Hello Goodbye: Succession Planning 101
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On average, boards spend only 2 hours a year on CEO succession planning.

2010 Survey on CEO Succession Planning
Rock Center for Corporate Governance at Stanford University

2014 Survey on Succession Planning
• 6/10 organizations do not have succession plans
• 2/3 of leaders will be leaving organization within 5 years (30% in the next 2 years)

Third Sector New England: Essential Skills for a Thriving Nonprofit Sector

"Baby Boomers are getting to be 60, 65, and it’s time for them to move on to other things."
Tom Flannery, Mercer Consulting

Why?
Every organization faces leadership transitions!

The Nonprofit Times
CEOs Want Second Act: Top Jobs Opening Up
I talk to our board of directors and one of the questions they ask me from time to time is: What happens if you get run over by a truck? It’s a good question for a board to ask. I tell them: I’m staying away from trucks and generally living a clean life.

Michael Dell, Founder & CEO of Dell, Inc.

Why do I need succession planning? I’m very alert, I’m very vibrant. I have no intention to retire.”

Sheldon Adelson
CEO Las Vegas Sands Corporation

CEO Succession Planning

“…Succession planning works best when board members and the incumbent chief executive collaborate in advance in a purposeful manner to create the conditions for a successful executive leadership transition—whether or not it is expected in the near term.”

- Nancy Axelrod, BoardSource Founder -

Barriers to Succession Planning

“Succession planning is one of the most avoided conversations by both boards and CEO’s…”

-Help4Nonprofits

What is Succession Planning?

Do we need a successor NOW?

What about succession planning for other key leaders?

• First, determine if succession plans are needed
  • Responsibility of management team
  • Consider other options like cross-training
### Consequences

- **Planned**
  - Onboarding
  - Transition

- **Unplanned**
  - Lose expertise from the departing CEO
  - Domino effect on staff... & other stakeholders (e.g., funders, partners)

### How to approach succession planning?

- Establish a CEO performance review process
- Clarify back-up personnel for the CEO’s key activities
- Keep the CEO’s position description up-to-date

### CEO Succession Planning Steps

1. Assign responsibility
2. Focus on how and what, not who
3. Adopt a timeline for the project
4. Keep the full Board involved
5. Adopt and disseminate the succession plan

### Elements of a Succession Plan

- CEO Position Description
- Draft Advertisement
- Providers of Interim CEO Services
- Major Vendors/Partners list
- Organizational Chart
Emergency Succession Plan
Consider adding the following elements:
• Organizational charts
• Essential information
• Multiple copies

Sample Emergency Succession Plan

True succession planning requires teamwork. It is a process, not an event.

Thank You!
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