

# **SUCCESSION PLANNING Fundamentals 101**

Zoom May 21, 2020 / 9-11am





## HOUSEKEEPING

# **Thank you to Region 5!**

**Zoom Format Timelines / Breaks** 

**Handouts** 

**Rules of Engagement** 

**Not Prescriptive!** 

What else...?





#### INTRODUCTIONS

- 1. Name
- 2. Cooperative / Store
- 3. Any updates you'd like to share?
- 4. What will make this worth your time?





#### **TODAY'S GOALS**

- Increase Understanding of Succession Planning
  - Definition and Purpose
  - Types of Planning
  - Structure and Templates
- Inspire you to Advance Succession Planning in your Organization





# What is Succession Planning?

Succession planning is a proactive measure that boards take to ensure organizational stability in anticipation of a leadership transition

1. Is
Succession
Planning
Difficult?

2. If so, why?

3. Why is it important?



# Why it's Important

Underscores the value of key leaders

Creates a culture of sustainability

Solidifies organizational reputation

Can help alleviate difficult emotions down the road

Offers avenues for growth for other staff

Minimizes burden on any individual staff or board member

Alleviates confusion and/or sense of secrecy

Others?

# **Types of Succession Planning**

- **◆** Emergency Plan
  - ◆ CEO/ED
  - ◆ Board Leadership
- **◆ Departure Defined** 
  - ◆ CEO/ED
  - ♦ All Board



- ◆ CEO/ED
- ♦ All Board
- Key Staff





## **Three Plans or One?**

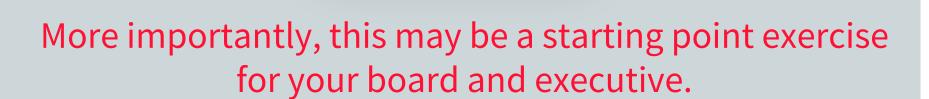


## Worksheet

Let's answer Questions 1 & 2

May return to remaining questions following the PPT

presentation



# **The Emergency Succession**

# Thoughtfully prepared plan to address an unanticipated departure of an Executive Director (or key Board Director)

- Departure that occurs immediately or within 1 day to 2 weeks.
- Due to a variety of reasons: Illness, death, immediate resignation or termination.
- Could be short term, intermediate of permanent.
- Ensures uninterrupted performance of essential functions.
- Outlines steps for temporary appointment of an acting ED.

# **Emergency Plan Components**

#### **Immediate Departure**

- Copy of ED Job Description and Priority Functions List
- Operations Inventory
- Timetables
- ID who/how an Acting ED(s) and back-ups will be assigned
- Address necessary cross-training
- Delegation of Authority for Acting ED

# **Emergency Plan Components**

- Compensation
- ID Board Oversight of Acting ED
- Communication Plan

#### More than 3 months

Provisions to back-fill duties of prior roles

#### Permanent

 Appointment of Search Committee with detailed transition plan

# Common First Steps to an Emergency Departure

- Determine anticipated timetables (short-term, intermediate, permanent)
- 2. Identify and document an Operations Inventory
- 3. Identify and document Essential Functions Inventory
- 4. Name an Interim Executive Director (s)
- 5. Communicate to Stakeholders
- 6. Clarify Responsibilities
  - 1. Board members, staff, volunteers, key stakeholders

## **Planned Transition**

# Course of Action that can be employed when an executive begins thinking about leaving an organization.

- Ideally 9 months to a year notice
- Joint contribution to the process between BOD and Executive
- Plan and Process generally focus on:
  - 1. Personal and professional barriers of <u>existing executive</u>
  - 2. <u>Strategic direction</u> and needs of organization
  - 3. <u>Communication</u> to stakeholders
  - 3. <u>Executive Search</u>
  - 4. Onboarding of new executive



#### **Planned Transition**

#### Some similarities to emergency plan

- Updated job descriptions
- Essential Functions List
- Operations Inventory

More emphasis placed on <u>leadership attributes</u> and <u>desired</u> <u>strategic direction</u> of the organization

LH will send Federal Reserve Template

# **Common Steps to Transition Planning**

- 1. Executive meets with BOD to discuss intent
- 2. Set Departure Date
- 3. Form a Succession Planning Committee
- 4. Prepare a Communication Plan
- 5. Identify Broad Strategic Direction (3-5 years out)
- 6. Ensure Finances are in order
- 7. Establish Executive Search Strategy (recruiter, media strategy...)
- 8. Establish Onboarding measures for new executive
- 9. Define future role (if any) for departing executive

# **Strategic Succession Planning**

An ongoing practice that is focused on strengthening the overall staffing structure with emphasis on executive position.

Happens every 3-5 years (ideally as a part of overall Strategic Planning)
Identifies Core Competencies needed at Managerial and Executive levels
Includes a plan to develop those competencies in existing talent OR
ways to recruit new talent

Important component in job retention

It's all about developing Bench Strength!



## Worksheet

If time allows, let's address remaining worksheet questions.



More importantly, this may be a starting point exercise for your board and executive.

- National Council of Nonprofits : councilofnonprofits.org
- 2. Annie E Casey Foundation: aecf.org
- 3. Blue Avocado: blueavocado.org
- 4. Board Source: boardsource.org
- 5. Social Venture Partner: socialventurepartners.org

**Additional Resources** 



# **REFLECTION, CLOSING & OFFER**





# **Stages Of Board Development**

#### **Founding/Forming**

Strong sense of "ownership"

Informal meetings; consensus

Often "working" board Composed of individuals with close ties to mission

## **Governing/Storming**

Balancing power between staff and board

Formalized decisionmaking

Focus on policy, systems, planning

Recruiting members with specialty skills



# **Stages of Board Development**

#### **Institutional/Norming**

Forms clear identity

Focus on fund

development

More diverse membership

Oversight delegated to

committees

Heavy reliance on

executive staff

#### **Generative**

Steady revenue

Focus on strategy / future

Interrogating current

reality in anticipation of

future challenges facing

the organization.

Consider alumni

distinction

