Today’s Session

- Succession planning = long-term sustainability
- Components of an effective succession plan
- Five options to begin building your plan
- Tools and resources
Succession planning develops your most important resource.
Succession Planning Terms
Succession Planning Terms

GOAL:
Structured Pathway Between Leaders

Transition Planning

Position
Succession Planning Terms

**Succession Planning**
- GOAL: Leadership Continuity

**Transition Planning**
- GOAL: Structured Pathway Between Leaders

**Organization**

**Position**
**Succession Planning Terms**

- **Succession Planning**
  - GOAL: Leadership Continuity

- **Transition Planning**
  - GOAL: Structured Pathway Between Leaders

- **Career Planning**
  - GOAL: Growth in Skills and Loyalty

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**Organization**

**Position**

**Person**
Succession Planning for Whom?

- Not just the chief executive
- Not just the senior team
- Not just the paid staff
Components of a Comprehensive Succession Plan
Common Understanding of Succession Planning

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Common Understanding of Succession Planning

Components of a Comprehensive Succession Plan

Managing Unplanned Transitions
Components of a Comprehensive Succession Plan

Common Understanding of Succession Planning

Managing Unplanned Transitions

Board Policies for Leadership Continuity
Common Understanding of Succession Planning

Managing Unplanned Transitions

Board Policies for Leadership Continuity

Key Human Resources Practices

Components of a Comprehensive Succession Plan
Components of a Comprehensive Succession Plan

- Common Understanding of Succession Planning
- Strategies to Develop People
- Key Human Resources Practices
- Managing Unplanned Transitions
- Board Policies for Leadership Continuity
Options for Beginning Your Succession Plan

- Create Conversation About Succession
- Plan for Sudden Vacancies
- Adopt Leadership Continuity Policies
- Retain and Motivate Your People with Good HR Practices
- Build a Resourced Strategic Plan
Options for Beginning Your Succession Plan

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Create Conversation About Succession

- Take time to do it right
- Retreat setting is ideal
What Is Your Leadership Continuity Landscape?

A Quick Self-Assessment Tool
Create Conversation About Succession

- Talk about the assessment results
- What items seem most important?
- Take notes for future discussions
- Include senior team and key volunteers
Emotion
Emotion

- Be Transparent
- Be Accountable
- Be Participatory
- Focus on the Mission
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Plan for Sudden Vacancies

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Plan for Sudden Vacancies

Nonprofit Information Inventory
Position Vacancy Strategies
Professional Interim Leadership
Nonprofit Information Inventory

- Update yearly during budget process
- Review vendor relationships
- Control the distribution
- Provide to incoming leader once status is formalized
Position Vacancy Strategies

- Annual performance reviews
  - Good communication
  - Updated job description
  - Look forward…
Position Vacancy Strategies

- Annual performance reviews
  - Good communication
  - Updated job description
  - Look forward…

- Position contingency plans
  - Memo updated at each performance review
  - Include senior team, other key positions
  - Do planning with people (not to them)
Professional Interim Leadership
Professional Interim Leadership

✓ Experienced leadership on short notice
✓ Objective resource for best practices
✓ More time to recruit and hire next leader
✓ Specialized skills to match situation
✓ Shock absorber to ease change
✓ Solve problems before next leader arrives
✓ Assist with search process
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Options for Beginning Your Succession Plan

Create Conversation About Succession

Plan for Sudden Vacancies

Adopt Leadership Continuity Policies

Retain and Motivate Your People with Good HR Practices

Build a Resourced Strategic Plan
Adopt Leadership Continuity Policies
Adopt Leadership Continuity Policies

- Chief Executive Succession Policy
- Regular compensation reviews
- Annual executive performance reviews
- Board self-assessment
- Board succession
Chief Executive Succession Policy

Template in Succession Planning Policy Guide (not a substitute for legal advice)
Chief Executive Succession Policy

Template in Succession Planning Policy Guide
(not a substitute for legal advice)

Provides for

• Short-term absence
• Long-term absence
• Permanent vacancy
Chief Executive Succession Policy

- Regular compensation reviews
- Annual executive performance reviews
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- Board succession
Adopt Leadership Continuity Policies

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Chief Executive Succession Policy

Regular compensation reviews

Annual executive performance reviews

Board self-assessment

Board succession
Group Poll

How do board term limits impact your organization?

a) We don’t have term limits.
b) We have them but they aren’t enforced.
c) Our term limits promote board turnover.
d) I’m not sure.
Term Limits

28% of boards have no term limits

BoardSource
Leading with Intent, 2017
Board Succession

- Term Limits
- “Career Path” to Board Chair Role
Board Succession

- Term Limits
- “Career Path” to Board Chair Role
- Three Stages of Board Chair Role
  - Chair-Elect
  - Board Chair
  - Immediate Past Chair
Board Succession

- Term Limits
- “Career Path” to Board Chair Role
- Three Stages of Board Chair Role
- Chair-Elect Role in Work Groups
Options for Beginning Your Succession Plan

Plan for Sudden Vacancies

Adopt Leadership Continuity Policies

Create Conversation About Succession

Retain and Motivate Your People with Good HR Practices

Build a Resourced Strategic Plan
Options for Beginning Your Succession Plan

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Retain and Motivate Your People
What’s a key human resources practice at your organization?
Key HR Practices (Partial List)

✓ Accurate job descriptions (including volunteers)
✓ Personnel file for each employee
✓ Budget for professional development
✓ Updated volunteer and employee handbooks
✓ Performance reviews that look back and ahead
✓ Regular compensation reviews
✓ Strong whistleblower protection policy
✓ Inclusive and equitable hiring practices
Leverage HR Practices for Succession Planning

- Small group discussion
  *What HR practices would protect our people and help them be more successful?*

- Engage board, other volunteers and staff

- Update your practices (and give credit for input)
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Build a Resourced Strategic Plan
Build a Resourced Strategic Plan

KEY QUESTIONS

How much does your strategic plan cost?

Does that amount include the cost to develop and support human capital?

How would you develop the human capital your plan requires?

What does your strategic plan say about the value of people and their impact on your mission?
Build a Resourced Strategic Plan
Succession planning safeguards your mission.
Succession planning develops your most important resource.
Options for Beginning Your Succession Plan

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What’s the best option for your organization to start with in building your culture of leadership continuity?

Who will be your organization’s champion for leadership continuity? How will you find and support that person?
Taking Action

SOME FIRST STEPS

- Talk to someone in your organization about this topic and find out what they think.
- Invite your board and senior team to complete and discuss the Leadership Continuity Self-Assessment.
- Share the Nonprofit Information Inventory with your Chief Executive or Board Chair.
Questions?

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Third Sector Company
Taking Nonprofit Organizations to Higher Ground In Their Service to Others