



A Word about Succession of the CEO

Foreword

When the board asks, “Have you thought about retirement,” it should be considered a compliment – not a challenge. The board is indicating concern for the valuable CEO and is fulfilling their duty to protect the organization by knowing the process and anticipated future.

Most executives hope to work for the organization as long as they can be effective. When it comes time for transition, it is seldom the *sole* decision of the CEO as to how it will be handled. It is a shared responsibility of the leadership and CEO.

By no means should the content of this document and samples be regarded as a substitute for legal advice and professional counsel.

Elements of the Plan

The samples have common elements:

- The document is adopted as a policy by the board of directors and safeguarded for retrieval and updated periodically.
- Transition may be planned or emergency.
- There is understanding and agreement by all parties.
- The characteristics and traits of a CEO are important to consider *before* the transition occurs.
- Knowing where the transition document is stored is critical.
- During the transition, the board understands which staff will have authority for actions and be aware of professional resources.

Be sure to rely on professionals who provide the services of effective CEO transitions, as well as legal and accounting counsel, in considering the process of CEO Succession Planning.

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Succession Plan

A SUCCESSION PLAN is a document that guides the governing board in planned or emergency departure of the chief executive officer or other key positions.

Planned succession is the retirement process of an executive director; *emergency* succession is unanticipated. A single document can address both aspects.

The goal is a seamless continuation of operations. The board has a responsibility to consider "what if we were without our CEO." Conversely, the CEO should keep the board informed of succession-retirement timelines and processes.

While the conversation of "who will take over when you leave" may seem harsh, in reality it is a compliment to recognize the value of the CEO and desire to protect him or her, and the organization.

Divide the plan into two parts: Planned and emergency succession.

The board and CEO must agree on the roles, responsibilities and values of the position, committing them to writing to guide the search for a replacement.

Determine who and how the search process will be managed. Who will have authority (interim director) during the succession.

Ensure that officers have access to the plan by providing a copy to the chief elected officer, and/or the board attorney or accountant.

An update of the succession plan should be a part of the annual performance review.

Succession Plan

Introduction – Purpose Statement

In order to ensure consistent coverage of key personnel duties and ongoing operations without interruption, the Board of Directors has adopted the following procedures and policies....

Part I – Planned Succession

A planned succession is a dialog and full awareness of anticipated transition between the job holder and the Board of Directors. There shall be agreement in writing of timelines, resources and processes among appropriate persons and the Board of Directors.....

Part II – Emergency Succession

An emergency absence is one in which essential personnel are unable to return to work for the short or long-term. An acting director will be appointed to consult with the Board. The Board or a designated group will be responsible for seeing that operations continue without interruption until a temporary or permanent replacement is appointed or hired.....

Security and Authority

The security of the resources of the organization shall be a priority of the Board of Directors. The succession plan document shall be safeguarded with a copy provided to the organization's accountant and/or attorney...

Adopted by the Board Date _____
Amendments _____

TransitionGuides

Tools, ideas and services to strengthen organizations during leadership change

Exec. Transition Overview | Boards | Executive Directors | Foundations | Associations/Networks/MSOs | Resources

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Exec. Transition Overview

Introduction
Why Focus on Executive Transitions--What's at Stake?
Executive Transition vs. Executive Search, What's the Difference?
What are the Benefits?
What's Involved:
Transition Success Factors
Three Phases of Executive Transitions
Five Developmental Tasks for the Interim Period
Transition Tips:
For Departing Executives
For Boards & Search Committees
For Arriving Executives
<input type="text"/>
<input type="button" value="Search"/>

Transition Tips for Departing Executives

Once you announce your intent to leave, relationships and roles shift immediately. You can help yourself and the organization best if you:

- Provide the board with a clear picture of what must be done during the interim period.
- Shift your priorities to short-term actions that you and the board agree will strengthen the organization before your departure.
- Encourage the board to appoint a transition committee and get ready to recruit.
- Avoid hasty recommendations. Encourage the board to undertake a thorough "getting ready" assessment and let the assessment drive the interim strategy.
- Avoid (in most cases) being actively involved in selecting your successor. Discuss your appropriate role with the board and transition committee.
- Encourage the board to get outside help rather than rely on you, especially if you are a founder.
- Accept that you may have a lot of mixed feelings, and talk about them with a mentor or colleague.
- Celebrate your relationships and accomplishments, say goodbye in ways appropriate for you, and be direct if there are ways you would or wouldn't like to celebrate your years at the organization.

For more ideas and tips for founders, see the [Founding Executives](#) page in the [Executive Directors](#) section.

"Provide the board a clear picture of what must be done during the interim period."

Encourage them to develop a solid plan and to get outside help, especially if you're a founder."

TransitionGuides

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EVP Succession Policy

This policy has been developed to aid and advise the Board of Directors should it be faced with selecting and hiring a new Executive Vice President, to provide a reasoned and reasonable procedure to follow in carrying out a plan for succession.

Succession planning allows XXXX to:

- Be prepared for an emergency or a planned departure
- Provide consistency to stakeholders
- Reduce stress on staff and Board during a transition
- Retain knowledge, expertise, history, and relationships
- Maintain the Society's culture
- Provide employees with opportunities for development and growth
- Continue the Society's strategic direction with minimal interruption

Committee Procedures

Once notice is received from the Executive Vice President, and depending on the notice time provided, the Committee will

- Hire an interim executive or designate an interim staff member who can perform the Executive Vice President's job or assign various staff different backups for specific responsibilities.
- Review the Vision, Mission and Goals to ensure a strong foundation is in place for the future of XXXX.
- Review Executive Vice President's job description, acknowledge appropriateness or recommend changes to Board for consideration.
- Assess XXXX' s strengths and weaknesses to assist in identifying the skills necessary to lead XXXX in a proper direction.
- Identify characteristics that are important for the individual to possess, such as
 - Learning agility
 - Receptive to feedback
 - Constant learner
 - Learn from mistakes
 - Passion for driving results
 - Appreciation for Society culture and values
 - Adaptability
 - Conceptual thinker

- Expansive views
- Problem-solver with outside-the-box ideas
- Comfortable with ambiguity
- Knowledge and experience in all aspects of association management

These items can be formed into interview question or scenarios to see how the candidate meets your expectations.

- Determine salary or salary range.
- Determine if any costs will be reimbursed for applicants, e.g., travel, lodging, meals, etc.
- Determine timeline for process ending with target hire date. Detailed timeline attached for consideration with tasks identified.
- Determine a developmental plan for new executive to ensure an appropriate transition (30 to 60 days) if one is needed.

Leadership Potential

As the end of the term of an executive nears (if it is a planned event), it is wise for the Executive Search Committee to always be aware of other staff and their capabilities. If an existing staff member is considered ready, significant money can be saved if the search process can be circumvented with an internal hiring. Ongoing discussions with the current executive will assist in determining if a current staff member might be ready for the executive position. Any discussions of this nature should always take place during a closed session or away from an open meeting forum.

Suggested Timeline for Hiring a Chief Executive

Week	Event	Actions
1	Chief executive announces departure, date three to six months hence. If less notice these alternatives may need to be considered: <ul style="list-style-type: none"> • Appoint another staff member as acting chief executive during hiring process • Appoint interim chief executive from outside the organization • Go without chief executive during hiring process • Speed up the process so it takes less time 	1. Search committee informed. 2. Schedule meeting dates. 3. Begin Interim EVP queries.

(If XXXX intends to use the transition of the chief executive to undergo a process of introspection and renewal, add a minimum of two weeks to the beginning of the process. An interim chief executive can assist in this process.)

Week	Event	Actions
2-3	Search committee meets (Meeting 1)	<ol style="list-style-type: none"> 1. Review / change job description. 2. Decide salary range. 3. Set budget. 4. Hire Search Firm. 5. Decide process and timeline.
3	Position announced.	<ol style="list-style-type: none"> 1. Search Firm coordinates.
6-7	Committee members review resumes using uniform rating scale, prior to deadline.	<ol style="list-style-type: none"> 1. Develop rating scales. 2. Keep confidentiality.
7	On deadline date, committee meets (Meeting 2) to select finalists.	<ol style="list-style-type: none"> 1. Send questionnaire to finalists; ask for return in two weeks.
8	Committee meets (Meeting 3) to develop criteria.	<ol style="list-style-type: none"> 1. Identify what qualities are needed. 2. Consider interview questions.
9	Committee meets (Meeting 4) to select top candidates for interview	<ol style="list-style-type: none"> 1. Review received questionnaires, resumes, letters. 2. Select top candidates. 3. Choose interview questions. 4. Discuss process, interview timing.
10	Committee meets (Meeting 5) to finalize interview questions, rating method, process.	<ol style="list-style-type: none"> 1. Decide questions 2. Decide format. 3. Decide rating system.
11	Interviews held. (Meetings 6-8)	<ol style="list-style-type: none"> 1. Use consistent format. 2. Keep relaxed, congenial. 3. Host candidates from out of town. 4. Involve as many Board members as possible.
12	Meet to share results of reference checks, tally rating sheets, make decision. (Final Meeting)	<ol style="list-style-type: none"> 1. Check references by phone if not completed by search firm. 2. Decide review process, timing. 3. Offer position, negotiate salary, start date, etc. 4. Celebrate!

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New person starts.

1. Get maximum public relations value.
2. Have a minimum of one-week overlap with former chief executive; more at the option of the new chief executive.
3. Board members introduce new executive to the Members.

CONTEXT

Succession planning is not just about the EVP; it is integrated into the organization's culture, affects job descriptions, employee performance plans, staff evaluations, job training and employee development, compensation plans, budgeting, strategic planning, prioritization of critical functions, cross-training, Board and Executive evaluations, Board and staff relations, and touches everything that the organization is about. Critical to a successful succession plan is a climate of mutual trust and respect between the Board and EVP, where the Board and EVP each understand its respective role, where a collaborative vision exists, where the Board has a clear understanding of the Society's financial picture, and where the work of the Board and staff reflect defined institutional direction and goals. The key to a successful succession plan lies in building a solid foundation of profitability and growth for the Society. This foundation, of course, happens long in advance of the actual date of succession. Given XXXX's current position, the organization is in a relatively good position as virtually all of these factors are in place and understood, and thus the foundation has been firmly established.

Since XXXX is small and since we are not really in a place to have or to hire a deputy to understudy the EVP, grooming the next EVP internally does not appear to be a reasonable resolution. However, the staff must go on. The XXXX staff can and would go on without the EVP. Should the EVP's permanent departure be a planned one, the EVP would meet with staff collectively and individually, as frequently as necessary, to provide them with what they need to effect a smooth and seamless transition. Further, the Board and EVP would engage in a collaborative effort to search for the most appropriate replacement for the position.

This will involve selecting the right person at the right time: that person who is best qualified to implement the strategy that will drive the Society forward. Succession planning is not just about picking the next EVP, nor is it merely about picking a talented executive. It is about creating a "fit" between what XXXX must do strategically and the person who can best implement that strategy. That fit will optimize the Society's ability to compete successfully in its present and future environment. Finding and

selecting this person will be the Board's central and most important responsibility.

In the interim, however, the Board should buy itself some time to plan for the search. The Board should bring in an interim association professional. This person should come from outside the Society and have no connection to the Society. Such persons can be identified through the state Society of Association Executives or the American Society of Association Executives. Such persons make their career doing interim work. XXXX staff can assist in locating several persons through these organizations from which the Board can select an interim executive.

Reminder: to make the final search easier and more objective, use an interim person who has no connection to XXXX—no member of the Board, no Member of the Society, no existing staff person. Because a Society Member or staff person may have an interest in the position ultimately, that person should not be given an edge during the selection process. And, should a Board member be interested in pursuing the more permanent EVP position, that person should be expected to resign from the Board of Directors at the outset of any search procedures—even during the selection of an Interim EVP.

Once the interim executive is engaged, begin the search process. Select an association-knowledgeable, reputable search firm to conduct the search. While it will be costly, it will conserve Board time and energy and lead to higher caliber applicants. Once again, the state SAE and ASAE can prove to be a resource in locating association savvy search firms. Have them submit proposals, interview them, at least by phone, be confident that you understand what you are getting, ask for more if necessary, and negotiate up front. Before the search begins, agree to a specific contract, with which the Board as a whole is comfortable.

Remember, EVP succession is about bringing in the right EVP at the right time. Many boards make the mistake of selecting an EVP based on a track record. It is tempting to assume that past success is a guarantee of future performance, but that is an incomplete way to make a decision. The skill sets and talents that enable a person to run one association satisfactorily do not necessarily guarantee that he/she will be a successful EVP for XXXX. Additionally, using past performance as the primary criteria for hiring an EVP fails to take into consideration what the Society needs to do to move ahead and whether the candidate is the right person to meet those specific challenges. Factors that should help determine who is the right person at the right time include such things as the dynamics of the profession, the Society's health, competitive position and culture. For important characteristics, see below:

Characteristics of a Successful CEO

Traits	Indicators
Problem-Solving Capability	Intellectually resourceful Possesses sound judgment and keen discernment Strategically focused
Temperament Motivational Factors	Emotionally robust and Strongly committed to personal and business values Mature use of power
Interpersonal Relations and Communications	Communicates effectively Able to manage a variety of constituencies, both internal and external Consistently articulates and adheres to Society Vision
Insight into Self and Others	Understands own strengths and weaknesses Grasps the needs of the organization and of others
Leadership Characteristics	Paints exciting picture of change Sets the pace of change and orchestrates it well Demonstrates recognition and concern for others Clearly defines expectations Serves as a trusted example Determines Society's values agenda Develops and enables a talented team

Once the selection process has been completed, do not stop there. The Board should appoint and develop a post-appointment executive transition team. This team should create a formal orientation program for the new EVP. The purpose will be for the new person to learn about new responsibilities, key players in the organization, the Society's culture, and a variety of strategic and tactical issues that demand immediate attention.

Encourage the new EVP to conduct informal interviews, with all constituencies, including current Board members, outgoing Board members, staff and Society Members in general.

The Board and the EVP should work together as early as possible and as often as needed to agree on goals for the organization, to define roles, and to decide which tasks require immediate, short-term, or long-term action. (5/07)



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Leadership plays an essential role in the success of a nonprofit organization. And a change in Chief Executive leadership is as inevitable as the passing of time. This document will help a nonprofit organization recognize that planning for unplanned or temporary leadership change is a best practice—in line with other plans nonprofits regularly complete (e.g., strategic plan, communications plan, fundraising plan). An Emergency Succession Plan can bring order to time a time of turmoil, confusion and high-stress. This template will help guide you through the process. Feel

free to tailor to make it your own.

(Note: This document uses the term “Executive Director” to address the Chief Paid Staff Member throughout this template. Should your organization use a title other than Executive Director, feel free to use the title as directed by your organization’s bylaws or practice.)

Emergency Succession Plan For

(Organization Name)

The Board of Directors of _____ (Organization Name) recognizes that this is a plan for contingencies due to the disability, death or departure of the Executive Director. If the organization is faced with the unlikely event of an untimely vacancy, _____ (Organization Name) has in place the following emergency succession plan to facilitate the transition to both interim and longer-term leadership.

The Board of _____ (Organization Name) has reviewed the job description of the executive director. The job description is attached. The board has a clear understanding of the Executive Director's role in organizational leadership, program development, program administration, operations, board of directors relationships, financial operations, resource development and community presence.

Succession Plan in Event of a Temporary, Unplanned Absence: Short-Term

A temporary absence is one of less than three months in which it is expected that the Executive Director will return to his/her position once the events precipitating the absence are resolved. An unplanned absence is one that arises unexpectedly, in contrast to a planned leave, such as a vacation or a sabbatical. The Board of Directors is authorized (or authorizes the Executive Committee) of _____ (Organization Name) to implement the terms of this emergency plan in the event of the unplanned absence of the Executive Director.

In the event of an unplanned absence of the Executive Director, the Deputy Director (or other highest ranking staff member) is to immediately inform the Board Chair (or highest ranking volunteer board member) of the absence. As soon as it is feasible, the Chair should convene a meeting of the Board or Executive Committee (☞ choose one) to affirm the procedures

prescribed in this plan or to make modifications as the Committee deems appropriate.

At the time that this plan was approved, the position of Acting Executive Director would be:

_____ Name,
_____ Title.

Should the standing appointee to the position of Acting Executive Director be unable to serve, the first and second back-up appointees for the position of Acting Executive Director will be:

- (1) _____ Name
_____ Title and
- (2) _____ Name
_____ Title.

If this Acting Executive Director is new to his/her position and fairly inexperienced with this organization (less than _____ months/years), the Executive Committee or Board of Directors (☞ circle one) may decide to appoint one of the back-up appointees to the acting executive position. The Executive Committee or Board of Directors (☞ circle one) may also consider the option of splitting executive duties among the designated appointees.

Authority and Compensation of the Acting Executive Director

The person appointed as Acting Executive Director shall have the full authority for decision-making and independent action as the regular Executive Director.

The Acting Executive Director may be offered:

(☞ check one)

- A temporary salary increase to the entry-level salary of the executive director position
- A bonus of \$_____ during the Acting Executive Director Period.
- No additional compensation.

Board Oversight

The board member(s) or board committee (circle one) responsible for monitoring the work of the Acting Executive Director shall be _____
_____ (list by name or office).

The above named people will be sensitive to the special support needs of the Acting Executive Director in this temporary leadership role.

Communications Plan

Immediately upon transferring the responsibilities to the Acting Executive Director, the Board Chair (or highest ranking Board member) will notify staff members, members of the Board of Directors and key volunteers of the delegation of authority.

As soon as possible after the Acting Executive Director has begun covering the unplanned absence, Board members and the Acting Executive Director shall communicate the temporary leadership structure to the following key external supporters of _____ (Organization Name) _____. This may include (but not be limited to) government contract officers, foundation program officers, civic leaders, major donors and others (please specify): _____

_____.

Completion of Short-Term Emergency Succession Period

The decision about when the absent Executive Director returns to lead _____ (Organization Name) _____ should be determined by the Executive Director and the Board Chair. They will decide upon a mutually agreed upon schedule and start date. A reduced schedule for a set period of time can be allowed, by approval of the Board Chair, with the intention of working their way back up to a full-time commitment.

Succession Plan in Event of a Temporary, Unplanned Absence: Long-Term

A long-term absence is one that is expected to last more than three months. The procedures and conditions to be followed should be the same as for a short-term absence with one addition:

The Executive Committee or Board of Directors (☞ circle one) will give immediate consideration, in consultation with the Acting Executive Director, to **temporarily** filling the management position left vacant by the Acting Executive Director. This is in recognition of the fact that for a term of more than three months, it may not be reasonable to expect the Acting Executive Director to carry the duties of both positions. The position description of a temporary manager would focus on covering the priority areas in which the Acting Executive Director needs assistance.

Completion of Long-Term Emergency Succession Period

The decision about when the absent Executive Director returns to lead _____ (Organization Name) _____ should be determined by the Executive Director and the Board Chair. They will decide upon a mutually agreed upon schedule and start date. A reduced schedule for a set period of time can be allowed, by approval of the Board Chair, with the intention of working the way up to a full-time commitment.

Succession Plan in Event of a Permanent Change in Executive Director

A permanent change is one in which it is firmly determined that the Executive Director will not be returning to the position. The procedures and conditions should be the same as for a long-term temporary absence with one addition:

The Board of Directors will appoint a Transition and Search Committee within _____ days to plan and carry out a transition to a new permanent executive director. The Board will also consider the need for outside consulting assistance depending on the circumstances of the transition and the board’s capacity to plan

and manage the transition and search. The Transition and Search Committee will also determine the need for an Interim Executive Director, and plan for the recruitment and selection of an Interim Executive Director and/or permanent Executive Director.

Checklist for Acceptance of All Types of Emergency Succession Plans

- Succession plan approval.** This succession plan will be approved by the Executive Committee and forwarded to the full Board of Directors for its vote and approval. This plan should be reviewed annually.
- Signatories.** The Board Chair, the Executive Director, the deputy director or human resources administrator and the Acting Executive Director shall sign this plan, and the appointees designated in this plan.
- Organizational Charts.** Two organizational charts need to be prepared and attached to this plan. Prepare and attach an organizational chart reflecting staffing positions and lines of authority/reporting throughout the organization. Prepare and attach a second organizational chart that reflects how that structure will change within the context of an emergency/unplanned absence of the Executive Director.
- Important Organizational Information.** Complete the attached *Information and Contact Inventory* and attach it to this document.
- Copies.** Copies of this Emergency Succession Plan along with the corresponding documentation shall be maintained by The Board Chair, the Executive Director, the Acting Executive Director Appointee, the human resources department, and the organization’s attorney.

Signatures of Approval

Organization Name

Board Chair	Date	Individual Selected as Acting Executive Director
Executive Director	Date	Acting Executive Director’s Current Title Date
Deputy Dir/HR Dir/Other key staff member Date		

Information and Contact Inventory for (Organization Name)

Knowing where your organization’s key information is located is critical so that if an emergency succession should occur, your organization would be able to quickly continue work in the most efficient and effective way.

	Onsite Location	Offsite Location	Online URL
Nonprofit Status			
IRS Determination Letter	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
IRS Form 1023	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Bylaws	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Mission Statement	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Board Minutes	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Corporate Seal	<input type="checkbox"/> _____		

Financial Information

Employer Identification Number (EIN) #: _____

Current and previous Form 990s	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Current and previous audited financial statements	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Financial Statements (if not part of the computer system and regularly backed-up)	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
State or District Sales-Tax Exemption Certificate	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Blank Checks	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Computer passwords	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Donor Records	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Client Records	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Vendor Records	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Volunteer Records*	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____

**Note: Nonprofits that are heavily volunteer-based may need to know the following information about their volunteers who they are, how to contact them (home/work phone, email, cell, etc.), where they live/work, expertise, special skills, or any information related to their usefulness or willingness to help the agency (for example, volunteer Jane Doe can walk to our satellite office, lift heavy boxes and knows CPR).*

Auditor

Name: _____

Phone Number/Email: _____

Bank

Name(s): _____

Account Numbers: _____

Branch Representative(s): _____

Phone Number: _____

Fax: _____

Email: _____

Investments

Financial Planner / Broker Company _____

Representative Name: _____

Phone Number: _____

Email: _____

Who is authorized to make transfers? Who is authorized to make wire transfers? Are there alternatives?

Who are the authorized check signers?

Is there an office safe? Who has the combination/keys?

Legal Counsel

Attorney

Name: _____

Phone Number/Email: _____

Human Resources Information

	Onsite Location	Offsite Location	Online URL
Employee Records/ Personnel Info*	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
<i>*Names, home addresses, phone numbers, email, emergency contacts, etc.</i>			
I-9s	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____

Payroll

Company Name: _____

Account Number: _____

Payroll Rep: _____

Phone Number: _____

Email: _____

Facilities Information

Office Lease (for renters) _____ _____

Building Deed (for owners) _____ _____

Building Management

Company Name: _____

Contact Name: _____

Phone Number/Email: _____

Office Security System

Company Name: _____

Account Number _____

Representative Phone Number/Email: _____

Broker Phone Number/Email: _____

Insurance Information

General Liability / Commercial Umbrella

Company/Underwriter: _____
Policy Number _____
Representative Phone Number/Email: _____
Broker Phone Number/Email: _____

Directors & Officers Liability

Company/Underwriter: _____
Policy Number _____
Representative Phone Number/Email: _____
Broker Phone Number/Email: _____

Health Insurance

Company/Underwriter: _____
Policy Number _____
Representative Phone Number/Email: _____
Broker Phone Number/Email: _____

Unemployment Insurance

Company/Underwriter: _____
Policy Number _____
Representative Phone Number/Email: _____
Broker Phone Number/Email: _____

Workers' Compensation

Company/Underwriter: _____
Policy Number _____
Representative Phone Number/Email: _____
Broker Phone Number/Email: _____

Disability Insurance (short-term)

Company/Underwriter: _____
Policy Number _____
Representative Phone Number/Email: _____
Broker Phone Number/Email: _____

Disability Insurance (long-term)

Company/Underwriter: _____
Policy Number _____
Representative Phone Number/Email: _____
Broker Phone Number/Email: _____

Life Insurance

Company/Underwriter: _____
Policy Number _____
Representative Phone Number/Email: _____
Broker Phone Number/Email: _____

Dental

Company/Underwriter: _____
Policy Number _____
Representative Phone Number/Email: _____
Broker Phone Number/Email: _____

Long Term Care

Company/Underwriter: _____
Policy Number _____
Representative Phone Number/Email: _____
Broker Phone Number/Email: _____

Retirement Plan

Company/Underwriter: _____
Policy Number _____
Representative Phone Number/Email: _____
Broker Phone Number/Email: _____

Date of Completion for Information and Contact Inventory: _____

Name of Person Completing Document: _____

The Emergency Succession Plan and the supporting documents (the information and contact inventory, job descriptions, and organizational charts) should be reviewed and updated annually.

We acknowledge the leadership of Transition Guides (notably Tom Adams and Don Tebbe, as well as plan guidance from Karen Gaskins Jones, and Victor Cheers) in guiding The Center for Nonprofit Advancement in grasping the impact of Succession Planning and Executive Transitions. Additional thanks to Troy Chapman of the Support Center for Nonprofit Management of New York City, Tim Wolfred of CompassPoint Nonprofit Services for their guidance on the development of this document. The Information and Contact Inventory document is adapted by permission from the Nonprofit Coordinating Committee of New York City.

Management Contingency - Succession Plan

Operations and/or Policy Manual Excerpt

The organization's leadership should know what needs to be executed to continue operations and protect assets in the event of the sudden, unexpected absence of the chief executive officer (CEO/executive director.) That is the purpose of a management contingency or succession plan.

The plan suggests an "acting CEO," lists critical actions needed, and answers to questions that might arise . . . if the executive director were no longer around. The plan also names several veteran association professionals who are available to counsel an interim manager or rookie replacement. Below is the transition plan, updated annually and added to the directors' leadership manual.

Management Contingency Plan

If some "unplanned event" makes the executive director unable to perform the essential duties of President-C.E.O., board officers should take steps to protect member interests, assure management continuity, and maintain the confidence of members, customers and employees.

These actions are recommended:

- a. Officers immediately inform legal counsel and CPA/financial auditor. (The retained professionals also maintain a copy of this succession plan in their files.)
- b. Officers inform the Board of Directors, Executive Committee and chairs of committees about the circumstances, and report that the Board will announce interim management appointments. (Perhaps have Executive Committee develop recommendations.)
- c. Board designates a senior staff member as "acting CEO" and adjusts salary accordingly.
- d. Instruct acting CEO to promptly report to the Board on:
 - 1) Status and outlook (potential problems, delays, etc.) for current projects;
 - 2) Plans for change or deferral of scheduled events or activities;
 - 3) Assistance or counsel that could be provided by members; |
 - 4) Need for unbudgeted temporary staff, services, etc.; and,
 - 5) Potential for deviations from budget or other unfavorable financial results.
- e. Board determines how *policy* will be developed during interim -- by Board, or by Executive Committee with Board ratification. (Unless complex or controversial, these decisions can probably be made by conference calls.)
- f. Immediately verify balances in bank accounts. Review bank transactions of previous two months. If unusual, order financial inquiry and report results to Board of Directors and to entities to which association is responsible for each fiduciary account.

- g. If CEO must be replaced, assign duty for search, screening and proposal to Board.

Depending on circumstances, the Board might authorize retaining a veteran association manager to counsel the acting CEO. Whether counsel is needed will depend on abilities and experience of the acting CEO, nature of internal problems, and situations confronting the industry. The acting CEO would select the consultant, with concurrence of the Executive Committee.

- h. Depending on circumstances, officers might consider the following actions:

- 1) Change signature authorizations for bank accounts. Banks require filing a card, signed by two officers, indicating that signature authority has been granted by resolution of the Board. (Currently, policy instructs bank to require two signatures on checks over \$1,000. Second signature also required if *payee* is authorized to sign.)
- 2) Inform insurance agents about known and potential losses; changes in management.
- 3) Inform legal counsel and financial audit firm of management changes and circumstances. Acting CEO should seek their advice as needed.

(Copies to senior staff; financial staff; legal counsel; auditor; association managers on consulting list.)

Note: This is a sample association management contingency or succession plan. It is not intended to provide legal or accounting information but may be used as a reference for an organization developing its own internal policies and procedures to safeguard the organization. Adapted with permission – 2000 – NWFPA.

ManagementContingencyPlan.doc

Succession Plan - CEO -Chamber

Introduction

Originally adopted by the Chamber of Commerce Board of Directors in December 2000, the Strategic Plan outlined the preparation of a leadership succession plan. The original purpose of inclusion of a leadership succession plan was to provide a seamless and orderly transition to new leadership that upholds the Chamber's organizational principles and philosophies and continues the Chamber's leadership position within the community.

Today's aim of succession planning is to identify the organization's future staffing needs, assess the existing talent pool, and prepare for the integration of these two components, if appropriate. This includes addressing the need for cross training in key roles where continuity is particularly critical. The plan should call for the identification and mentor of candidates outside current staff. Additionally, the plan addresses a process to select a candidate if a succession plan cannot be completed.

The first draft of the succession plan will focus on the position of president of the Chamber. However, it is hoped that in the future, this plan will also contain information that can be utilized and applied to other staff leadership positions within the organization, such as the executive vice president, senior vice president, and other vice presidents and directors.

The selection of the chief staff executive (president) is the single most important decision the Board of Directors will make. The right chief executive staff is vital to the continued success of the Chamber's business plan. Successful chambers are dependent on a unity of purpose and a compatible relationship between the volunteer and professional leadership.

The leadership succession plan will provide a two-track process by which the best-qualified candidate will be selected as president of the Chamber. The purpose of a two-track approach is to ensure success of a leadership change regardless of circumstance. The first track will provide a process in which normal leadership succession planning can occur. The second track provides a plan if an immediate and unplanned change in leadership occurs, prior to full implementation of the leadership succession plan.

Track One: Planned Leadership Succession

Five Keys to Successful Planning – Succession planning should be approached as a process rather than an event and is much broader in scope. There are several key elements to success.

1. **Identify key leadership criteria:** It's essential that the Chamber know what skills and competencies it needs in a successful candidate. As a result, the Chamber will rely on information obtained through a "Qualities of Leadership" exercise that was conducted during the Executive Committee Retreat on November 21 and 22, 2002.
Executive Committee members were asked to select the top twenty behavioral traits that they would consider essential in a candidate for this leadership position. The behavioral traits and their specific definitions are listed as Addendum A of the plan.

Each member provided his or her priority list and the information was compiled and categorized. The following information was a culmination of the exercise and unanimously agreed upon by members of the Executive Committee as the top 20 qualities of leadership.

Communication Skills:

- **Communicate** - Speaks clearly, articulately and concisely. Is readily understood by others.
- **Decisive** - Makes decision quickly and often without "complex" data.
- **Enthusiastic** - Communicates positive attitudes in an emotionally expressive and vibrant manner. Approaches problems systematically.
- **Listens Well** - Pays close attention when others are speaking actively; tries to understand what's being said.
- **Persuasive** - Sells ideas effectively. Overcomes objections.
- **Responsive** - Reacts promptly to suggestions and requests.

Management Styles:

- **Credible** - Readily gains the trust and confidence of others.
- **Foresight** - Anticipates the future consequences of actions.
- **Perseverant** - Behaves objectively in spite of obstacles and discouraging events.
- **Politically Astute** - Is shrewd in discerning sources of power and ways of dealing with them.
- **Results Oriented** - Is intent upon achieving practical results. Concentrates attention on making things happen.
- **Selects Competent People** - Recognizes and appreciates strength and competence. Actively seeks out competent people.

Personality:

- **Confident** - Approach to new, unfamiliar and difficult situations reveals self-assurance and realistic confidence.
- **Honest** - Behaves sincerely and candidly. Avoids deception.
- **Mature** - Does not allow feelings to distort reasoning. Controls the expression of strong feelings. Does not rationalize failures.

- **Open Minded** - Willingly considers new ideas and approaches not tied to tradition or convention.
- **Responsible** - Reliable and trustworthy, willing to be held accountable.
- **Risk Taker** - Acts without assurance of success. Able and willing to risk failure.
- **Versatile** - Applies a wide range of aptitudes, skills, and abilities.
- **Works Hard** - Expends extra effort, above and beyond the call of duty. Makes personal sacrifices for the sake of the job.

Additionally, the importance of the priorities is demonstrated through the fact that of the twenty qualities of leadership selected, all of the members of the Executive Committee selected the following five qualities:

- Communicate
- Confident
- Honest
- Responsible
- Politically Astute

2. **Identify future leaders and motivate them:** The Chamber must have a system in place for finding star employees and ensuring that they are ready for key positions. This can involve any of several approaches, including 360-degree feedback, standard reviews, and informal discussions. Understanding employees' talents, aptitudes, and interests – and then providing appropriate responsibilities, creates a much higher likelihood of success.

Additionally, the president will begin to seek out qualified individuals that can be considered as future leaders of the organization. Individuals already working within the Chamber of Commerce industry and community-at-large should be considered.

As an initial step, candid conversations should occur with the prospective candidate(s) and the president. Learning such items about the candidate(s)' previous professional experience, education and training, aptitudes and abilities, long-term objectives, and qualities of leadership comparisons are initial indicators. The president should also consider requesting candidate(s) to complete a predictor index exercise to technically compare the candidate(s) responses to the qualities of leadership as selected by the Chamber. Interviews of the candidates should be taken seriously at this point in the plan in order to move to the next level – mentorship.

Once the candidate(s) have been identified as a potential successor for the position, a mentorship should begin. The president should provide as much exposure of the Chamber to the individual in order to make an objective assessment. It is appropriate at this juncture in the plan that it becomes publicly known that the individual is under consideration for leadership.

As the candidate(s) are selected to continue through the succession process, the president and key volunteers should always provide consideration of additional individuals. Times change and so do people. New leaders within the community or industry may emerge over time.

Finally, the leadership succession plan should never provide a guarantee to any individual candidate of automatic succession to president.

3. **Align succession planning with Chamber culture:** Despite an emphasis on past performance, it is essential to retain a focus on core values for the future. Effective succession planning requires an organization to stress these values and the ability to maintain the culture of an organization.

Culture is important, particularly during organizational change. It can influence the success or failure of change initiatives in powerful ways. Ignore it, and any attempt for even small change within the organization risks failure. Pay attention to it, leverage it, and the chances for significant organizational change are greatly increased.

The Chamber of Commerce culture has evolved over time. Elements of the Chamber's successful culture include growth, excellence, and fun. Each of these three factors influences the behavior of the organization. It governs the "norms" of the organization. Additionally core values or principles of the organization shape the action of the organization and provide integrity. The organization's core values as included in the Strategic Plan include:

- First and foremost, we are a customer-driven organization.
- We believe solutions within the community are better developed through opportunities created by market-driven sectors, rather than government mandates.
- We believe in creating partnerships with organizations and individuals to leverage resources.
- We believe the private sector deserves a bold voice through its chamber of commerce, promoting the needs and views of the business community.
- We respect the role of non-profit agencies and government in helping create an environment of growth and prosperity.
- We believe that risk-taking and entrepreneurship should be encouraged and rewarded.
- We believe that diversity and inclusion are necessary to help members gain access to emerging markets and to achieve prosperity throughout the community.
- We believe that a clean environment and a healthy business economy are compatible.
- We believe that providing a fun atmosphere in our programs and activities is a key ingredient to the success of the organization.

- We believe it is our responsibility to look toward the future and to provide visionary leadership.
- We believe that the Chamber's most valuable asset is its people – the staff and volunteers. Attracting and retaining the best talent is key.
- We believe that growth is a key indicator to the success of the organization.
- We believe that the business community should take a broad, rather than narrow or parochial, view in addressing issues, since business competes in a national and global economy.
- We believe individuals in the business community should be actively involved in the political process.

As you can compare, the core values of the organization easily compliment the necessary qualities of leadership selected for future candidates.

4. **Create a sense of responsibility within the Chamber:** Successful organizations rely on management to serve as a catalyst for effective succession planning. A review from various levels within the organization should be made on the potential candidate(s) progress with detailed recording.

Input from the volunteer leadership, staff, and membership of the Chamber is important in this step. Creating buy-in from these critical groups of people will allow for a successful and smooth succession.

Reporting the progress of the leadership succession plan should be made by the President to the Personnel Committee.

5. **Measure results and reinforce desired behavior:** The only way to know whether a succession plan is effective is to put systems in place to track results. Systems must be developed, such as reward-based compensation, training, and appropriate responsibilities, to motivate employees and other outside candidates, and push them along desired development paths.

An initial timeline should be developed as an addendum to this plan in order to ensure execution of the plan. It is suggested that candidates should be identified throughout 2003 in order for additional succession steps to be taken, including, but not limited to, mentoring.

Conclusion

Succession planning requires identifying high and low performing individuals, as well as honest and often bold conversations regarding leadership capabilities. The benefits and outcomes of a leadership succession plan should include:

- Achieve a high return on development investment by growing internally.
- Ensure your leaders have the skills and knowledge necessary to lead your organization in to the future.

- Reduce leadership turnover.
- Retain and fast track high-potential individuals.
- Increase the depth of the talent pool.
- Move leaders into more senior positions with minimum business disruption.
- Ensure readiness of succession candidates for leadership positions.

As an ultimate conclusion of the leadership succession plan, it is the hope that if executed properly, the announcement of resignation of the president would also include the announcement of the individual as the successor.

Track Two: An Immediate and Unplanned Change in Leadership

Interim President Named - The Executive Vice President shall act as the interim president in order carry out the daily duties and responsibilities of the organization. This shall occur until a new president of the Chamber is named and begins employment. The Executive Vice President would not be considered a final candidate for the position.

Determine and Appoint a Selection Committee – The board must appoint a seven-member Selection Committee to review applications as well as screen and interview applicants. The current Chair of the Board shall act as the Selection Committee Chair or shall appoint an individual to serve in that capacity. The Chair shall also provide Selection Committee member recommendations to the Board for their ratification.

Members of the Selection Committee should be qualified active volunteer leaders of the organization. Individuals selected for approval should possess the necessary skills and previous experience of hiring a president/chief executive officer of an organization or business. The six individuals selected for the committee by the Selection Committee Chair should be representative of one of the following groups: active Past Chairs of the Board, members of the Board of Directors; and active volunteer leaders with Chamber membership investment credentials. The Executive Vice President shall provide administrative support for the Committee.

The Selection Committee should review the Leadership Succession Plan – Track One, to determine if a candidate has been recommended through the succession plan. If so, that candidate should be considered and offered the position. If the succession plan has not been fully implemented with no clear candidate emerging, the following steps should be taken.

Committee Seeks Candidates – Notice of job opening should be produced and submitted to like-organizations. Additionally, local/regional advertising may be considered.

Committee Selects Candidates – All suggestions and nominations of candidates should go to the Selection Committee. Candidates who are well qualified for positions as

chamber executives do not usually job hunt. Many will seek a position at another chamber only when invited to do so or as referred by a reliable source.

Chamber Contacts Candidates and Obtains Information – When all resumes are received, the Selection Committee Chair should contact the applicants and request any additional data, if needed.

Selection Committee Considers Resumes – The Selection Committee should carefully review the resumes and performance records of all candidates. Evaluate the applications based on the job requirements and core values established by the Board as well as the Qualities of Leadership identified in the plan.

Selection Committee Interviews Candidates – The Selection Committee should interview the top candidates. It should use the same interview guide and format so all candidates are considered equally.

Selection Committee Checks References – The Selection Committee should carefully check references of the top candidates. In addition, the Selection Committee may contact other staff and volunteer leaders within the industry in order to garner greater input on the qualities of a candidate. Such organization may include but not be limited to the Minnesota Chamber of Commerce, U.S. Chamber of Commerce, and American Chamber of Commerce Executives.

Selection Committee Identifies Final Candidates – The Selection Committee should choose the final candidates.

Evaluate Candidates – Evaluating the competency and qualifications of applicants through brief interviews is often a difficult task. The Selection Committee should evaluate the finalists and provide one final recommendation to the Board of Directors.

Board Selects the New President – The Board of Directors will ratify the final candidate. A unanimous selection by the Board is good member and public relations. It increases the prospect of a harmonious relationship between the Board and the President. It also strengthens the Chamber and community members' confidence in the Board and Chamber staff.

Selection Committee Notifies Candidates – As soon as the Board ratifies the new president, it should notify each candidate interviewed for the position. Following, a plan to introduce the new president to the membership and community should commence.

Glossary of Behavioral Traits – Addendum A

Ambitious	Strongly desires advancement to position of increased authority and prestige.
Analytical	Thinks logically, isolates the fundamental parts of a complex problem.
Communicate	Speaks clearly, articulately and concisely. Is readily understood by others.
Competitive	Strongly desires to be first and to win.
Conceptual	Thinks in abstract and theoretical terms.
Confident	Approach to new, unfamiliar and difficult situations reveals self-assurance and realistic confidence.
Convictions	Stands up for beliefs and principles.
Creative	Thinks originally and imaginatively. Conceives new ideas and approaches.
Credible	Readily gains the trust and confidence of others.
Critical Thinker	Probes beneath the surface. Does not accept things at face value.
Curious	Wants to know why. Shows a thirst for and a keen interest in acquiring knowledge.
Decisive	Makes decision quickly and often without “complex” data.
Deliberate	Thoughtful and hesitant in making decisions. Carefully considers alternatives.
Detail Oriented	Pays careful attention to details.
Diligent	Appeals steady, earnest effort to task performance.
Drive	Pursues objectives with a high degree of energy and persistence.

Energetic	Works vigorously and actively. Does not tire or fatigue easily.
Engaging	Stimulating; elicits reactions from others.
Enthusiastic	Communicates positive attitudes in an emotionally expressive and vibrant manner. Approaches problems systematically.
Follow Through	Carries activities through to conclusion and endures that projects are completed.
Foresight	Anticipates the future consequences of actions.
Friendly	Shows a personal interest in others.
Honest	Behaves sincerely and candidly. Avoids deception.
Initiative	Moves into new areas without being prodded; starts a series of events independently.
Judgement	Discerns and chooses the best course of action. Effectively blends intelligence, knowledge and people understanding.
Learns Quickly	Readily grasps new ideas and concepts.
Listens Well	Pays close attention when others are speaking actively; tries to understand what's being said.
Mature	Does not allow feelings to distort reasoning. Controls the expression of strong feelings. Does not rationalize failures.
Objective	Reaches conclusions on the basis of facts as opposed to personal feelings and prejudices.
Open Minded	Willingly considers new ideas and approaches not tied to tradition or convention.
Organized	Lays out task in logical and orderly sequence. Establishes and follows through on priorities.
Outgoing	Sociable, extroverted, enjoys and seeks out contact with people.
Patient	Maintains composure in the face of delays and barriers.
Perseverant	Behaves objectively in spite of obstacles and discouraging events.

Perspective	Views things in their relative importance, appreciates the broad picture.
Persuasive	Sells ideas effectively. Overcomes objections.
Poised	Maintains composure in embarrassing or upsetting situations.
Politically Astute	Is shrewd in discerning sources of power and ways of dealing with them.
Practical	Emphasizes action over abstraction. Thinks realistically; rejects the impractical.
Resourceful	Improvises, devises ways to solve difficult problems.
Responsible	Reliable and trustworthy, willing to be held accountable.
Responsive	Reacts promptly to suggestions and requests.
Results Oriented	Is intent upon achieving practical results. Concentrates attention on making things happen.
Risk Taker	Acts without assurance of success. Able and willing to risk failure.
Selects Competent People	Recognizes and appreciates strength and competence. Actively seeks out competent people.
Self-Disciplined	Carries out difficult, unpleasant and unrewarding tasks without procrastination.
Sensitive	Shows appreciation for and understanding of others.
Sets a Fast Pace	Works quickly; places a premium on speed of action. Shows a strong sense of urgency.
Sophisticated	Presents an impressive and dignified appearance and demeanor.
Straightforward	Freely states what's on his/her mind. Expresses thoughts and feelings directly and candidly.
Tactful	Rarely offends people. Expresses views without creating defensiveness.
Tough Minded	Unsentimental; able to make decisions detrimental to a few, but helpful to most.

Versatile Applies a wide range of aptitudes, skills, and abilities.

Works Hard Expend extra effort, above and beyond the call of duty. Makes personal sacrifices for the sake of the job.

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Note: Adaptation with permission - SPCC

Leadership Succession Plan

Adopted by the Board of Directors
December 2002

Introduction

Originally adopted by the XXXX Area Chamber of Commerce Board of Directors in December 2000, the Strategic Plan outlined the preparation of a leadership succession plan. The original purpose of inclusion of a leadership succession plan was to provide a seamless and orderly transition to new leadership that upholds the Chamber's organizational principles and philosophies and continues the Chamber's leadership position within the community.

Today's aim of succession planning is to identify the organization's future staffing needs, assess the existing talent pool, and prepare for the integration of these two components, if appropriate. This includes addressing the need for cross training in key roles where continuity is particularly critical. The plan should call for the identification and mentor of candidates outside current staff. Additionally, the plan addresses a process to select a candidate if a succession plan cannot be completed.

The first draft of the succession plan will focus on the position of president of the Chamber. However, it is hoped that in the future, this plan will also contain information that can be utilized and applied to other staff leadership positions within the organization, such as the executive vice president, senior vice president, and other vice presidents and directors.

The selection of the chief staff executive (president) is the single most important decision the Board of Directors will make. The right chief executive staff is vital to the continued success of the Chamber's business plan. Successful chambers are dependent on a unity of purpose and a compatible relationship between the volunteer and professional leadership.

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occur. The second track provides a plan if an immediate and unplanned change in leadership occurs, prior to full implementation of the leadership succession plan.

Track One: Planned Leadership Succession

Five Keys to Successful Planning – Succession planning should be approached as a process rather than an event and is much broader in scope. There are several key elements to success.

1. **Identify key leadership criteria:** It's essential that the Chamber know what skills and competencies it needs in a successful candidate. As a result, the Chamber will rely on information obtained through a "Qualities of Leadership" exercise that was conducted during the Executive Committee Retreat on November 21 and 22, 2002. Executive Committee members were asked to select the top twenty behavioral traits that they would consider essential in a candidate for this leadership position. The behavioral traits and their specific definitions are listed as Addendum A of the plan.

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- **Decisive** - Makes decision quickly and often without "complex" data.
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Additionally, the importance of the priorities is demonstrated through the fact that of the twenty qualities of leadership selected, all of the members of the Executive Committee selected the following five qualities:

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Additionally, the president will begin to seek out qualified individuals that can be considered as future leaders of the organization. Individuals already working within the Chamber of Commerce industry and community-at-large should be considered.

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the candidates should be taken seriously at this point in the plan in order to move to the next level – mentorship.

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Finally, the leadership succession plan should never provide a guarantee to any individual candidate of automatic succession to president.

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The XXXX Area Chamber of Commerce culture has evolved over time. Elements of the Chamber's successful culture include growth, excellence, and fun. Each of these three factors influences the behavior of the organization. It governs the "norms" of the organization. Additionally core values or principles of the organization shape the action of the organization and provide integrity. The organization's core values as included in the Strategic Plan include:

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- Move leaders into more senior positions with minimum business disruption.
- Ensure readiness of succession candidates for leadership positions.

As an ultimate conclusion of the leadership succession plan, it is the hope that if executed properly, the announcement of resignation of the president would also include the announcement of the individual as the successor.

Track Two: An Immediate and Unplanned Change in Leadership

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Evaluate Candidates – Evaluating the competency and qualifications of applicants through brief interviews is often a difficult task. The Selection Committee should evaluate the finalists and provide one final recommendation to the Board of Directors.

Board Selects the New President – The Board of Directors will ratify the final candidate. A unanimous selection by the Board is good member and public relations. It increases the prospect of a harmonious relationship between the Board and the President. It also strengthens the Chamber and community members' confidence in the Board and Chamber staff.

Selection Committee Notifies Candidates – As soon as the Board ratifies the new president, it should notify each candidate interviewed for the position. Following, a plan to introduce the new president to the membership and community should commence.

Glossary of Behavioral Traits – Addendum A

Ambitious	Strongly desires advancement to position of increased authority and prestige.
Analytical	Thinks logically, isolates the fundamental parts of a complex problem.
Communicate	Speaks clearly, articulately and concisely. Is readily understood by others.
Competitive	Strongly desires to be first and to win.
Conceptual	Thinks in abstract and theoretical terms.
Confident	Approach to new, unfamiliar and difficult situations reveals self-assurance and realistic confidence.
Convictions	Stands up for beliefs and principles.
Creative	Thinks originally and imaginatively. Conceives new ideas and approaches.
Credible	Readily gains the trust and confidence of others.
Critical Thinker	Probes beneath the surface. Does not accept things at face value.
Curious	Wants to know why. Shows a thirst for and a keen interest in acquiring knowledge.

Decisive	Makes decision quickly and often without “complex” data.
Deliberate	Thoughtful and hesitant in making decisions. Carefully considers alternatives.
Detail Oriented	Pays careful attention to details.
Diligent	Appeals steady, earnest effort to task performance.
Drive	Pursues objectives with a high degree of energy and persistence.
Energetic	Works vigorously and actively. Does not tire or fatigue easily.
Engaging	Stimulating; elicits reactions from others.
Enthusiastic	Communicates positive attitudes in an emotionally expressive and vibrant manner. Approaches problems systematically.
Follow Through	Carries activities through to conclusion and endures that projects are completed.
Foresight	Anticipates the future consequences of actions.
Friendly	Shows a personal interest in others.
Honest	Behaves sincerely and candidly. Avoids deception.
Initiative	Moves into new areas without being prodded; starts a series of events independently.
Judgement	Discerns and chooses the best course of action. Effectively blends intelligence, knowledge and people understanding.
Learns Quickly	Readily grasps new ideas and concepts.
Listens Well	Pays close attention when others are speaking actively; tries to understand what’s being said.
Mature	Does not allow feelings to distort reasoning. Controls the expression of strong feelings. Does not rationalize failures.
Objective	Reaches conclusions on the basis of facts as opposed to personal feelings and prejudices.
Open Minded	Willingly considers new ideas and approaches not tied to tradition or convention.

Organized	Lays out task in logical and orderly sequence. Establishes and follows through on priorities.
Outgoing	Sociable, extroverted, enjoys and seeks out contact with people.
Patient	Maintains composure in the face of delays and barriers.
Perseverant	Behaves objectively in spite of obstacles and discouraging events.
Perspective	Views things in their relative importance, appreciates the broad picture.
Persuasive	Sells ideas effectively. Overcomes objections.
Poised	Maintains composure in embarrassing or upsetting situations.
Politically Astute	Is shrewd in discerning sources of power and ways of dealing with them.
Practical	Emphasizes action over abstraction. Thinks realistically; rejects the impractical.
Resourceful	Improvises, devises ways to solve difficult problems.
Responsible	Reliable and trustworthy, willing to be held accountable.
Responsive	Reacts promptly to suggestions and requests.
Results Oriented	Is intent upon achieving practical results. Concentrates attention on making things happen.
Risk Taker	Acts without assurance of success. Able and willing to risk failure.
Selects Competent People	Recognizes and appreciates strength and competence. Actively seeks out competent people.
Self-Disciplined	Carries out difficult, unpleasant and unrewarding tasks without procrastination.
Sensitive	Shows appreciation for and understanding of others.
Sets a Fast Pace	Works quickly; places a premium on speed of action. Shows a strong sense of urgency.

Sophisticated	Presents an impressive and dignified appearance and demeanor.
Straightforward	Freely states what's on his/her mind. Expresses thoughts and feelings directly and candidly.
Tactful	Rarely offends people. Expresses views without creating defensiveness.
Tough Minded	Unsentimental; able to make decisions detrimental to a few, but helpful to most.
Versatile	Applies a wide range of aptitudes, skills, and abilities.
Works Hard	Expend extra effort, above and beyond the call of duty. Makes personal sacrifices for the sake of the job.

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The Centre for Exceptional Leadership; *Succession Planning and Organizational Culture*.

Crain Communications; *Workforce: HR Trends & Tools for Business Results*.

The Leadership Communications Group; *Glossary adapted from the work of E. Lear*.

Leadership Solutions, Inc.; *Succession Planning*.

Minnesota Chamber of Commerce Executives; *A guide for Minnesota Chambers of Commerce to help select your executive*, revised September 2000.

Succession Planning Policies and Procedures

The guiding principle of the Society's succession plan is preparedness. Major, ongoing activities of the Board of Directors include

- Monitoring the current CEO's job satisfaction;
- Evaluating staff salaries with the marketplace;
- Developing, with the CEO, annual performance criteria and goals and performing annual reviews based on these criteria and goals;
- Recruiting future Board members (ensuring that the composition of the Board fits the Society as it develops and that when the time comes, the Board will have members qualified to serve on a Search Committee and lead the hiring process); and
- Maintaining an up-to-date organizational overview.

TEMPORARY VACANCY

During any temporary vacancy of the CEO, the Vice President, Finance and Administration, will serve as the Society's Acting CEO and will supervise day-to-day operations, reporting to the Society's Board Chair until the return of the CEO.

FUNDING

Because the Society's CEO currently is the chief fundraiser, the long-term reserves may be needed during the interim between CEOs and during the new CEO's first year, as well as for the executive search, which is estimated to cost about \$ XXXXXX. The Society will need to establish a "legacy campaign" to give donors a chance to honor the CEO with gifts to a special fund.

INTERIM

Notice Period The CEO's contract includes a provision that she will give six months' advance notice before canceling the contract. It is expected that the CEO will be asked to stay on and perform her duties during this notice period. During this time, the Board must assess the Society's future needs and determine the next level of accomplishment to which the Board would like a new CEO to lead the Society. Questions the Board will discuss include

- Is our CEO's job doable?
- Will our next CEO be our chief fundraiser? If so, how important is it to hire someone with contacts and donor relationships that either parallel the current CEO's or provide the Society with new ones?
- Are there any obvious candidates for the job either within the Society or elsewhere? It is critical that any assumptions, on part of Board members or staff, be brought to the full Board's attention.
- What is the salary the Society will need to pay?

Search Committee At this time, the Board will appoint a Search Committee, which will be chaired by the Board Chair and include the Vice Chair. This committee will be charged with reviewing the Society's operational plans and organizational overview, developing the CEO job description/profile and compensation package, and conducting preliminary interviews. The Board will determine whether the Search Committee also should conduct final interviews. The profile should include the characteristics sought in the new CEO, such as leadership, creativity, financial expertise, fund-raising ability, and advocacy skills. It is anticipated that the Board's determination of the strategic direction and the Search Committee's completion of the CEO job description will be accomplished during the notice period (three months).

Interim Management The Board recognizes that there is no need to rush with the recruiting and hiring process, which typically takes six months. The Vice President, Finance and Administration, will serve as the Society's Interim CEO to ensure continuity and a smooth transition. The interim CEO is not expected to be hired as the next CEO but is expected to supervise day-to-day operations and manage the interim process. She will be the liaison with the Board Chair and the Search Committee. She will continue with her

responsibilities as COO and CFO, ensuring financial oversight of the Society's operations, including the hiring process.

The Search Process: Recruiting and Hiring Once the CEO job description and compensation package are developed, recruiting will begin with the assistance of an executive search firm. Executive search firms can be expected to recruit the right type of people who are not currently seeking a career change and to serve as an unemotional, trusted, and skilled advisor to both the candidates and the Board. The Search Committee will conduct preliminary interviews, review references that will be checked by staff, and either refer finalists to the Board or conduct final interviews. The Board Chair will negotiate with the final candidate.

POST-HIRING

Preparation The Society's Board recognizes its responsibility to help the new CEO succeed by providing the necessary orientation and maintaining appropriate communication. Before the new CEO is hired, the Board will

- update the current annual plan,
- develop a short-term work plan,
- ensure adequate educational opportunities for the new CEO, and
- establish an evaluation process.

Implementation The Board Chair will greet the new CEO with the annual plan and short-term work plan, inviting the CEO's input into both. Staff introductions and orientations will be made by the Interim CEO, who will return to her role as Vice President, Finance and Administration. The Board chair will conduct an informal evaluation at three months and the Executive Committee another one at six months. These reviews will be based in part on the short-term work plan but will focus on any issues or concerns either the CEO or Board has. After this, annual evaluations will be based on performance criteria and goals provided in writing at the beginning of the year.

December 2004

Association Policy

As of October 21, 1999
Officially adopted by the Board of Directors August 22, 2000
Updated points of contact: September 11, 2007

Executive Management Succession Contingency Plan

Purpose

If some "unplanned event" makes the Executive Director unable to perform the essential duties of the position as outlined in the Board approved Executive Director job description, Board officers must promptly take steps to protect member interests, assure management continuity, and maintain the confidence of members, customers and employees. The purpose of this chapter is to describe the processes to be followed should the sitting Executive Director be unable to fulfill his or her duties.

Scope

These policies cover the authority and roles of the Board and of other staff should the Executive Director be unable to fulfill his or her duties.

General

- A. *Responsibilities and Authority of the Board of Directors as Defined by the Code of Regulations (bylaws)*

ARTICLE IX

THE EXECUTIVE DIRECTOR

Section 1. Designation. The Executive Director shall manage the XXXX's administrative and financial affairs at the direction of the Board of Directors.

Section 2. Duties. The Executive Director shall, under the supervision of the Board of Directors, perform the following duties:

(a) Establish and/or maintain headquarters offices, properly staffed and organized to perform the business of the XXXX. The Executive Director will not discriminate against a fellow employee or an applicant for employment because of race, creed, color, religion, sex, national origin, ancestry, or age, or because of physical or mental handicap or because of the person's veteran status.

(b) Conduct the correspondence of the XXXX.

- (c) Conduct the financial transactions of the XXXX.
- (d) Maintain current records of the XXXX as follows:
 - (1) Records of Membership;
 - (2) Records of all assets, including real property, if any, owned by the XXXX, together with records of any transactions involving such assets; and
 - (3) Records of all financial transactions of the XXXX.
- (e) Present to the officers quarterly financial statements (including a balance sheet and a statement of income and expenses) and cause to be prepared in accordance with recognized Generally Accepted Accounting Practices audited year-end financial statements for distribution to the Board of Directors.
- (f) Give notice of all meetings of the Board of Delegates to the Board of Directors as provided in these Bylaws.
- (g) Attend and keep minutes of all meetings of the Board of Delegates and the Board of Directors and promptly distribute the minutes to all Delegates or Directors, as the case may be.
- (h) Coordinate the work of all Committees and of the Divisions in the promoting, scheduling, and conducting of the Annual Convention and Exposition.
- (i) Assist, where feasible, in the promotion and production of State and Regional meetings, and in the organization and coordination of local group affairs.
- (j) Perform such other duties as the Board of Directors may from time to time direct and generally devote his/her best efforts toward advancing the interests and business of the XXXX.

Pertinent Board Resolutions:

It was properly moved, seconded and approved by the Board to adopt the recommendation that the Association designate two staff officers of the Corporation to act in the official capacities as officers of the Association and related entities. The recommendation is that the Executive Director and the Finance Director be appointed, by Board Resolution, to conduct the business affairs of the Association and related entities in accordance with the Articles of Incorporation, the bylaws, and the Association's official Financial Policies and Procedures. - 1996

Contingency Plan

- a. Vice President of Finance and/or Vice President of Member Services Programming immediately inform XXXX's legal counsel and financial auditors (listed below). (They have this succession plan on file.)
- b. Vice President of Finance and/or Vice President of Member Services Programming inform the Board of Directors, Executive Committee and chairs of committees about the circumstances, and that interim management appointments will be announced by the Board.
- c. Board designate a senior staff member as "Interim Executive Director. Set salary according to established range (available to officers from XXXX Human Resources Manager).
- d. Instruct Interim Executive Director to promptly report to the Board on:
 - 1) status and outlook (potential problems, delays, etc.) for current projects;
 - 2) plans for change or deferral of scheduled events or activities;
 - 3) assistance or counsel that could be provided by managers and members;
 - 4) need for unbudgeted temporary staff, services, etc.; and,
 - 5) potential for deviations from budget or other unfavorable financial results.
- e. Board determines how policy will be decided during interim -- by Board, or by Executive Committee with Board ratification. (Unless complex or controversial, these decisions can probably be made by teleconference.)
- f. Immediately verify balances in bank accounts of XXXX and groups for which it holds funds. Review bank transactions of preceding two months. If unusual, order a financial inquiry immediately and report results to Board of Directors and to entities to which association is responsible for each fiduciary account.
- g. If Executive Director must be replaced, assign duty for search, screening and proposal to Board (see Executive Director Search plan listed below).
- h. Depending on circumstances, XXXX Board officers should consider changing signature authorizations for XXXX bank accounts. Banks require filing a card, signed by two officers, indicating that signature authority has been granted by resolution of the Board. Currently authorized are XXXXXX and XXXXX. Spending authorization limits are written and published in the Financial Policies and Procedures, as well as in an October 8, 1999 memo distributed to the Vice Presidents, the HR administrator, and key accounting staff, as well as with the banking institutions with which the Association does business.

Banking Contact:

Investments Contact:

- i. Inform insurance agents about known and potential losses; changes in management.

Contact:

NOTE: The Association has a “keyman” policy on the Executive Director [XXXXX as of August 2005]. Should circumstances be such that this policy can be utilized, the Board should avail itself of its payout to help cover the costs of replacing the Executive Director should he/she die while in the position.

- k. Inform legal counsel and financial audit firm of management changes and circumstances. Interim CEO should seek their advice as needed.

Contact:

Delegation in Case of Disability, Death, or Leave of Absence

The following temporary transfer of responsibilities shall occur upon determination of permanent disability, death, or leave of absence:

- Executive authority and executive director search – Board Chair (XXXX President), until such time as an acting executive director has been appointed
- Financial responsibilities - Vice President of Operations, Chair of Finance & Budget Standing Committee and Board’s independent financial auditors
- Check signing responsibility – remaining designated personnel
- Investments – Vice President of Operations, Chair of Finance & Budget Standing Committee
- Membership/Affiliate/Associated Society relations, office management, and association service contracts – Vice President of Member Services Programming and Vice President of Operations
- Programming efforts - Vice President of Member Services Programming
- National XXXXXX Insurance Agency – Vice President of Operations
- National XXXXXX Educational Foundation – Vice President of Member Services Programming
- Computer network, Internet and software systems, and word processing – Vice President of Operations

An annual revision of temporary responsibilities shall be conducted.

Selecting a New Executive Director

The American Society of Association Executives has materials for boards on how to conduct a search and selection of a new executive. XXXX would be well served to obtain these materials. Some materials are available at headquarters in the association management library.

The committee to select a new executive director for XXXX shall be comprised of the Board President, who shall serve as the committee chair, the President-elect, and the divisional vice presidents. The chair of the committee shall vote in case of a tie. The committee shall ensure that federal equal opportunity guidelines are followed in the search and selection process.

The committee shall:

1. Develop a statement that includes:
 - a. Description of the duties of the executive director
 - b. Qualifications, including but not limited to the following:
 - 1) Educational background
 - 2) Successful association management and fund raising experience
 - 3) Skills as administrator/planner/leader
 - 4) People skills
 - 5) Ability to develop a staff to serve the unique needs of XXXX
 - 6) Ability to work with voluntary membership
 - 7) Written and oral communications
 - 8) Capacity to serve as editor
 - 9) Creativity and imagination
 - 10) Interest in the mission of XXXX
 - c. List of candidate materials for review
2. Develop salary and benefits guidelines
3. Prepare and distribute position announcement and application procedures
4. Prepare rating instrument for screening and interviewing candidates
5. Develop a packet of information to give to candidates selected for interviewing--the packet should include, but is not limited to, the following:
 - a. History and background of XXXX
 - b. Constitution
 - c. Policies and procedures, including ends policies, executive means limitations, Board process, Board/staff relations
 - d. Budget and financial condition
 - e. Membership statistics
 - f. Current and projected services and activities
 - g. Vision, mission, and future planning
 - h. Employment agreement, including benefits
 - i. Other considerations, eg., projected decision and employment dates, etc.
6. Send copy of all materials to other Board members for their information
7. Select a pool of potential executive talent from
 - a. Recommendations of resigning executive director

- b. Within the staff, if feasible
 - c. Referrals from American Society of Association Executives or the Council of Scientific and Engineering Society Executives.
 - d. Applications from announcements
 - e. Referrals from employment agency
 - f. There are search firms that specialize in association executive searches. The American Society of Association Executives is a source for identifying these firms.
8. Conduct the following selection process:
- a. Distribute position announcements and request applications, resumes, and references
 - b. Rate candidates and select those to be interviewed
 - c. Inform the Board who will be interviewed and give a brief background of each candidate
 - d. Select site and date and arrange for interviewing
 - e. Prepare an interview schedule to assure equitable treatment of all candidates; also include opportunities for additional committee and candidate questions
 - f. Prior to the close of the interview, assure that the candidate is aware of all requirements for the position, employment conditions and remuneration, and scope and purpose of XXXX
 - g. Ascertain that the candidate wants and will accept the position
 - h. Make a determination on first choice and notify Board
 - i. Notify the candidate and secure acceptance
 - j. Prepare employment agreement
 - k. Prepare and submit news releases

CEO Transition Plan

Bob Harris, CAE

The final reputation of an organization's executive director may be his or her effective planning for a smooth transition upon departure. The board of directors should be made aware as to what steps to take if the chief staff officer were to depart suddenly. Services and operations should not be interrupted because of an unexpected or planned succession.

These points guide the CEO in drafting the organization's succession document. Share the plan with board and staff, and provide a copy to legal counsel, accountant or insurance agent.

Appoint an Interim CEO – Upon notice of the CEO's departure, appointed one senior staff person to act as the interim executive director to carry out the responsibilities of the organization. This should continue until a new CEO is named and begins employment. This senior staff person would *not* be considered a candidate for the position.

Appoint a Selection Committee – The board should appoint a CEO Search Task Force to interview applicants. The current board chair should act as the task force chair or appoint an individual to serve in that capacity.

Members of the task force should be qualified active volunteer leaders of the organization. Individuals selected for approval should possess the necessary skills and previous experience of hiring a CEO (in a nonprofit organization.) The composition of the task force should be diverse, including active past chairs of the board, members of the board; and active volunteer leaders with organization membership investment credentials, among others. The senior staff person will provide administrative support for the task force.

- ❑ **Resources** – Task force, with staff help, should contact allied professional organizations that can offer help in identifying candidates and qualification.
- ❑ **Seek CEO Candidates** – Notice of job opening should be prepared and submitted to like-organizations. Additionally, local or regional advertising may be considered.
- ❑ **Identify Potential Candidates** – All suggestions and nominations of candidates should go to the task force. Candidates who are well qualified for positions as executive director do not usually job hunt. [Many will seek a position at another organization *only* when invited to do so or as referred by a reliable source.]

Other Succession Elements

Include the locations of important information documents for easy access.

- ❑ Governing Documents
- ❑ Operating Manuals
- ❑ Insurance Files
- ❑ Tax Files
- ❑ Passwords and Codes
- ❑ Backup Records and Tapes
- ❑ Safe Deposit Box
- ❑ Spare Keys
- ❑ Names of Insurance, Legal and Accounting Consultants
- ❑ Leases and Contracts

Also include a note to the board as to who, when and how to inform the membership of a CEO transition.

- ❑ **Contact Candidates, Obtain Information** – When all resumes are received, the task force should contact the applicants and request any additional data, if needed.
- ❑ **Consider Resumes** – The task force should carefully review the resumes and performance records of all candidates. Evaluate the applications based on the job requirements and core values established by the board.
- ❑ **Interviews** – The task force should interview the top candidates. It should use the same interview guide and format so all candidates are considered equally.
- ❑ **Check References** – Carefully check references of the top candidates. Also conduct a credit and criminal check so that no past history slips by and arises after hiring. In addition, the task force may contact other staff and volunteer leaders within the industry in order to gather information the traits of candidates.
- ❑ **Evaluate Candidates** – Evaluating the competency and qualifications of applicants through brief interviews is often a difficult task. The task force should evaluate the finalists and provide *one* final recommendation to the board of directors.
- ❑ **Board Selects the New CEO** – The board will ratify the final candidate. A unanimous selection by the board is good member and public relations. It increases the prospect of a harmonious relationship between the board and the CEO. It also strengthens the organization and community members' confidence in the board and staff.
- ❑ **Notify Candidates** – After the board ratifies the new CEO the task force should notify each candidate interviewed for the position. Then strategically introduce and market the new CEO to the membership and allied organizations.

Be sure to consult with legal, accounting and insurance counsel in the development and implementation of the plan.

CEO Succession Plan Sample.doc

Note: Bob Harris, CAE, conducts leadership orientation and strategic planning. He is author of the Association Self-Audit Process® manual. Contact bob@rchcae.com.