The Forbes Funds Presents:

A Roadmap for Succession Planning

The Fogarty Group

BONNER CONSULTING
Growing organizations, teams, and leaders
What aspects of succession planning and leadership development are you interested in learning about?

- How to get the Board involved or define Board role in succession planning: 82%
- How to identify potential successors: 71%
- How to get ready to do succession planning: 68%
- How to create succession plans for all key positions: 61%
- How to develop Internal Leaders/potential successors: 55%
- How to assess internal leaders/potential successors: 53%
- Emergency Succession Planning: 24%
- Other: 5%
Succession planning...

Is NOT

Just for when the ED is leaving
Only for the CEO level

IS

A leadership development strategy
A best practice for sustainability
A risk management best practice
Crucial for Knowledge Transfer
3 Types of Succession Planning

- Strategic Leader Development
- Departure Defined
  - Includes External Hiring and Transition Plan
- Emergency or Interim Succession Plan
Benefits of Succession Planning

- Aligns staff development with strategic vision
- Builds leadership capacity of staff
- Makes the top position more “doable”
- Engages and reassures the board
- Gives confidence to funders
Succession Planning Readiness Checklist

- Financially sustainable organization
- Strategic Plan or Priorities in place
- Board is involved and supportive
- CEO/ED is involved and supportive

+ Performance Evaluation system in place for CEO and staff
Board’s Role

Key responsibility of the Board: hire, evaluate and manage the CEO/ED

• Board Owns and Leads Succession Plan - especially when it is a defined departure or emergency
• Make succession planning a strategic goal
• Conduct a search for a replacement CEO (usually both internal and external)
• Board ensures a smooth Executive Transition by orienting and supporting new ED
Leadership Development

1. Identify future goals and challenges (strategic plan)
2. Create model of needs, competencies, skills, experience
3. Identify potential successors and assess individual and organizational gaps to determine developmental needs
4. Create individual and organizational development plans
5. Measure frequently and revisit models and plans as environment and priorities shift
How Leaders Develop

- Learning on the job:
  - Assignments and projects
  - Challenges and hardships
- Coaches, mentors, and bosses
- Peer groups
- Professional associations
- Formal training

*Nonprofit Leadership Development: A model for identifying and growing leaders.*

Bonner & Obergas
Emergency Succession Planning

1. Identify critical executive functions and responsibilities
2. Name and train a backup for each function
3. Ensure that key relationships and contacts are documented
4. Create and update a binder or digital file that includes key documents such as strategic/operational plans, annual and monthly calendars of organizational activities, etc.
5. Create a board approved policy and procedure for Emergency Succession
Defined Departure Issues

What are our vulnerabilities with departure of our ED?

Unique skills of the ED... Can they be replaced?
“Doability” of the ED job?/Compensation
Management Team strength? Internal successor ready now?

Consider Merger or Restructuring?

Board Steps Up

Puts a committee in charge
Attends to its own succession planning
Supports the departing executive = Healthy closure
Addresses agency vulnerabilities and Sets future directions
Recruits & supports a successor who fits the future
Board Leadership in Executive Transition

(Compass Point)
Where To Start

1. Identify what roles to plan for Succession
2. Evaluate readiness for succession planning and leadership development
4. Create an Emergency Succession Plan
5. Understand Future needs, skills, and competencies
6. Identify and assess potential successors
7. Create Development Plans to close gaps.
8. Hire leaders externally with an eye on future needs and potential successors
9. Periodically assess effectiveness of leadership development and succession planning – adjust as needed.
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### Succession Planning Templates and Tools

- **Building Leaderful Organizations: Succession Planning for Nonprofits** - Annie E. Casey Foundation
- **Nonprofit Succession Planning Toolkit** – Federal Reserve Bank of Kansas City
- A **Succession Readiness Checklist** – CompassPoint
- A **self-reflection tool** for executives who are questioning whether or not it's time to leave their positions
- **Succession Planning for Nonprofits of All Sizes** - Blue Avocado
- **Succession Planning: Creating Sustainable Leadership in Nonprofits**
- **Stepping Up, Staying Engaged: Succession Planning and Executive Transition Management for Nonprofit Boards of Directors** - Annie E. Casey Foundation

### Strategic Leadership Development

- **Nonprofit Leadership Development: A model for identifying and growing leaders**. Bonner & Obergas
- **Three Steps to Understanding Your Nonprofit's Future Leadership Needs** - BridgeSpan
- **Plan A: How Successful Nonprofits Develop Their Future Leaders** - BridgeSpan
- **Start Finding Tomorrow's Leaders Now** - Gallup

### Emergency Succession

- A **sample template** to provide guidance on writing an **Emergency Succession Plan**
- **Emergency Succession Planning Template**

### Other

- [Bonner Consulting’s Blog](http://bonnerconsulting.com), contains several recent articles on Succession Planning and Leadership Development
- [Daring To lead 2011](http://daringtolead.com)