

# SUCCESSION PLAN GUIDELINES

Succession planning is much more than having talent on tap to fill the chief executive's spot in the event of vacancy.

BoardSource's [\*Chief Executive Succession Planning: Essential Guidance for Boards and CEOs, Second Edition\*](#), by Nancy Axelrod, approaches succession planning as an ongoing and adaptive process rather than a specific event. By guiding and supporting best practices for sound governance and organization operations, the chief executive has already done much of what is required for successful executive transition.

Succession planning can strategically position an organization for success before an expected or unforeseen departure of the chief executive. There is no generic template for executive succession planning that will apply to every organization. While the content and timeline of the succession plan should be customized to the circumstances and culture of each organization, the following practices reflect an effective plan.

Specifically, a succession plan includes the following elements:

- Assumption that the chief executive must be capable of taking the organization to its expected level of performance
- A process for hiring a new chief executive
- Options for managing the executive transition period
- Emergency measures for unexpected loss of the chief executive
- Keeping the board undivided and focused on the future

On an annual basis:

- Create or update an emergency leadership transition plan.
- Conduct a performance review of the chief executive.
- Assess the chief executive performance against mutually agreed-upon goals and expectations determined the previous year.
- Implement a process for reviewing the compensation of the chief executive that conforms to the IRS Form 990 and best practice requirements.
- Determine institutional goals and personal goals that the chief executive will be accountable for during the next performance assessment process.
- Clarify expectations between the board and chief executive.
- Ensure that the board and the chief executive have shared goals and a collective vision of how the organization should be evolving over the next three to five years.
- Discuss the chief executive's future plans (regarding term of office).
- Review or update the chief executive job description.
- Determine whether the succession plan should be created, updated, or tweaked.
- Conduct a board self-assessment.
- Identify the board's strengths and needs.
- Define goals that the board is responsible for implementing.
- Determine how well the board is working with the chief executive.
- Determine actions the board will take to act on the results of the board self-assessment for the purpose of strengthening its structure and practices.

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When the chief executive's departure is known:

- Implement emergency leadership transition actions, if necessary.
- Discuss lessons learned by board and staff members who participated in the last chief executive transition process that represent things to repeat or avoid during the next transition.
- Create a schedule for the executive transition.
- Communicate the executive transition plan with the appropriate constituencies.
- Conduct an organizational assessment to determine leadership needs relevant for next chief executive.
- Convene a search committee to create chief executive profile, recruit candidates, rank applicants, interview candidates, check references, and recommend final candidate(s) to the board.
- Select a new chief executive

After the new chief executive is selected:

- Create a leadership transition team.
- Implement a communications plan to inform the community of the new appointment.
- Provide a formal orientation for the new chief executive.
- Agree on written goals and expectations for the chief executive.
- Ensure that the expectations and decision-making responsibilities between the board and the chief executive are well delineated.
- Create a timeline for a new succession plan (which defines the role of the board and the chief executive in the process).