



SUCCESSION PLANNING TOOLKIT BASICS:

**TAKING THE FIRST STEPS
TO BUILD RESILIENCE
AND PLAN FOR A PROACTIVE
LEADERSHIP TRANSITION**

***FOR SMALL TO MID-SIZED
ORGANIZATIONAL LEADERS AND BOARDS
JUST BEGINNING THE CONVERSATION***



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INTRODUCTION

Leadership transitions, like any major organizational change, can be daunting and exhausting for leaders, staff, board members, and even external stakeholders like constituents and supporters. Yet organizations often ignore or delay succession planning due to fear of bringing up the topic, lack of bandwidth, or being confused and overwhelmed in knowing where to start.

Succession planning is not simply a matter of conducting an executive search and plugging in a new hire when needed. It should be an ongoing process of proactive planning, ensuring the organization's entire ecosystem is set up to meet its goals when (not if!) the leader moves on. Understanding the keys to solidifying your organization's policies, structures, and practices will make any leadership transition smoother, while building organizational resilience for other disruptions that will inevitably come along. Succession planning also enables a leader to take a breath and envision the future.

We've created this Succession Planning Toolkit to help leaders and boards take the initial steps to plan for the future as a team. It is aimed at the many small and mid-sized organizations with strong leaders we see struggling to begin the conversation. The checklists, worksheets and activities in this toolkit are meant to guide discussions and lead thinking. Planning is important, and should not be delegated to a single person like the leader or board chair. Some activities should be board-led, and some should be staff-driven, but grappling together with the questions posed in these discussion guides will build understanding and alignment across the organization.

It is important to make time and space to regularly revisit these discussions so they move from taboo to being part of the organization's healthy ongoing assessment and planning. Consider incorporating these discussions into the standing agenda of certain board or staff meetings and consider setting milestones to work toward. Don't let the task of creating a binder-sized document deter you from starting. A document will serve as a record of the decisions and agreements reached and may look different for every organization based on its norms and culture. Opening the door to the conversation must be the first step.

THE CONTENTS OF THIS WORKBOOK INCLUDE:

THE SUCCESSION PLANNING READINESS CHECKLIST

CREATING AN EMERGENCY SUCCESSION PLAN

EVALUATING THE LEADER'S JOB DESCRIPTION

SECURING KEY ORGANIZATIONAL INFORMATION & DOCUMENTS

NEXT STEPS

SUCCESSION PLANNING READINESS CHECKLIST

Begin with an honest assessment of your current leadership transition readiness.

Our organization has:

- ☐ A current strategic plan with goals and objectives for the near term (up to three years), including objectives for talent development.
- ☐ Annually, the board evaluates the executive director on general performance and achievement of strategic goals.
- ☐ The board, based on its annual self-evaluation, is satisfactorily performing its major governance jobs – financial oversight, executive support and oversight, policy development, fundraising, and strategic planning.
- ☐ The executive's direct reports, based on annual evaluations, are judged solidly skilled for their positions
- ☐ The leadership team as a cohort:
 - ☐ Has a solid team culture in which members support one another and can efficiently reach decisions as a group
 - ☐ Shares leadership of the organization with the executive, with significant input into all major decisions;
 - ☐ Can lead the organization in the absence of the executive; and
 - ☐ Has authority to make and carry out decisions within their respective areas of responsibility.
- ☐ A board member or staff person beyond the executive shares important external relationships (major donors, funders, community leaders).
- ☐ A financial reserve has a minimum of three months' operating capital.
- ☐ Financial systems meet industry standards. Financial reports are up to date and provide the data needed by the board and senior managers responsible for the agency's financial health and viability.
- ☐ Operational manuals exist for key administrative systems and are easily accessible and up to date.
- ☐ Top program staff have documented their key activities in writing and have identified another staff person who can carry out their duties in an emergency.

DISCUSSION GUIDE

- **What gaps do you currently have?**
- **What can you begin to address in the next year? What tactics will you need to employ to address these gaps?**
- **Who will lead this effort? Who else should be involved? What resources will they need?**
- **What is the timeline to completion? What is the expected "final product"**
- **What longer term activities can you begin to address? (i.e. to build a stronger team culture with shared leadership, begin by testing decision-making frameworks that empower staff with certain decisions at the appropriate level)**

CREATE OR UPDATE AN EMERGENCY SUCCESSION PLAN

Every organization should have a plan to ensure it is not disrupted by an unplanned leadership gap. You can call this a Continuity of Operations Plan if you're not ready to say the "S" word yet, but this tends to be an easier-to-broach first step because emergencies can happen to anyone. The discussions and decisions you begin to have as you develop this plan will also generate momentum and appetite for future planning.

You should start by discussing, creating, and approving a template laying out key elements and guiding principles. Then, if/once needed, the specific relevant details can then be filled in and approved quickly to minimize organizational disruption.

This plan can be simple but should include key elements and should be reviewed annually for relevance.

Key Elements to Discuss and Document

- 1 In what circumstances should this plan be activated? (A stop-gap to fill a temporary absence of less than three months where the Leader is expected to return (i.e. serious illness); an interim plan for an unexpected and sudden departure or extended leave)
- 2 What is the process and who/what body will lead the approval and potential activation of the plan? (Full board approval at an emergency meeting; Standing committee; Board Chair; Who will decide/who should be consulted?)
- 3 Who will take effective leadership and what is the timeframe? (appoint an Acting Director or Directors and specify a finite period of time – likely approximately 3-months)
- 4 What will the Acting Director(s) be empowered to do? (Specify the degree of decision-making authority: Are they empowered to make all decisions independently? Is there a board member or committee providing support and oversight? Are there priorities the Acting Director should focus on during this key time that might be different from the broad outline in a job description – PR, finance, etc.?)
- 5 How will the Acting Director be compensated during this time (Specify rationale for compensation changes such as temporary salary increase or bonus, and specific decrease in other duties through a temporary hire to backfill their usual position, etc.)
- 6 How will we communicate this to key stakeholders? (Create a Communication Plan specifying who, how, if, and when board, staff, donors, funders, and other key stakeholders should be notified, and what the message will be)
- 7 How and when will leadership either transition back to the former leader, get officially extended, or evolve into a more permanent transition plan? (Three months pass pretty quickly, and we've seen emergency plans become de facto continuing operations without clarity, which can lead to confusion and difficulty once the organization needs to evaluate and change course. Be sure to outline and communicate clearly even if it means empowering the Acting Director on a longer-term basis. How will this be communicated?)

CREATE OR UPDATE AN EMERGENCY SUCCESSION PLAN

Other Elements to Include

Signatories. Consider who will sign this plan (the Board Chair, the Acting Director, an HR Manager), and if needed, ensure the Acting Director has financial and contractual signing authority with applicable outside institutions such as your bank.

Organizational Charts. Two organizational charts should be prepared and attached to this plan: an organizational chart reflecting current staffing positions and lines of authority/reporting throughout the organization and one that reflects how that structure will change within the context of an emergency/unplanned absence of the Director.

Important Organizational Information Access. Ensure Acting Director will be able to access any important files, information, passwords, and email communications necessary and appropriate during this time (See Key Information and Contact Inventory Worksheet).

Copies. Copies of this Emergency Succession Plan/Continuity of Operations 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.

SAMPLE BOARD RESOLUTION ACTIVATING THE EMERGENCY SUCCESSION PLAN

Once it is determined that an emergency succession plan must be activated and, depending on the decisions reached while creating the template, the appropriate people should act quickly to put the plan in motion. Below is a sample board resolution with sample inserts indicated in parentheses.

With the (upcoming sabbatical) of (Leader), the position of Acting Director for (Organization), will be created effective immediately for the period of 3 months or the return of the Director. The Acting Director shall be: (Name), (Title).

The Acting Director shall (have the full authority for decision-making and independent action as the Executive Director), with duties (outlined by the Executive Director job description), priorities are (outlined by the current strategic plan), and oversight shall (continue from the board's chair). (No other personnel changes will be instituted at this time).

The Acting Director shall, therefore for the period of (three months) receive (a temporary salary increase to the entry-level salary of the Executive Director position).

Immediately upon transferring the responsibilities to the Acting Director, the (Board Chair) will notify by (email):

- *Staff members (insert contact list)*
- *Board of Directors (insert contact list)*
- *Key Stakeholders (insert contact list for appropriate collaborators, partners, operational volunteers)*

The (Executive Committee) will determine by (Date) whether and how to extend, update or end this arrangement and will communicate further decisions at that time.

REVISIT AND REALIGN LEADER(S) JOB DESCRIPTION

Ideally, all key roles at your organization have job descriptions that are revisited and updated regularly in conversation between HR, the employee and manager (board/committee), and filed with personnel documents, but if you haven't looked at your leader's job description in a few years, now is a good time to do so. It would also be a good time to revisit and revise job descriptions for all key positions as well as ensuring that the organizational chart and reporting lines are clear and accurate.

Consider...does this job description:

- ☐ *Align with the organization's priorities and mission?*
- ☐ *Provide the right balance of detail and flexibility to describe the work the leader is expected to accomplish?
(don't be too vague, and don't simply include a laundry list of activities that might change over time)*
- ☐ *Accurately reflect what the leader is actually doing?
(or have they, over time, acquired other responsibilities, or delegated some duties to others?)*
- ☐ *Describe a realistic role, or is there too much for any one person to handle?*
- ☐ *Provide insight into/align with how the leader will be regularly evaluated for their performance?*
- ☐ *Conform with all current legal requirements?*
- ☐ *Describe a position that would be compelling to candidates you would want to attract if you were to post this role publicly?*

Now reflect:

- Does this new job description accurately describe what the organization needs for the future, or has the organization evolved to a different stage in its lifecycle requiring more management vs. programmatic experience; fundraising vs. operational experience, or more policy experience vs. entrepreneurship?
- How have the roles and competencies of the board and staff grown to support the specific strengths of current leader? How will they need to develop or change to support the future needs of the organization? Can any of that development start now?

KEY INFORMATION AND CONTACT INVENTORY

Knowing where your organization's key information is located, secured, and backed up - and who has access - is critical so that if an emergency succession should occur in any key operational area, your organization would be able to quickly continue work in the most efficient and effective way. Below are examples of key information to secure onsite, offsite and online as needed. Make sure you have redundancies in place, and alignment on the central questions below.

NONPROFIT STATUS DOCUMENTS

- IRS Determination Letter
- IRS Form 1023
- Bylaws
- Mission Statement
- Board Minutes
- Corporate Seal
- State or District Sales-Tax Exemption Certificate

SECURE DOCUMENTS AND RECORDS

- Blank Checks
- Donor and Funder Records
- Client/Customer/Audience Records
- Vendor Records
- Employee, Consultant, and Volunteer Records (I-9s, Payroll Company/Account/Contact)
- Is there an office safe? Who has the combination/keys?

Where are these documents located?

Who "owns" access?

Who is "shared" on access?

Where is the backup?

What is the emergency access protocol/information?

- Auditor
- Legal Counsel
- Facilities Information
- Building Management
- Security System
- Inspection Information
- Banking Details and Authorizations (accounts, check signing, transfer permissions)
- Insurance Details and Authorizations (General Liability/Umbrella, Director and Officer Liability, Unemployment and Workers Compensation, Disability, Life, Dental/Vision, Health, Retirement etc.)

KEY CONTACTS AND AUTHORIZATIONS

- Computer, Important Portal URLs, Software and Database Logins & Passwords (financial, marketing, donor databases, CRM, grant portals, websites, social media, etc.)
- Other organization-specific, industry-specific knowledge, information, certifications, etc.

ORGANIZATION AND INDUSTRY SPECIFIC DOCUMENTS

NEXT STEPS

If you've completed the checklist and have a regular plan to review and update the above items – congratulations – you've taken the first basic steps to building resiliency and planning for a leadership transition. Once you're ready to move beyond the basics, your next steps toward planning for leadership change and resilience include: leadership pipeline development, knowledge and relationship management, transparency and decision-making, and strengthening organizational culture.

When you're ready to think through a more imminent transition, you'll need to have a much more transparent and honest conversation about timeline/roles/milestones, organizational lifecycle needs, personal goals, leading through change, and more.

Stay tuned for more resources to support these next steps!



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