Handout #1

A Succession Plan Guideline for Your Organization

Do We Need A Succession Plan?

The following questions are provided in order to assist your Board in determining whether the organization is prepared to for leadership change and the need to embark on the Succession Planning process.

Questions	Yes	No	Don't Know
1. Does your organization have a written plan for responding to the sudden loss of a key leader/manager?			
2. Has your organization identified the key operational functions (not job description) for each leadership/management position?			
3. Has possible successors for the key leadership/management positions been identified?			
4. The organization has a commitment and overall culture for leadership development with related budgetary allocations?			
5. Our Executive Director is over the age of 60 years.			
6. We have had two to three Executive Directors leave us within the last eight to ten years.			
7. Our Executive Director has been with the organization for ten or more years.			
8. Our Executive Director is the founder of our organization.			
9. We have a clear definition of the skill sets needed for each of the key staff leadership/management positions.			
10. We are confident that we have bench strength to be able to respond to a vacancy in any of our key staff positions.			
11. We know who to contact if we need assistance if faced with a "sudden loss" of a key leader.			
12. Our Board has a written plan that would guide us on how to conduct a search for your next Executive Director..			
13. Our Board has considered the options and their pros & cons for when considering the placement of an interim Executive Director.			
14. Our organization has a strategic plan that is no older than three years old.			
15. We have crossed trained our staff to assure continuity and preservation of organizational history.			
16. We have a plan for orienting and coaching new leadership staff during their first twelve months on the job.			
17. We know where to go for outsourcing work if a vacancy might occur.			
18. Exit interviews are conducted with key leadership staff when they leave the organization.			
19. The Board annually reviews the competitiveness of the compensation packages for key leadership/management positions.			
20. Our Board evaluates our Executive Director annually			
21. Our Board conducts a self evaluation of itself annually			
22. We have a well functioning management team			
23. We have other staff or board members sharing the important external relationships (major donors, funders, community leaders) with the Executive Director.			

Interpreting the results of this survey:
If you answered NO or DON'T KNOW for 8 to 10 of the following questions 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, you probably need to consider developing a Succession Plan.

If you answered YES for 3 or 4 of the following questions: 5, 6, 7, 8, you probably need to consider developing a Succession Plan.

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Handout #2a

The Purpose of the Succession Plan

- To provide the Board and staff a defined process for responding to a planned or unplanned vacancy in a key leadership/management position
- To create a learning culture in the your organization that is focused on developing leadership skills

Outcomes of the Succession Plan: Your organization will:

- Be prepared for the sudden departure of any of its key leadership/management staff.
- Be prepared for the planned departure of any of its key leadership/management staff.
- Have a comprehensive description of the functions for each key leadership/management position.
- Identify the leadership skills needed for each of the key leadership/management positions
- Have a guide for how to go about searching for a new Executive Director.
- Establish a defined policy that will create an organizational culture of leadership enhancement.

Succession Readiness List

- A strategic plan is always in place, including objectives for leadership talent development.
- The board evaluates the executive director annually.
- The board, based on an annual self-evaluation, is satisfactorily performing its major governance responsibility, financial oversight, executive support and oversight, policy development and strategic planning.
- Top management is a high-performing team.
- Another staff person or board member shares important external relationships (major donors, funders, community leaders) maintained by the executive.
- A financial reserve is in place with a minimum of 3 months' operating capital.
- Financial systems meet industry standards.
- Top program staff have documented their key activities in writing and another staff person can conduct their duties in an emergency.

Taken from the Third Sector New England website: www.tsne.org

There are three components of a successful succession plan, **Sudden Loss, Planned Departure, and Sustainable Capable Leadership**. The following chart describes each of these components.

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Handout #2b

TYPES	Characteristics	When & Why
SUDDEN LOSS	A replacement approach that prepares your organization for the "sudden loss" of a key member of the leadership/management team. The possibility of this happening necessitates the process of defining and clarifying the key responsibilities and functions of all leadership/management positions. In addition it requires that the your organization have a process for assuring the essential roles and responsibilities of that position are performed. How that is accomplished will be defined in the succession plan. Dealing with a sudden loss will require keeping all internal & external stakeholders informed during the period of temporary change.	When a leader (e.g., CEO, other key managers) departs unexpectedly, usually due to a catastrophic illness/accident or even death). This plan defines the short-term "stop gap" measure to sustain viability during the duration of the temporary vacancy. It will also include guidance if the vacancy should become permanent.
PLANNED DEPARTURE	An approach that will prepare your organization for the planned departure of its Executive Director and other members of the management team. The process will engage the Board and staff in the succession planning process. The initiation of the process may occur 1.5 to 3 years before the anticipated departure.	This is an extension of the sudden loss plan as it moves forward to prepare for a permanent vacancy in a position. This is used when there is the reality that a replacement of a key leadership/management positions is necessary.
SUSTAINABLE CAPABLE LEADERSHIP	Create an organizational culture that will focus on enhancing the leadership skills of your organization's staff. Establishes a process for identifying leadership skills that need to be developed. Results in the development of an **Individualized Leadership Enhancement Plan (ILEP)** for key leadership/management personnel and potential successors.	It is important for your organization to provide opportunities for its staff to be prepared to be considered to fill openings in leadership/management positions as they occur. Increasing your organization's depth of leadership will strengthen the your organization's ability to respond to either a planned or unplanned departure of key personnel.

Modified from Leader Development & Emergency Succession Planning: An Organizational Planning Workbook, A TransitionGuides Product.

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Handout #3

Filling Temporary - Template

Position Temporarily Vacant	Name of Person to Assume Position's Responsibilities	Present Position
Insert Position Vacancy	First Alternative	
	Second Alternative	
	Third Alternative	
Insert Position Vacancy	First Alternative	
	Second Alternative	
	Third Alternative	
Insert Position Vacancy	First Alternative	
	Second Alternative	
	Third Alternative	
Insert Position Vacancy	First Alternative Outsource Accounting Services	
	Second Alternative	
	Third Alternative	
Insert Position Vacancy	First Alternative	
	Second Alternative	
	Third Alternative	
Insert Position Vacancy	First Alternative	
	Second Alternative	
	Third Alternative	

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Handout #4a

Interim Executive Director Options

Assigning A Member of the Organization's Staff:

One option for finding an interim Executive Director is appointing an existing member of the organization's management staff. When considering this option the Board needs to be aware of the advantages and disadvantages of this option. Some of these are as follows:

Advantages	Disadvantages
Provides a sense of stability especially if the reason for the transition is abrupt.	Placing someone in the role of interim ED before they are ready – beware of the "Peter Principle."
Has an intimate knowledge of the organization at all levels.	Difficulty of moving from peer to boss, may not be able to effectively supervise direct reports when they were his/her peers prior to the appointment.
Has an established working relationship with Board leadership.	May not be able to objectively implement a comprehensive organizational assessment and recommend systemic changes necessary to improve the organization's long term sustainability due to the fact they are tied too closely with the present system.
Will have a working knowledge of agency's policies and procedures.	If he/she desires the appointment to the permanent position and it is not offered, there is a good chance that individual will either seek another job at another agency, or undermine the new ED when he/she is hired.
May have a working relationship with various funders.	Have difficulty going back to his/her previous position when new ED is hired or if the ED returns to the position.
Impact on budget will be minimal – a bonus or slight increase to present salary will need to be determined. The formula to be created preferably as part of the general succession plan.	Cannot be expected to perform the duties of their permanent position and also meet expectations of the interim ED's position. Thereby requiring other managers to job share the position effected.
May be excellent opportunity to test readiness for the permanent hire as ED	If interested in permanent ED's position and is a candidate for that position, other internal or external potential candidates may not seek consideration due to the perception that internal candidate has a leg up on the job. This may limit the level of the candidate pool.

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Handout #4b

Interim Executive Director Options
(Continued)

Assigning A Past or Present Member of the Organization's Board of Directors

One option for finding an interim Executive Director is appointing an existing or past member of the organization's Board of Directors. When considering this option the Board needs to be aware of the advantages and disadvantages of this option. Some of these are as follows:

Advantages	Disadvantages
Has a strong working knowledge of the organization and its strengths and weaknesses.	If the individual is a member of the present Board, the individual would need to resign from the Board, thus possibly weakening the organization's governing body, when it needs that entity's fullest resources and focus.
Has an intimate knowledge of the organization at all levels.	Will come to the position with preconceived perceptions about the organization and be either resistant to initiate change or initiate change with minimal data.
Has an established working relationship with Board leadership.	Changes made by Board member as the interim ED may be difficult to change by hired ED, if said Board member returns to the Board. Protecting changes may create tension between Board & new ED
Will have a working knowledge of agency's policies and procedures.	Board may find it difficult to supervise and direct Interim ED who was once a peer. Board may have difficulty in being able to separate the role of peer to the new relationship of employer.
May have a working relationship with various funders.	If Board member who is interim ED wants the permanent ED's position, conducting an open search will be almost impossible.
Having skilled Board member as interim provides the opportunity for an objective evaluation of the organization's strengths and weaknesses.	Rejecting the Board member's candidacy if a more qualified candidate is available may be difficult. Run the risk of losing a good Board member or having a potential antagonist to the newly hired ED on the Board.
Cost to organization may be potentially minimum, depending on Board member's ability to take the position on a pro bono basis.	Staff may not be able to work under Board member as the interim ED.
A Board member in the interim ED position represents a minimal chance that the person will be seeking the permanent position, thereby eliminating the issues of conflict of interests or reactions of existing staff. Net effect on the search process will be positive. Open's up candidate pool.	Having a Board member involved in the day to day operations may create confusion and conflict once the new ED is hired. Moving from that role may not be an easy transition.

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Handout #4c

Interim Executive Director Options
(Continued)

Retaining the Services of an Independent Consultant to be the Interim Executive Directors

One option for finding an interim Executive Director is appointing an existing or past member of the organization's Board of Directors. When considering this option the Board needs to be aware of the advantages and disadvantages of this option. Some of these are as follows:

Advantages	Disadvantages
The selection of an independent consultant should be based on that persons extensive experience and skill in having been a successful Executive Director of a nonprofit organization at sometime in the past.	The cost of hiring an independent experienced interim ED may be at best budget neutral. The fee charged may be equal to what was budgeted for the previous ED's compensation or may exceed that amount, especially if that compensation has lagged behind the competitive rates in the community.
The individual may also have had experience of being an interim ED with another organization, thereby understanding the challenges and expectations of being an interim ED.	There may be a learning curve of a few weeks for the interim to learn the organization's services, policies and culture.
Provides an opportunity for an objective review of the organization's position within the context of operations, fiscal management, program sustainability and qualitative/quantitative analysis.	The interim ED may be from another part of the country, thereby requiring lodging etc., which adds to the cost of the service.
Provides the Board with a report of recommendations for change with no restrictions based on personal biases or preconceived opinions.	
Interim ED should have the ability to provide the necessary leadership to implement systemic and personnel changes needed to move the organization forward, before the new ED assumes the job. This then leaves the interim with the baggage that comes with the difficult decisions, permitting the new ED to assume the job without any negative feelings on the part of stakeholders.	

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Handout #5

RESOURCES ON SUCCESSION PLANNING & EXECUTIVE TRANSITION

***Losing Your Executive Director Without Losing Your Way: The Nonprofit's Guide to Executive Turnover*.** Carol E. Weisman & Richard I. Goldbaum, Ph.D., John Wiley & Sons, 2004.

The Nonprofit Leadership Transition & Development Guide, Tom Adams, Jossey Bass, 2010.

Managing Executive Transitions: A Guide for Nonprofits, Tim Wolfred, Fieldstone Alliance, 2010.

The Accidental Leader: What to Do When Your Suddenly in Charge, Harvey Robbins & Michael Finley, Jossey-Bass, 2004.

The First 90 Days: Critical Success Strategies for New Leaders at all Levels. Michael Watkins, Harvard Business School Press, 2003.

CEO Succession: A Window On How Boards Can Get It Right When Choosing A New Chief Executive, Dennis C. Carey & Dayton Ogden, Oxford University Press, 2000

The Executive Director's Survival Guide: Thriving As A Nonprofit Leader, Mim Carlson & Margaret Donohoe, Jossey-Bass, 2003.

Chief Executive Transitions: How to Hire and Support a Nonprofit CEO, Don Tebbe, Board Source, 2008

Managing Change and Transition, Harvard Business School Publishing Comp., 2003.

Leader Development & Emergency Succession Planning: An Organizational Planning Workbook, Transitional Guides, 2004

The Nonprofit Quarterly, Spring 2008, Leadership Without A Safety Net, www.npqmag.org.

Executive Transitions Monograph Series, The Annie E. Casey Foundation, Baltimore, MD. www.aecf.org

Websites

www.compasspoint.org

www.transitionguides.com

www.tsne.org

www.boardsource.org

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