Today’s Presentation

- What is Succession Planning?
- Types of Succession Planning
- Questions to Ask
What is Succession Planning?

• A structured process that
  ➢ Ensures a leadership continuity in key positions
  ➢ Retains and develops knowledge capital and relationships for the future of the organization

• A continuous process that
  ➢ Assesses the organization’s needs and creates a climate for executive success and staff success.
Why do we need succession planning?

- 65-70% of leaders to retire in the next 5 years
- 50% will face a leadership change in next 5 years
- Protects sustainability of the organization
- Important to donors and funders

CompassPoint; BoardSource *Leading with Intent.*
Why are we scared of succession planning?

• Only 34% of not-for-profits have a succession plan
• Board not aware of the importance
• Concerned its sends message of not happy with current executive
• Focus on short-term, not long-term
• Perceived lack of time
Who is Responsible for Succession Planning?

• Board of Directors

• CEO/ED

• Involvement of critical senior staff
Types of Succession Planning

- Emergency Succession Planning
- Departure-Defined Succession Planning
- Strategic Leader Development (current and new leaders)
Emergency Succession Planning

• **Purpose:** for unplanned temporary or permanent departure of executive
• Drafted by executive with input from Board and key staff, approved by Board
• Identify job description of executive
• Identify interim executive and authority, responsibility, and decision-making limits
• Outline internal and external communications plan
• Outline process for selecting new executive
• Review plan annually
Departure-Defined Succession Planning

- **Purpose:** for planned departures of executive
- Identify personal and professional barriers for departing executive
- Identify strategic objectives of organization and leadership skills/traits needed in new executive
- Draft executive job description
- Identify succession planning committee
- Outline internal/external communications plan
- Outline executive search process
- Conduct sustainability audit
- Transition process/supports for new executive
Purpose: develop internal leadership for transition; appropriate supports for new executive
Build leadership and professional development into strategic plan
Actually conduct annual evaluations of executive and staff
Annual professional development plans for executive and key staff that meet organization’s leadership needs
External relationships should be cultivated and held by executive AND board AND staff
Have six months of reserves
Questions to Ask

✓ If CEO/ED cannot serve, have we identified who can?
✓ Would our organization be able to sustain a decline in income?
✓ Do funders trust that the organization can succeed without the current executive?
✓ Does the Board have the right mix of talent to effectively hire a new executive?
✓ Will the organization lose institutional knowledge and contacts if the executive were suddenly to leave?
✓ What skills need to be developed in senior staff?
✓ Are there other positions besides the executive that are critical?
Resources

• Federal Reserve Bank of Kansas City: Nonprofit Executive Succession-Planning Toolkit, www.kansascityfed.org

• National Council of Nonprofits www.councilofnonprofits.org

• Transition Guides (now Raffa, PC) www.transitionguides.com
Questions?

mary@missionplusstrategy.com
www.missionplusstrategy.com