Emergency Succession Planning

Get Ready, Stay Ready!

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Introductions
Agenda

• Introductions
• Objectives/Expectation Setting
• Succession Planning Defined
• Exercise - Breakout Groups
• Types of Succession Planning
• Focus on Emergency Succession Planning
• Case Study - Breakout Groups
• What’s Next
Objectives

- Introduction to the three types of succession planning
- Review of succession checklist document/best practices
- Next steps for crafting your own Emergency Succession Plan
What Is Succession Planning

- An ongoing, dynamic process that helps an organization to align its organizational goals and its human capital needs.
- Succession planning is not a one-time event centered on an executive transition, planned or unplanned. Instead, it is a planning process seen through the lens of time.
Benefits of Succession Planning

• Aligns organizational development with strategic vision
• Builds leadership capacity of team
• Develops pool of potential leadership successors
• Opportunity to diversify organization’s leadership
• Ensures leadership efficiency
Compelling Reasons Why We Need to Plan

• More than one in ten executive director jobs turns over each year.
  • That number is expected to climb as the baby-boomer generation--many of whom founded core organizations in their communities 20 to 30 years ago--begin to reach retirement age.
  • A study by the Annie E. Casey Foundation found that a majority of executives will leave their positions in the next five years.
  • Founders comprise nearly a third of executive directors, and over half of small non-profits (under $1 million) are led by founders.
  • The world is constantly changing!
What’s Happening Around Us

We are in a global double pandemic!

Needs of clients and employees are changing

We are in a global double pandemic!

Our new normal is yet to be defined!
What Holds us Back

• Life happens!
• Limited human and financial resources
• Not an institutional priority
• No process in place - or no one knows about it
• Focus on the individual, not the organization
• Leadership does not want to deal with it
• Safety in the status quo
• No talent development plan
  • Bias and lack of honesty in evaluations
  • Mentoring skills are not developed
Let’s Talk About it!

Exercise: Readiness Questions

• Who would step in should your organization’s leader suddenly not be available?
• Will the organization lose institutional knowledge and contacts if your executive were to suddenly leave?
• Does your organization have a centralized resource for important contacts and documents?
Three Types of Succession Planning

- Strategic Leader Development
- Departure Defined Succession Planning
- Emergency Succession Planning
Strategic Leader Development (SLD)

Begins with Strategic Planning

- **Vision**: What is the organization’s strategic vision?

- **Skills**: What competencies do we need to get there?
Strategic Leader Development (SLD)

Leadership Development

- Who will acquire the competencies & how?
- How do we back them up?
- How will we share leadership & decision making? (i.e., become a TEAM)
Long Term Succession Planning
Identify and Develop the Leaders of the Future

• Preserving the history, traditions, core values and culture of the organization
• Focus on the mission, not the leader
• Custom build the leader to fit the future
• Provide leadership at every level
• Retain the best and the brightest
• Personal commitment to core values

• Performance evaluations
• Align style, motivation toward personal growth
• Supervision
• Skill building/training
• Setting expectation
• Mentoring
• Personal development plans
Departure Defined Succession Planning

• Thoughtful planning and activities to ensure organizational sustainability

• Attention to the personal and professional issues of the departing Executive Director
Mid-term Succession Planning
Orderly Transition

• Revisit core values
• Define culture
• Understand expectations of key staff
• ID member and customer needs

• Know strategic issues of the future
• SWOT of the organization
• Environmental scan of the environment of the future
• Determine needed capabilities
**Definition**: Preparing for an unplanned departure

- A risk-management best practice
- Creates a more “leaderful” agency
- Emphasizes collaboration
Short-term Succession Planning: Being prepared for the ‘Win the Lottery’

• Written plan with specific assignments, directions and recommendations
• Annual Process with the leader (ED/CEO) and a Board committee
• Purpose is confidence building for Board, staff and membership
• Temporary/Short-Term
Case Study

Steps to Address Emergency Succession with No Formal Plan

Should the organization unexpectedly (with no plan in place) be faced with the need to immediately replace the senior executive, the following steps are recommended:

1. The board's executive committee convenes to address the following and make a recommendation to the board.
   a. Identify the key spokesperson for the organization until the new executive is hired.
   b. Draft communication plan, refer to step three of the Emergency Succession Plan.
   c. Agree on process to hire new executive. Decide whether or not to conduct an outside search or promote from within without considering external candidates. The recommendation should be to conduct an outside search, unless an internal successor has been identified and previously approved by the board. An external search or previous identification of an internal successor demonstrates the board's commitment to find a qualified replacement and facilitates a smooth transition for the new executive. Expectations of potential internal successors and candidates should be managed in order to avoid turnover during the hiring process.
   d. Identify interim executive and recommend additional temporary compensation. In a small organization, this could be a board member or qualified volunteer.
   e. Define the interim executive's responsibilities, authority and decision-making limitations. Also define any additional functions that should be handled by a second manager (e.g., director of clinical programs could also be the contact for healthcare funders).

2. Executive search task force committee facilitates the recruiting and hiring process by completing the following steps:
   a. Update the executive job description to ensure the right person is identified to lead the organization into the future. Refer to step one of the Emergency Succession Plan.
   b. Outline and implement process to recruit and select new executive. This will include identifying candidate sources, selection criteria, interview steps and team, reference/ background check, compensation range, hiring package, communication of new executive and transition plan. Agencies should leverage board and volunteer expertise when possible.
Now What?

1. Do we fill the leadership position from the outside or promote from within—i.e., the “unofficial successor” who has worked alongside the leader during the past several years?

2. What are we really looking for in a new leader? **Should we consider new requirements from those possessed by the departing leader?**

3. How do we address concerns by the current leadership staff who may be nervous about a new leader/team member joining the organization?

4. How long should we plan for the process to take?

5. **What do we do in the interim?** Do we need an acting/interim in the role? If so, what does that look like in terms of compensation, authority and decision-making responsibilities for all staff?

6. **Who will serve as the organization’s main contact?**

7. **What action do we need to take to ensure that current funders do not get nervous about the leader’s departure?**

Emergency Succession Planning
The First Five Steps

1. Identify critical staff functions
2. Name a backup for each function
3. Develop a cross-training plan for backups
4. Identify who would become acting or interim for identified roles
5. Specify monitoring & support role for the board and senior staff for the acting/interim role(s)
The First Step: Emergency Succession Planning
Being prepared for the ‘Win the Lottery’ Crisis

Board Responsibility (especially in the case of an ED/CEO/BdChair departure)

- commit to prepare
- commit to assess leadership needs
- plan to appoint interim leadership
- internal transition plan (time frame, role of the transition committee)
The First Step: Emergency Succession Planning
Being prepared for the ‘Win the Lottery’ Crisis

Documentation of Key Information

- Establish a database with notes that is accessible
- List of major contacts
- Standard operating procedures
- Board minutes
- Financial files/audits
- Key reports
- Quirky idiosyncrasies important to the organizational success
The First Step: Emergency Succession Planning
Being prepared for the ‘Win the Lottery’ Crisis

Win the Lottery transition list (Leader recommendations)

- who replaces within - or -
- list of consultants you trust
- executive recruiters
The Leadership Team Steps Up

- Puts a committee in charge
- Attends to its own succession planning
- Addresses vulnerabilities/gaps
- Sets future directions/opportunity to hit the “re-set” button
- Identify and recruit a replacement who fits the future
Five Things Not to Miss

1. Leadership Team (Board/Staff) ownership & actions
2. Committees’ inclusion in future planning
3. Collaboration - Full team engagement in planning
4. Openness to organizational truths
5. Hope for the future
Succession Readiness Checklist

Succession Readiness Checklist
Do Now, Do Next.....

Based upon what you have experienced today, what step will you take **NOW**?

Collectively as a staff, what based upon today’s learnings can you do **NEXT** to change the culture of the organization?
Questions?
JOIN MY NETWORK

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