SUPPORTING THE HEART & HARD WORK OF NONPROFITS
West Ohio Conference
The United Methodist Church
Succession Planning Essentials
November 4, 2021

OUR MISSION
To build the capacity of nonprofit organizations and the individuals who serve them.

OUR VISION
Thriving communities and families through highly effective nonprofits.
OBJECTIVES

- Understand the strategic importance of succession planning for organizational health.
- Understand the board’s role in succession planning.
- Understand the difference between succession planning and chief executive search/transition.

DEFINITIONS

ROLES AND RESPONSIBILITIES IN ORDER

1. Determine mission and purpose, and advocate for them.
2. Select the chief executive.
3. Support and evaluate the chief executive.
4. Ensure effective planning.
5. Monitor and strengthen programs and services.
6. Ensure adequate financial resources.
7. Protect assets and provide financial oversight.
8. Build and sustain a competent board.
9. Ensure legal and ethical integrity.
10. Enhance the organization’s public standing.
Succession planning reflects an ongoing, continuous process that boards (with the help of their chief executive) implement to:

1. create the conditions for the incumbent chief executive to succeed,
2. understand the organization’s current and future strategy,
3. and ensure that a sound infrastructure is in place whenever the search for the next chief executive is launched.”

“The search for a new chief executive is an intermittent event that is timeline-driven… The search for and selection of the chief executive is typically the most labor-intensive part of an executive transition. But it is only one component of the succession plan.”

Succession Planning
- Proactive
- Planned
- Future
- Ongoing
- Strategic
- Board and Chief Executive

Executive Transition
- Reactive
- Ad-hoc
- Present
- Time-limited
- Tactical
- Board and Senior Staff
Before a board can embark on an executive transition, it must have a clear understanding of the values, needs, and priorities of the organization. The institutional assessment diagnostic tool in Chapter Three can be used to help the board identify the leadership and management competencies that will inform the development of a chief executive profile and executive search plan.

Chapter Four outlines key succession planning issues the board should be mindful of during the executive search phase, such as linking the competencies sought in the next chief executive to the needs of the organization and designing a communications strategy to keep the community informed.

Chapter Five describes key succession planning strategies once the executive search phase of the chief executive succession cycle has been completed with the appointment of the new chief executive.

**TRANSITION SCENARIOS**

- **Retirement** — often with ample notice.
- **Resignation with advanced notice** — can be positive, such as recruitment to a larger institution.
- **Resignation with little notice** — often negative and departure issues could lead to the chief executive taking staff with them.

**TRANSITION SCENARIOS**

- **Sabbatical** — short term and planned.
- **Termination** — always negative with an impact on culture and internal/external relations.
- **Leave of Absence** — serious illness of chief executive, family leave, or other short-term absence.
- **Death** — sudden and emotional.
There is a difference between an acting chief executive and interim chief executive.

**Acting Chief Executive** — may step in during an emergency.

**Interim Chief Executive** — may lead the organization for a certain period during a search.

---

**Emergency Leadership Plan**

- Determine which senior staff member will be named as acting chief executive, and which other positions will take on temporary duties. Ensure that operating procedures, passwords, etc. are known.

**Crisis Communications Plan**

- Determine protocols for which senior staff member(s) and board member(s) will be leads, and which PR firm will be retained. Meet with firm to discuss plan.

---

Organizations can start to proactively plan for a leadership transition through the review, identification, evaluation, and documentation of several critical components.
Organizations should ensure performance reviews of the chief and self-assessment of the board happen annually and review policies to confirm that they are up to date.

Why?
- Annual reviews maintain communication and deepen understanding.
- Certain policies, such as harassment policies, can be a reason for a chief executive departure.

Understanding leadership attributes and identifying talent is a fundamental aspect of succession planning.

- Board leaders to serve on a succession planning task force
- Core competencies and leadership attributes of a successful executive for your organization
- Potential internal candidates (if any)
- Potential external candidates
- Potential executive recruitment firms

Once a leadership profile has been identified, the organization should evaluate:

- Chief executive job description
- Chief executive compensation and benefits
- Any internal candidates

The succession planning task force writes the plan:

- Transition scenarios and circumstances
- Communication plans for scenarios
- Professional development plans for any internal candidates
- Executive search guidelines and expectations
- Budget implications

Once complete, the comprehensive succession plan should be presented to the full board for discussion, vote, and adoption.
In order to design and implement a successful succession plan:

• Keep lines of communication open with the board to ensure successful tenure and future transition.
• Support staff professional development goals.
• Build rapport with senior leadership team to understand culture and talent pipeline.

“The job I interviewed for is not the job that I have.”