

Be Prepared: Chief Executive Succession Planning

by Suzanne M. Kearney, Executive Director

It can happen when you least expect it. The chief executive of your ministry announces to the Board that s/he is leaving the organization. Nonprofit organizations have begun to realize that a transition at the chief executive level is a crucial moment in the organization's life: a moment of great vulnerability as well as great opportunity for transformative change. Succession must be addressed by the board and the chief executive even when no change in leadership is anticipated because a positive outcome for the ministry requires a well-planned process that begins long before the need for a search is discernable. The focus in this article is on the transition of the chief executive, although much of what is addressed can be applied to other mission-critical positions in the ministry.

Succession Planning

Succession planning for the chief executive is a process of thinking in advance about how to manage executive transition and putting steps in place now that will increase the organization's readiness to address a permanent change in leadership in a manner that will increase the likelihood of a positive transition. The board is ultimately responsible for developing a succession plan, keeping the plan updated and implementing the plan. The purpose of the plan is to ensure that the most qualified person is always running the organization. A good plan includes guidelines and options for action when that action is necessary.

Three Succession Situations

You can reasonably prepare for three succession situations. [Note: A temporary departure of the chief executive, for whatever reason, does not require a succession plan but an interim plan.]

1. **Emergency:** The chief executive leaves unexpectedly for a lengthy period or permanently.
2. **Departure-Defined:** With a reasonable notice this transition allows the chief executive to pave the way for a smooth transition to new leadership.
3. **Strategic Leader Development:** This type of transition applies when the organization prepares its own members to assume leadership roles.

A special transition occurs when the departing chief executive is the founder. An additional level of organizational preparation is required.

Components of Succession Planning

Succession planning is not limited to hiring a new chief executive or even to planning for the executive transition. It is

a continuous and cyclical process that just begins with hiring a new chief executive and includes the following components.

- ◆ updated mission statement, clear vision for the organization's future and a clearly articulated, written set of core values
- ◆ current strategic plan
- ◆ updated position description for the chief executive
- ◆ annual performance expectations for the chief executive
- ◆ measurable performance indicators for the whole organization
- ◆ verification at regular intervals that the organization is going in the right direction
- ◆ identification and strengthening of staff and budget weaknesses to preparing systems for handoff
- ◆ key qualities and capabilities needed in the chief executive to achieve the expected level of performance
- ◆ process for hiring a new chief executive
- ◆ options for managing the executive transition period
- ◆ orientation program for new chief executive
- ◆ emergency measures for the unexpected loss of the chief executive

Many items above are tasks that the board should be doing continually and faithfully in fulfillment of its own responsibilities.

Benefits of Succession Planning

A succession plan will help an organization be prepared for planned and unplanned absences of the chief executive, clarify authority and decision making, maintain accountability and ensure stability. Maintaining the plan as part of its regular strategic approach, the board can avoid short-sighted, quick-fix decisions, focus on implementing the plan, communicate to all constituencies the action plans that are in place and convey a confident and positive outlook to the organization, thereby reducing the natural anxiety that emerges in these situations. Staff members need information and opportunities for input. Transparency and inclusion lay a solid foundation for a successful transition in leadership. A succession plan allows an organization to remain healthy during a transition and gives a new chief executive a clear map of where the ministry needs to go.

Practical Tips

- ◆ Tailor the plan to suit your distinctive culture, structure, priorities and people

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- ◆ Put together a briefing book for the new chief executive; include sections on the ministry's history, CSJ sponsorship, corporate structure, financials, strategic plan, bylaws, board members, key team members, major donors, programs and annual administrative calendar
- ◆ Have a board member meet with the current chief executive each week prior to departure
- ◆ Have a board member meet with the new executive each week for the first two months of service
- ◆ Ensure that the search committee is adequately prepared for its job
- ◆ Designate a transition team

Best Practices

- ◆ Review and update the succession plan as part of the annual performance appraisal of the chief executive
- ◆ Ensure an appropriate departure of the current executive director
- ◆ Develop a communications plan, including all communications from the resignation of the current chief executive through the first 60-90 days of the new executive's term
- ◆ Make decisions based on the ministry's direction and the type of leader it needs
- ◆ Spend at least as much time on orientation as was spent on the search

Resources

"Succession Planning and Sustainability in Nonprofit Organizations" by Mindy Lubar Price.

"Successful Planning Means Planning Ahead" by Barbara Kaufman, Feb/Mar 2003 Board Member, Volume 12, Issue 1

"Succession Planning: Chief Executive Position" by Harvey Bergholz.

"Succession Planning for Nonprofit of All Sizes by Jan Masaoka and Tim Wolfred. September 2005

"Succession Planning: The Elephant in the Room" by Hildy Gottlieb Copyright ReSolve, Inc. 2006