and the Chief Executive should agree on a departure date. The board should



then convene and discuss the immediate issues of the Chief Executive's departure, such as notifying staff and key constituents and public messaging. There will also be other decisions related to compensation packages, severance and/or retirement pay.

The group will also want to think about the public form of closure with the Chief Executive, if appropriate. Discuss the way the work of the departing Chief Executive's work is to be honored, so that staff and the public see that your board values recognition of a job well done and can gracefully negotiate transition when the situation warrants it.

2. **COMMUNICATION ABOUT THE TRANSITION WITH THE PUBLIC.** Most organizations have multiple layers of constituents, and each should be addressed in a communication plan about this transition. Board members want to first notify key constituents - including staff, key donors, and funders - of the change, so there's no danger they'll hear about it from someone on the outside. Then there are the people the organization serves and other community organizations with which you work. Finally, there is the public communication to the community at large, often done through mailings and press releases.

Clarify "who's in charge" during the interim period. Regardless of whether the Chief Executive is leaving immediately, or the time frame is much longer, someone needs to be named the point person for the organization. Often there is a second-in-command who can fill this role nicely. In some organizations, board members have stepped in. And at other times, the organization hires a consultant to serve as the Interim Executive Director, buying needed time for the board to establish a solid hiring process. An Interim Executive Director can offer an outsider's perspective of the organization, assisting the board in determining the right mix of skills needed for the organization at this time.

3. **PLANNING FOR THE HIRING OF THE NEW CHIEF EXECUTIVE.** The Board should establish in advance which group or committee within the board will take on the role of the hiring process for the new Chief Executive. Some boards manage this themselves, while others hire consultants or search firms to manage this process for them. But most boards stop and take stock of where the organization is today and determine the skill sets needed for leading the organization into the future. It can also be a great opportunity to re-connect with constituents - especially key donors and former board members - and get their thoughts about the future of the organization.

## Creating an Effective Hiring Process

Make no mistake - one of the key roles of the Board of Directors is to hire the Chief Executive. While consultants or search firms can be hired to assist in this process, the final decision is not one that the board can delegate to anyone else. And hiring the right person is key for the organization's future



success, as the new Chief Executive needs to implement the strategic plan, motivate staff and connect with donors

### **Suggested Questions to Ask When Approaching the CEO Selection Process:**

1. Where is our organization going, strategically, over the next 3-5 years and what are the skill sets and attributes we will need to take us there? What life cycle is our organization in and what kind of leader can move us forward?
2. Is the current job description up to date? What skill sets are we looking for in the new Chief Executive? What are the absolute core values, skills, and experiences we will need to seek in the next leader?
3. How can we use this opportunity to re-connect with our constituents and gain their insight into the skills needed for the next leader of the organization?
4. Will we hire a consultant or search firm to help us through this process, or will we manage the process ourselves?
5. How will we recruit candidates? Will we only post the position locally or will we also post it nationally? Are there networks of people we can use to spread the word about the opening?
6. Who will be involved in the interview process? Do we want to invite community leaders who are not board members to participate?
7. What will the interview process be like? What kinds of questions do we want to ask? Will there be 2nd and 3rd interviews? Will we ask for materials prepared in advance or have a “think on your feet” portion of the interview? Will staff be involved? What criteria will we use to rate our candidates?
8. How will we use references? Do we want to stipulate the kinds of references that should be listed (ie. Former supervisor, former employee, former board member, etc.)? Who will check those references?
9. Is the compensation package fair and attractive to potential candidates? How much room should there be for negotiation?
10. How will the decision be communicated after it is made? How will staff and key constituents learn about this before the community at large?
11. How will the new Chief Executive be acclimated to the organization? Who oversees the process? What kind of materials will he/she be given to review? Who are the key people to meet first and who will be introducing the new Chief Executive?

While Executive Transition is never easy, done well, this process can help to re-open lines of communication with staff, board members and key constituents about what is important to the future of the organization and be the basis for rich discussion. Finding and hiring the right Chief Executive is not easy, but it certainly is essential

