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# Chief Executive Officer (Executive Director) Succession Plan Template

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## BACKGROUND

It is the chief executive officer's role to guide the volunteer leadership in managing and mitigating the association's risk. Succession planning is a critical component in the risk reduction plan.

Associations lose a great deal of expertise when a Chief Executive Officer (CEO) departs, whether through planned retirement, moving to a new job or taking an unexpected leave of absence. Evaluating the breadth and depth of an association's key senior staff bench, standard operational procedures and cross-training practices allows association CEOs to determine how well the concept of succession planning is integrated in the association's staff structure. Investing in this advance planning avoids leaving the leadership and partnership legacy to chance.

The succession planning process is typically led by the CEO, as they are an essential leader in the selection and development of a successor. It is recommended to share the plan with the executive staff team, thereby reducing the risk of unmet expectations and significantly increasing communication with the team to identify unknown factors to consider. It is also an important part of the CEO's role to lead succession planning efforts for senior staff and include those individuals in the process.

## BENEFITS TO THE ASSOCIATION:

Having a succession plan in place does the following:

- Makes it easier for the Board of Directors to recruit future volunteer leaders.
- Reassures the Board that business continuity will be maintained and the organization's mission will remain intact.
- Circumvents the Board Chair / President from feeling the need to fill the void and seize control of the association's operations.
  - Maintaining the volunteer leadership's focus on strategy prevents an unhealthy shift from governance to micromanagement, and avoids transition difficulties for the new CEO.
- Allays the Board's fears and ensures ongoing trust in the volunteer and staff relationship.

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## REASONS FOR A CEO SUCCESSION PLAN: <sup>1</sup>

1. The CEO decides that they are going to retire from the association and vacate his/ her role by a certain date.
2. The CEO resigns from their position with notice, vacating the CEO role within the specified time frame.
3. The CEO has a life changing event that negatively impacts their ability to fulfill the CEO role, either immediately vacating the CEO role or doing so in a tapered manner.
4. The CEO and the Board mutually agree to separate for reasons other than those stated above.

## SUCCESSION PLAN DEVELOPMENT & IMPLEMENTATION TEMPLATE: <sup>2</sup>

1. Identify and mentor an individual (or seek out an individual to mentor) to be their future replacement or conduct an executive search for an external candidate as appropriate.
2. Review the association's current and future initiatives, goals and objectives, using its strategic plan. Document the key performance indicators for the period following the succession plan implementation.
3. Identify and assess the current and future impact of environmental factors that will likely impact the ability of the association to achieve its goals. Document these factors in writing.
4. Identify the short, medium and long term operational and structural issues (separate from 2. and 3. above and the association's strategic plan) that the successor will need to address.
5. Prepare an "ideal candidate" profile outlining and prioritizing the following criteria:
  - 5.1. Current and future skills needed
  - 5.2. Interpersonal communication skills needed
  - 5.3. Conditions for best culture fit
  - 5.4. Required and preferred education
  - 5.5. Required and preferred experience
  - 5.6. Preferred or required certifications(s) (CAE, CMP, etc.)
6. Finalize the profile, working with the Executive Committee or Board Chair.
7. Evaluate the existing staff team or member of your network talent pool to determine if one or more internal candidate(s) significantly match the profile.

- 7.1. If one or more internal CEO candidate(s) exist, conduct an objective assessment of the candidate(s) skills against the needs profile. Create a criteria comparison/gap analysis. Determine how much of a match exists between the critical criteria and the candidate.
  - 7.1.1. What association executive staff could move into this role, and when will those individuals be ready to do so?
  - 7.1.2. How does each individual's performance and potential match up against the leadership requirements identified with the association?
  - 7.1.3. What are each individual's most notable areas of strengths?
  - 7.1.4. What additional professional development and mentoring opportunities are needed to allow the staff member to better fill the position?
8. Based on the gap analysis and the amount of time before the CEO's departure, determine if the gaps can be eliminated or significantly reduced through the creation and implementation of a professional development plan, coaching and mentoring by the CEO and others within and outside the association and/or other options.
9. If no internal candidate(s) exist, conduct an executive search for the ideal candidate. This can be led by the CEO and an internal human resources professional.
  - 9.1.1. Consider those in the external talent pool / pipeline.
  - 9.1.2. If one or more of them significantly match the profile, invite them to apply for the position.
  - 9.1.3. Advertise the position in a variety of places and platforms, such as ASAE's Career Center, LinkedIn, etc.
10. Inform the CEO and/or Executive Committee once a finalist candidate has been identified. Consider whether to invite the Board Chair and/or Executive Committee to interview the finalist(s) to ensure a positive fit.
11. Onboard and orient the new CEO once selected and hired.

## **SUCCESSION PLAN BEST PRACTICES:**

1. Inform the Board Chair and /or Executive Committee of plans to resign and/or retire as soon as possible.
2. If there is an unexpected vacancy, assemble a list of key stakeholders, corporate partners, sponsors, members, past CEOs and any others who should be informed the CEO's departure and succession plan.
3. If there is an acting CEO filling the unexpected vacancy, the individual should communicate regularly with the Board Chair and Executive Committee.

## HUMAN CAPITAL DEVELOPMENT BEST PRACTICES:

1. Ensure your culture values knowledge development, knowledge sharing and knowledge transfer.
  - 1.1. Senior staff are evaluated and rewarded for sharing ideas and mentoring others.
  - 1.2. Staff is engaged in their own professional development.
  - 1.3. New staff understand that asking questions and sharing expertise will help them succeed.
2. The association's senior management team and staff supervisors support professional development. This group meets annually with each staff member about their professional goals and how the association leadership can help staff achieve them.
3. Talk regularly at staff meetings and other events about the importance of staff retention and the association's goal to retain high performing staff. Senior management asks what can be done to encourage that.
4. Given the CEO's role in developing a performance plan with goals for the Executive leadership team and they with the rest of the association staff and the Board's role in supporting the professional development of all staff, each staff member's plan and the progress on the plan is known.
  - 4.1. Core competencies for each staff title/role are part of each job description.
  - 4.2. Core competencies are reviewed with each staff member annually as part of the performance review process.

## CONCLUSION: RESOURCES NEEDED

Bostrom understands the complexity of current association management business models and the environment in which they operate. We work with CEOs to create succession plans and assist with their implementation. Bostrom also assists CEOs to modify and update an existing succession plan using this document as a template.

As an association consulting and management firm, Bostrom, in its CEO partnership experience, has heard the need to look at several future CEO and other staffing options, including continuing as a stand-alone association, partnering with an association service firm or moving the CEO role to an association management company (AMC).

*To learn more about Bostrom's CEO succession planning services, contact Dede Gish-Panjada, MBA, Vice President, Consulting, at [dqish-panjada@bostrom.com](mailto:dqish-panjada@bostrom.com) or [solutions@bostrom.com](mailto:solutions@bostrom.com).*

## REFERENCES:

<sup>1</sup> Association Laboratory, Inc. "Succession Planning for CEOs of Stand-alone Associations: Current Trends and Research." Research funded by AMC Institute. August, 2017.

<sup>2</sup> Association Forum of Chicagoland. "CEO Succession Planning Professional Practice Statement." Adopted March 2013.

<sup>3</sup> ASAE. The Center for Association Leadership. ([www.asaecenter.org](http://www.asaecenter.org))