

Prepare Your Association for the Future with Succession Planning

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Today's Agenda

- The business case for succession planning
- Tips on how to develop a succession plan for your association
- Q&A

Words from the Wise

“The team with the best players wins.”

JACK WELCH, Former CEO of GE

Succession planning is not just about safeguarding your association in the event of a catastrophe. It's also about building bench-strength that enables organizational success – from the top down

Business Case for Succession Planning

What if one of your top performers...

- Hit the lotto?
- Accepted another position?
- Decided to retire?

*Would your association be
prepared to fill the gap?*

Benefits of Succession Planning

- **You can't plan for disaster.**
 - Strategic plans usually cover what's expected, not what's unexpected.
 - Succession planning embeds contingencies that can keep your association healthy no matter what happens.

Benefits of Succession Planning

- **Succession planning benefits the business now.**
 - Builds a strong pipeline of internal pipeline.
 - Helps an association meet changes in the marketplace.
 - Prompts executives to continuously examine organizational goals.

Benefits of Succession Planning

- **Succession Planning Gives Everyone a Voice.**
 - Staff members want to share their views on what the future might hold and see succession planning as a way to bolster their association's ability to compete and win over the long haul.

Benefits of Succession Planning

- **A Succession Plan Can Help Control Business Expenses.**
 - Developing talent downstream is far less expensive than the costs typically associated with executive searches.
 - Being able to select from a pool of strong internal candidates shortens “getting up to speed” time, thereby reducing training costs.

Benefits of Succession Planning

- **Succession planning gives you a big picture.**
 - Helps you examine all levels of employees and their performance, not just potential leaders.
 - Department managers should create succession plans for their direct reports as part of your overall plan.

Benefits of Succession Planning

- **Succession planning strengthens departmental relationships.**
 - Opens communication among departments/functions.
 - Builds a culture of organizational strength.

Reasons for Succession Planning

- **Succession planning keeps the mood buoyant.**
- Planning for the future is exciting and drives a sense of security and opportunity for employees.
- Associations with succession plans in place have a far greater chance of thriving, not just surviving, long into the future.

Good to great

Going from “good to great” requires the right people in the right jobs at the right time

“Greatness is not a matter of circumstance. Greatness, as it turns out, is a matter of conscious choice.”

Jim Collins, Author of *Good to Great*

How can you develop a succession plan for your association? Where do you start? How do you measure results?

- Why CEO succession plans aren't put in place
 - Tension
 - The Work List
- Where do you begin in developing a plan? At the beginning!

- Plan for the CEO leaving
- Plan for the planning

Main elements of the Plan

- Role delineation (who does what?)
- Documentation (where is the information?)
- Communication (who needs to know?)
- Finances (what's it gonna cost?)
- Interim management (who's gonna run things?)
- Executive search (how do we find a new CEO?)

Role delineation

- Who's responsible for overall plan?
- Who's responsible for other main elements?
 - Documentation
 - Communication
 - Finances
 - Interim management
 - Executive search

Documentation

- CEO succession documentation file
 - CEO job description
 - Current CEO contract
 - Financial institutions
 - Accountants, auditors contact information
 - Legal counsel contact information
 - Senior staff contact information
 - Key contacts list for staff
 - 18 month calendar of events (performance reviews, negotiation schedules, etc.)

Communication

- Who is notified regarding CEO departure
 - Staff
 - Leadership
 - Membership
 - Legal and financial
 - Media
 - Affiliated organizations

- Press release template

Finances

- Financial plan
 - Severance pay
 - Outplacement
 - Executive search consultants
 - Interim executive
- Notify appropriate financial institutions

Interim management

- Pros and cons of using internal and external interim management
- Decider
- Process for selection

Executive search

- Process
- CEO Search Task Force
- In-house or executive search firm