

# STRATEGIC SUCCESSION PLANNING:

## WHAT IT IS AND IS NOT

There is only one “First Place.” Once the baton is dropped in the leadership race ... **your organization is at risk.** If for any reason your CEO departs and you have not identified or groomed a “step in” or “drop in” candidate, your members are not being served. You have not adequately mitigated risk and ensured leadership continuity. This is not a gray area; it is very black and white.

### What is Strategic Succession Planning (SSP)?

**Strategic Succession Planning** is a critical step to ensuring leadership continuity and mitigating unnecessary leadership risk. It is a well thought out talent development plan that:

1. Engages employees in their ongoing learning and development;
2. Incorporates a proactive recruitment philosophy to attract and retain top talent;
3. Promotes a learning culture; and,
4. Fosters learning and advancement of individuals, teams, and the organization to fulfill on current and potential strategic visions while taking advantage of unanticipated challenges.

### Strategic Succession Planning is not a recruitment event.

A recruitment philosophy is integral to SSP; yet is not to be considered the entire succession plan. SSP is not just a:

1. Board Search Committee formed to conduct an internal and/or external CEO search;
2. Conversation about potential new CEO competencies once the current CEO announces a planned career shift;
3. Performance review of the current CEO; and,
4. Executive retirement plan.

**The board has a responsibility ensure leadership continuity.** A strategic succession plan covers all the bases for CEO departure for any reason:

- Incapacitating illness
- Sudden demise
- Surprise departure
- Underperforming
- Normal retirement
- Organizational restructuring
- Merger or acquisition

To be ready for each of the reasons a CEO leaves, the board needs a diligent and effective process.

### Board Checklist

Creating an effective Strategic Succession Plan is not a one-time event. It requires contribution from the entire board, asking the right and the tough questions. This effort will ensure that it is a learning organization prepared for sudden or unexpected change.

**Here is a checklist for the board to use in their commitment to ensuring that the right people are in the right places at the right time for the CEO job.**

- The board will assume responsibility for developing a CEO Succession Plan, complete with competencies, and assign a core group of board members with the responsibility to guide the process.
- The board should insist on “ready now” or “drop in” candidates who are trained for the CEO role.
- The board of every organization should have an understanding, at all times, of who are the potential successors are, and their competency development issues. Understand how each individual would perform in certain circumstances, thus minimizing surprises that can put the organization at risk.
- Assuming that the CEO does not have imminent plans for retirement or departure from the organization, he/she should be requested to present an annual evaluation of potential internal and external candidates to the board.
- If the CEO is to retire within two years, every board meeting should include a serious succession discussion. The board should understand what the CEO is doing to ensure a smooth transition.
- The board will update the CEO position description as part of the annual strategic planning session.

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## CASE STUDY

**One day, I received a call from the CEO of an organization to discuss succession planning and talent development for the CEO role and to introduce us to the board with the purpose of us co-creating a CEO succession plan. The CEO was happy to do this and ultimately envisioned a similar process throughout the organization.**

**The CEO had the vision for each employee** to have his or her own unique development plan that encouraged learning and development of all employees throughout the organization. The process had four phases: executive team, senior and mid-level managers, directors and supervisors, and all other staff members. Our role was to focus on the first two phases and, in that process, start to evaluate potential executives as far out as ten to fifteen years. We worked with the board to envision the CEO role, three, five, and ten years in the future and created CEO role descriptors in alignment with strategic plans. We supported and trained an internal team to extend talent development plans to the directors, supervisors, and staff.

**Each person in the program had a personal Leadership Development Plan** and internal mentor to meet with once a month. The level of employee engagement skyrocketed because of the individual attention, the opportunity for employees to grow and learn, and cross-fertilization of teams and work groups for special projects and initiatives. The CEO encouraged members of his executive team to continue expanding their leadership capacity and contribution to local, regional, and national communities.

**They were encouraged to appropriately consider CEO roles of other organizations** and, the offer to stay on as an internal CEO candidate was wide open and supported. The philosophy was to spread the value of learning to other organizations. This process started eight years ago. That CEO is still on board and doing well, one member of the team retired, two others were promoted with expanded responsibilities and are potential CEO successors, and two others became CEOs of other organizations. There are several other high performers and high potentials coming up the ranks. The organization, as part of this SSP, set high remarkable strategic objectives for a ten year time frame. The goals were met and exceeded three years early and through the recession. Retention went up; the organization earned a reputation for attracting and retaining top talent. Each year, as part of the strategic planning process, the SSP is revisited and updated, so it remains a dynamic and organic living part of the current and future success of the organization.

**Overall, this is a success story for the organization, employees, and customers that would not have happened if the organization had treated SSP as a one-time recruitment event.**