



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



◆ Strategic Leadership Development

- ◆ 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



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

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 or 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

1. 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 existing executive
 - 2. Strategic direction and needs of organization
 - 3. Communication to stakeholders
 - 3. Executive Search
 - 4. Onboarding of new executive

Planned Transition

Some similarities to emergency plan

- Updated job descriptions
- Essential Functions List
- Operations Inventory

More emphasis placed on leadership attributes and desired strategic direction 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.



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1. 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 decision-
making

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