

The Forbes Funds Presents:

# A Roadmap for Succession Planning



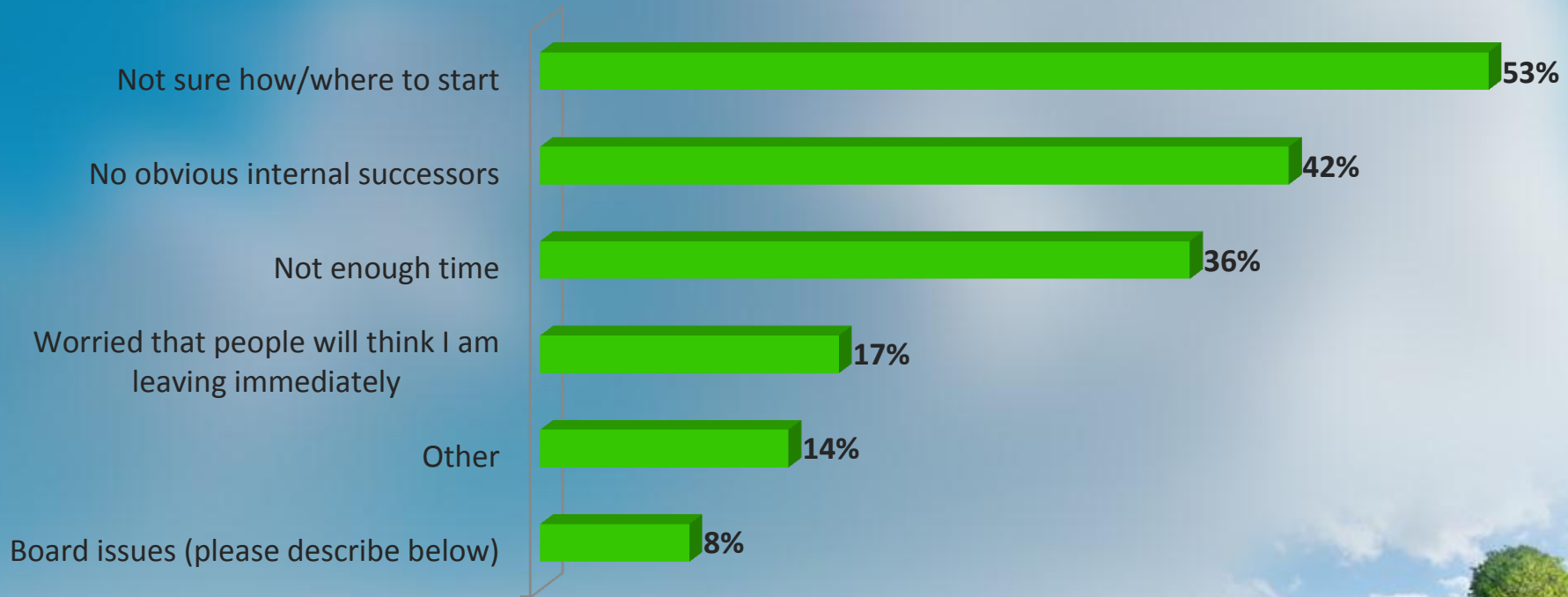
**BONNER CONSULTING**

Growing organizations, teams, and leaders <sup>sm</sup>

# What aspects of succession planning and leadership development are you interested in learning about?



# What stands in your way of doing succession planning?



# Succession planning...

Is NOT

IS

Just for when the ED  
is leaving

Only for the CEO  
level

A leadership development  
strategy

A best practice for  
sustainability

A risk management best  
practice

Crucial for Knowledge  
Transfer





# 3 Types of Succession Planning





# 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

Compass Point

# 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

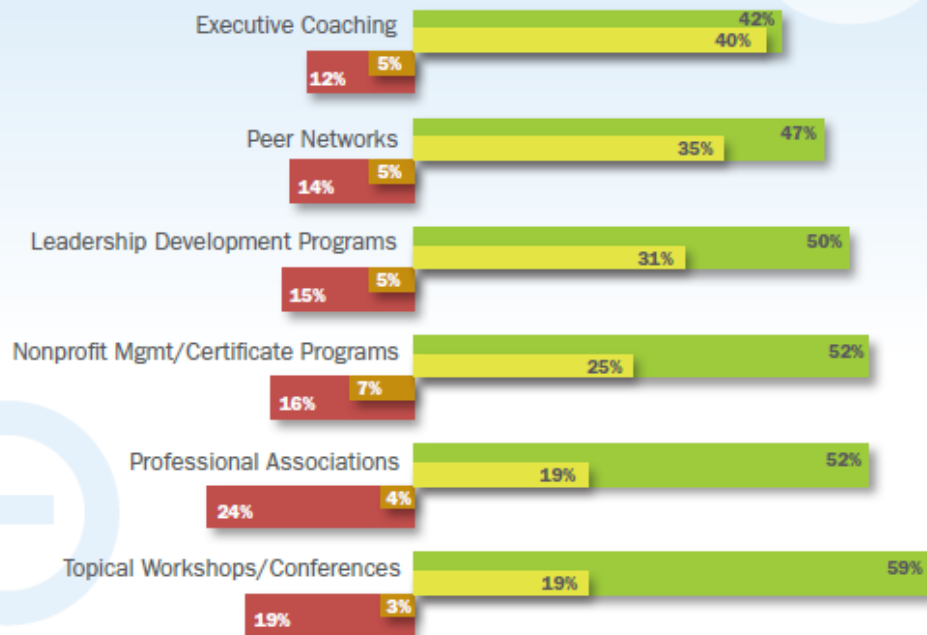
Measure frequently and revisit models and plans as environment and priorities shift



# How Leaders Develop

## Effectiveness Ratings of Professional Development Activities Utilized

Daring to Lead 2011



Very Ineffective   Somewhat Ineffective   Effective   Very Effective

- 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*



A vertical image on the left side of the slide. It depicts a surreal landscape. At the top, a blue sky with white clouds is visible. Below it, a small, green, grassy island floats in the air. A single, full, green tree stands on this island. A dark, paved road with white dashed lines curves around the island and extends downwards. The bottom of the image shows a grassy hillside with a similar winding road.

# 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

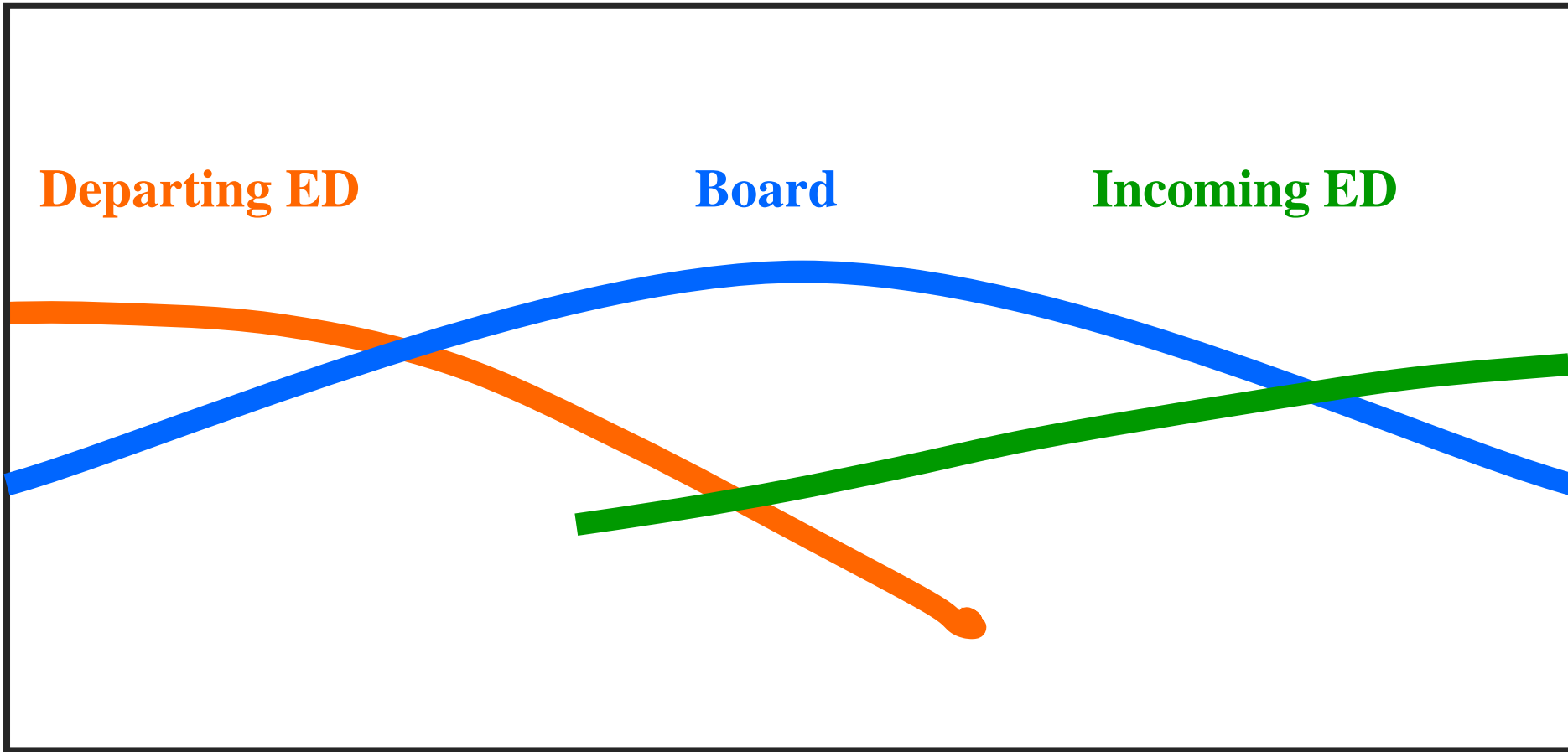
# Board Leadership in Executive Transition

(Compass Point )

**Departing ED**

**Board**

**Incoming ED**





A vertical image on the left side of the slide. It depicts a surreal landscape. At the bottom, a dark asphalt road with a white curved line on its edge winds through green grass. The road leads towards a small, floating island in the sky. The island is covered in green grass and has a single, full, green tree on it. The background is a bright blue sky with soft, white clouds.

# Where To Start

1. Identify what roles to plan for Succession
2. Evaluate readiness for succession planning and leadership development
3. Engage board and senior leaders and get buy-in and commitment. Ensure accountability.
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.

# Contact Us for More Information



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# Selected Resources

## 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](#), contains several recent articles on Succession Planning and Leadership Development  
[Daring To lead 2011](#)