

SUCCESSION PLANNING: The Board Should Do What Only the Board Can Do

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OVERVIEW

The Big Ideas

- The entire board reviews the written Contingency Plan and written Succession Plan at least annually.
- The board chair and the CEO regularly affirm that any “elephants in the room” (concerning succession) are appropriately addressed in a timely manner.
- The full board conducts a CEO performance review at least annually.

Every board should have the necessary tools to:

- Write a good, simple, communicated Contingency (emergency) Plan.
- Write a clear Succession Plan

A GOOD, SIMPLE, COMMUNICATED CONTINGENCY PLAN IS FIRST

To get started, work through these questions/statements:

- Who is to take the lead?
- What are the decision-making parameters?
- How much money can be spent?
- When and what do we communicate, and to whom?
 - Organization
 - Donors
 - Family
 - Insurance – should you have it?
 - Constituents
 - Bank
 - Others?

- What about the organization?
 - Who is in charge?
 - Will we pay them extra?
 - How do we communicate?
- What about the family?
 - Do they know?
 - What can be done to ease the pain?
 - Is there an interim leader?
 - Do we start a search?
 - How is the search to be paid for?

DEVELOP A WRITTEN “DRAFT” CONTINGENCY PLAN

- Share this Draft Plan with a small group of your most trusted advisors.
- Incorporate their comments into your thinking.
- Work through the plan with your staff, denomination, and board.
- Do not try to finish the plan all at once. Think, take your time.
- Make sure it is consistent with your Articles of Incorporation, Bylaws, policies, etc.
- Finalize your “Contingency Plan” and be sure copies are circulated to the people who need to know.
- Think through the benefits or liabilities of sharing your plan within the organization.
- Revisit your Contingency Plan at least annually.

A WRITTEN SUCCESSION PLAN AND THE ELEPHANT IN THE ROOM

- Why do so few of us have a good written plan
 - Insecurity of the CEO/ED
 - Are they forcing me out?
 - I don't have enough to retire.
 - I am not doing a good job.
 - I haven't had a review in years.
- Uneasiness from the Board
 - Poor CEO evaluation process, if there is one
 - Marginal performance by the CEO

- Not wanting to “talk money”
- Not sure how to create a plan
- Who should have the conversations?
- How do we start the conversations without causing concern of the CEO?
- Questions to answer:
 - Do we review the CEO/ED at least annually?
 - Is there a job description in place?
 - Is the succession conversation part of the review?
 - How is a competitive wage established?
 - Is there a process and timetable for retirement and/or planned departure?
 - Is there an internal successor(s)?
 - If so, what development needs are there for that person?
 - What training or additional exposure can be offered?
 - If there is not an internal choice, do you have a search firm identified?
 - If not, how do we get started learning about search firms?
 - Who is on the Search Committee?
- What is our severance policy?
 - Forced termination?
 - Performance issues?
 - For cause?
 - Unforced termination?
 - Change in direction for the organization?
 - Performance not up to expectations?
- Does the Board have a formal evaluation process in place?
- Does the Board require SMART Goals to be developed and measured annually by the CEO/ED?
- Is there a Strategic Plan in place?

These questions must be answered by the Board and the CEO/ED. Once these questions are answered, you will have 90 percent of your Succession Plan complete. Good luck and get started.