

SUCCESSION READINESS CHECKLIST

When the following conditions are in place, an agency can expect a relatively smooth transition to new leadership whenever it might occur. An agency might determine which elements below are lacking in its current operations and then create a “succession plan” or “capacity building plan” that prescribes activities and timelines for filling the gaps. The agency is then ready for leadership transitions, foreseen or unforeseen.

- A strategic plan is in place with goals and objectives for the near term (up to three years), including objectives for succession planning and leadership talent development.
- The strategic priorities would provide helpful information in determining a position description for a new executive and a road map for activities once a new executive is hired.
- The board is well-briefed on issues, trends, and challenges facing the agency.
- The board evaluates the executive director annually 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 and strategic planning.
- The executive’s direct reports, based on current annual evaluations and job descriptions, are judged as solidly skilled for their positions.

The top management cohort, as a high-performing team:

- Has a solid team culture in place in which members support one another and can reach decisions as a group efficiently and harmoniously;
 - Shares leadership of the organization with the executive in having significant input to all major agency 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.
- The board is aware of the strong performers on the management team and the executive’s choice for an acting director, if needed.
 - Another staff person or board member shares important external stakeholder relationships (major donors, funders, community leaders) maintained by the executive.

- Donor and partnership records are current and contain key information in regard to the relationships.
- A financial reserve is in place with 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 strength and viability.
- Operational manuals exist in the office for key administrative systems and programs 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 their duties in an emergency.
- The board knows who is responsible for check signing and payroll in the absence of the executive.
- The board knows how to access the following:
 - confidential information (such as personnel files) accessed only by the executive
 - a listing of all computer passwords
 - corporate records*
 - the executive’s files which are organized and properly labeled
 - key contacts and constituents lists and databases
 - backed up computer information which should be kept off site
 - keys

* The board secretary should have a copy of these manuals and records, which is kept off-site.

SOURCE: CompassPoint Nonprofit Services (adapted from “Preparing for the Inevitable: A Succession Readiness Checklist”)

“Our sector’s challenge is to move beyond episodic and scattered attention to leader transitions and leader development to a consistent and thoughtful ongoing strategy.”

TOM ADAMS, President and Founder, *TransitionGuides*

Executive Transition Management (ETM)

CompassPoint, TransitionGuides and the Maryland Association of Nonprofit Organizations developed the ETM concept to decrease the risks and take advantage of the opportunities associated with an executive transition. **It is a comprehensive approach to manage the whole transition process from the current executive’s departure to the successful launch of the new executive. This unique model includes practices that can be adapted to a variety of situations and constitutes a best practice for all transitions, planned and unplanned, rural or urban, if it is implemented with fidelity.**

In his book *Managing Executive Transitions*, Wolfred articulates his belief that seven factors are crucial to a successful transition:

1. board leadership and engagement;
2. healthy closure with the departing executive director;
3. strategic review and candidate profile;
4. staff engagement;
5. attraction of qualified candidates;
6. thorough candidate screening; and
7. attention to the new executive’s launch (Wolfred, *Managing*, p. 27).

All are an integral part of the ETM process. My recommendation is that Communities In Schools affiliates and state offices implement the succession basics and utilize the following steps of the ETM model in the case of transitions.

(Please note that the attached ETM chart involves three phases. For purposes of the toolkit, these phases are separated into the following four steps.)

1. Addressing Leadership Needs During a Transition.

When a transition occurs, the first step is to address leadership needs. If an executive’s departure is abrupt, some type of interim or acting director option is usually implemented. It may be a temporary promotion from existing senior staff or it may be a board member, depending on the state of the organization and how quickly a search can be conducted.

In the case of a founder, it is crucial to understand the dynamics of the transition: the director’s importance to the organization, the challenges of the transition, the director’s emotional attachment, his or her relationships with stakeholders, the director’s personal considerations, his or her approach to getting ready to let go, the timing of the departure and the director’s potential successors. Closure involves a variety of activities: creating a legacy, celebrating, determining the director’s future role with the organization and his or her role during the transition.

2. Organizational Assessment and Strengthening.

Assessment activities include creating the transition committee, compiling a communications plan, conducting an organizational self-assessment and a board self-assessment, surveying staff and stakeholders and updating the strategic plan. These activities will lead to developing strategic priorities for the new executive.

Organizational strengthening activities involve the board, the staff and administrative infrastructure. Are the systems in place, the data available and accessible, the finances stable, the management team strong, the job descriptions and duties in writing, the staff supported? Is there an inventory of where everything is located?

3. The Search. In addition to the usual resume review, interviews and reference checks, the key tasks of the search committee (which may be the same as the transition committee) include: defining the competencies agreed upon by the board and based on the organizational assessment and implementing an aggressive networking outreach effort to attract a diverse pool of candidates. Resources for the search may range from hiring a firm to conduct the ETM process to the board assuming full responsibility. The interim director option may also provide a temporary solution and provide the board with the time to do a thorough search.

4. THE TRANSITION. Once the search is completed, the very important transition phase occurs. Too often, the board members, relieved that the search is over, do not provide enough guidance for the new executive.

Several orientation components are recommended: a staff meeting convened by the board president to introduce the new executive; a 90-day plan to detail how the new executive will be oriented to the organization and to the community; a leadership agenda developed by the executive and the board with an agreed upon set of priorities for the initial 12 to 18 months; and a social contract to help the board and executive clarify their roles and expectations. Suggestions for building relationships with staff are also included.

Although ETM consulting services are not widespread, studies illustrate the effectiveness of the approach. Transitions can also be done without this support if the board can commit its volunteer resources.

Transition Management on Your Own

This toolkit will enable a Communities In Schools affiliate to execute its own transition. The five components of a successful transition include:

1. A clear vision in relationship to organizational direction and goals as well as the financial and human resources to achieve results.
2. A written plan and timeline addressing the search, key transition issues and a positive new beginning.
3. Regular communication throughout the transition process with board, staff and key stakeholders with opportunities for input.
4. A search process that results in a finalist pool that meets the present and future needs of the organization and a compensation plan that is competitive with the local market.
5. A welcome and orientation for the new executive and the development of a positive partnership between the board and new executive (Adams, *Staying Engaged*, p. 10).

Resources for the Transition

A thorough search process is very time consuming. Most boards manage a transition with internal resources: a search committee and a staff person for input and administrative support. However, a board may wish to hire an ETM firm to assist with the process. Two possibilities exist for making ETM services available to small and mid-size nonprofits with smaller budgets:

1. A funder agrees to provide a grant that can be used to hire a management support organization that can provide ETM services.
2. A funder agrees to support all or a portion of ETM services for a group of grantees (Adams, *Capturing the Power*, p. 14).

Money can be a barrier; however, ETM providers cite numerous examples of grants to organizations from funders who are interested and have a stake in successful transitions (Adams, *Staying Engaged*, p. 5).

Communities In Schools Experience. Most Communities In Schools staff interviewed during the development of this toolkit noted that the board or a committee of the board conducted the search. In the case of Communities In Schools of Wichita/Sedgwick County, Inc., a consultant (and former board president) was hired to facilitate a strategic planning session and a few administrative staff sessions. Once the new executive was on board, his role was to work with her during the transition in a coaching role. Another former board president was hired to staff the search process. It proved to be advantageous to use people who knew the organization.

An Executive Transition Management Overview is attached. This chart provides an overview to help the board and staff understand the basic ETM process and shows the activities in each of the three phases. It is important to note that a number of activities occur simultaneously.

SEE SECTION 7: Additional Resources, Sources and Websites for supplemental tools and information.

Emergency Succession Plan*

(Agency Name)

Procedure for assuring program service continuity in the case of an unplanned absence of:

(Name and Position)

Rationale

In the case of an unplanned absence or a defined transition, this plan is to assure:

- Continuity of service to program clients.
- Maintenance of relationships with program funders and community partners.
- Accomplishment of program outcomes and reporting requirements.
- Support of staff in the completion of their duties.

Succession plan in event of a temporary, unplanned absence - *SHORT-TERM*

- A temporary absence is one in which it is expected that the (*Position*) will return to work 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.
- A short-term absence is 3 months or less.

Appointment of Acting (*Position*)

- The Acting (*Position*) shall be appointed by (*Agency Position or Governing Body*).
- The first back-up to the (*Position*) shall be (*Current Position and Name*).
- The second back-up to the (*Position*) shall be (*Current Position and Name*).

- **This Emergency Succession Plan can also be modified for the planned transition of an executive. It combines the work of Transition Guides, the WSU Community Center for Support & Research, and my CIS fellowship.**

Priority functions and cross-training for the (Position)

Among the duties listed in the agency position description, the following are the key functions of the (Position) to be covered.

Key Functions	Who is the designated backup?	What training is required for this particular function?	Who can provide/how can this training be provided?	What should be the timing or timeframe of this training?

Note: The table above can be provided as an attachment to this document.

Supervision, compensation, authority and restrictions of the appointee

The person or body responsible for oversight of the Acting (Position) is (Agency Position or Governing Body).

The person serving as Acting (Position) shall receive a temporary (Percentage) pay increase while serving in this capacity.

The person appointed as Acting (Position) or Interim shall have the full authority for decision-making and independent action as the regular (Position) unless restricted below.

- (List specific restrictions to the authority of the acting Position, if any.)

Continuity of operations

Critical operations information associated with the duties listed above (such as location of paper and electronic files, door codes, passwords, etc.) shall be located in the following locations or Agency contacts.

- (List here locations of or contacts who hold the Operations Continuity Manual here.)

Critical operations which must be continued during the unplanned absence include:

- (List critical operations here.)

Daily operations which can be suspended during the unplanned absence include:

- (List operations which can be suspended here.)

Communications plan

In the event of an unplanned absence, the individuals and organizations listed below should be contacted providing general information to include:

- Announce the unplanned absence to key contacts.
- Explain that the emergency plan for continuity of service has been activated.
- Clarify that there will be no change in service delivery or interruptions in meeting outcomes or on-time reporting.
- Ask if there are any questions.
- Provide contact name and information for ongoing communication during the unplanned absence.

Who should be notified?	Who should notify them?	How should they be notified?	When should they be notified?	Where is their contact information located?

Note: The table above can be provided as an attachment to this document.

Relationship Management

Below are listed the individuals and/or organizations where ongoing relationships must be maintained to ensure sustainability of the mission and to normal operations.

What are the most critical relationships?	Which staff member will be responsible for maintaining this relationship?	What is the contact information? <i>(Organization, email, phone)</i>	Where is this constituent's contact information located?

Note: The table above can be provided as an attachment to this document.

Job Calendar

Recurring and non-recurring activities and project milestones that require the attention of the Acting (Position) include:

Month	What are the key events or milestones on the calendar for the coming year that directly involve the position?	What are the key events or milestone for which the position has direct responsibility?
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		

Note: The table above can be provided as an attachment to this document. A more detailed calendar exists in the CIS toolkit.

Succession plan in event of a temporary, unplanned absence - **LONG-TERM**

A long-term absence is one that is expected to last more than 3 months

The procedures and conditions shall be the same as for the short-term absence with one addition: The Acting (Position's) prior position shall be temporarily "back-filled" by an individual or individuals who relieve the Acting (Position) of these duties. This is in recognition of the fact that, for a term of more than 3 months, it may not be reasonable to expect the Acting (Position) to carry the duties of both positions. The position description of a temporary manager will focus on covering the priority areas in which the Acting (Position) needs assistance.

Succession plan in event of a *PERMANENT* unplanned absence

A permanent absence is one in which it is firmly determined that the absent (*Position*) will not be returning to the position. This decision can be reviewed anytime during the unplanned absence but should not exceed (6 - 12 months) following initiation of the unplanned absence.

The procedures and conditions shall be the same as for a long-term temporary absence with one addition: The (*Position's*) supervisor or Board of Directors shall initiate a transition and search process to plan and carry out a transition to a new permanent (*Position*).

Approvals and maintenance of record

This succession plan will be approved by (direct supervisor or supervisory body of the position addressed in this plan).

The (Agency Director, Board President and Human Resources Administrator – Depending on the position addressed in this plan) shall sign this plan, as well as the appointees designated in this plan.

Copies of this plan shall be maintained by (*Agency Director, Board of Directors, back-up appointees, the Human Resources Department, and/or the agencies corporate attorney – depending on the position addressed in this plan*).

Approved by (see above) on the ____ day of _____, 20__

Name, Position

Name, Position

Name, Position

Name, Position

ATTACHMENTS*

- Current Job Description
- Current Organization Chart and Key Staff Contact List
- Current Board Roster with committee, officer and other key assignments as well as current contact information

***Note: The Organizational Inventory Tool covers important documents, financial information, payroll contacts, insurance contacts, etc. and can be attached to this plan.**

ORGANIZATIONAL INVENTORY SAMPLE

Where appropriate, also indicate location for the following items:

Nonprofit Status:

IRS Determination Letter IRS Form 1023-
Mission Statement
Board Minutes

Financial Information:

Employer Identification Number (EIN #):
Current and previous 990s
Current and previous audited financial
statements
Financial statements
Sales Tax Exemption Certificate
Blank checks
Computer passwords
Donor records
Client records
Vendor records
Volunteer records
Or where those records can be easily accessed

Key Contacts:

Bank Name:

Account Number(s) Branch Contacts:
Account Number(s):
Phone: Fax:
Email:

Investment Firm:

Financial Planner/Broker:
Representative Name:
Account Number:
Phone: Fax:
Email:

Legal Counsel:

Contact Name:
Account Number:
Phone: Fax:
Email:

Payroll Contact:

Contact Name:
Account Number:
Phone: Fax:
Email:

Office Lease:

Contact Name:
Account Number:
Phone: Fax:
Email:

Building Management/Maintenance:

Contact Name:
Phone: Fax:
Email:

Security System Consultant:

Contact Name:
Account Number:
Phone: Fax:
Email:

Insurance Contacts:

General Liability:

Contact Name:
Account Number:
Phone: Fax:
Email:

Directors and Officers Liability:

Contact Name:
Account Number:
Phone: Fax:
Email:
Health Insurance:
Contact Name:
Account Number:
Phone: Fax:
Email:

ORGANIZATIONAL INVENTORY SAMPLE

Unemployment Insurance:

Contact Name:
Account Number:
Phone: Fax:
Email:

Workers' Compensation:

Contact Name:
Account Number:
Phone: Fax:
Email:

Auditor

Contact Name:
Account Number:
Phone: Fax:
Email:

Disability Insurance:

Contact Name:
Account Number:
Phone: Fax:
Email:

Life Insurance

Contact Name:
Account Number:
Phone: Fax:
Email:

Dental:

Contact Name:
Account Number:
Phone: Fax:
Email:

Long Term Care

Contact Name:
Account Number:
Phone: Fax:
Email:

Retirement Plan

Contact Name:
Account Number:
Phone: Fax:
Email:

Name of person completing this document:

This information last updated on: _____

SOURCE: Components of the Organizational Inventory were developed using sample templates created by the Center for Nonprofit Advancement (www.nonprofitadvancement.org)

STRATEGIES TO CROSS TRAIN EXECUTIVE FUNCTIONS

EXECUTIVE FUNCTION	CROSS TRAINING OPPORTUNITIES
<p>Board Development</p>	<ul style="list-style-type: none"> ▶ Ensure that a minimum of two staff have access to email and phone numbers of board members in the event of an emergency. ▶ Invite staff to attend and present at board meetings. ▶ Delegate agenda setting and scheduling for a meeting to an alternate. ▶ Train your board chair successor. ▶ Delegate meeting minute distribution to a board member or administrative/support staff.
<p>Communication and Public Relations</p>	<ul style="list-style-type: none"> ▶ Delegate editing of press releases, newsletters and organization communication to key staff. Cross check their work for accuracy. ▶ Invite staff to attend meetings with stakeholders. Provide them with concrete feedback after the meeting. ▶ Ensure that all staff can accurately state the mission, vision and purpose of the organization. ▶ Ensure that a minimum of three staff know where to locate the emergency succession plan—including the communication plan.
<p>Fund Development</p>	<ul style="list-style-type: none"> ▶ Ensure that a minimum of two staff know how to access your donor list. ▶ Invite staff to attend meetings with individual donors, foundation contacts and purchase of service contractors where appropriate. ▶ Invite staff who have strong written communication skills to draft sections of grant proposals. Provide them with samples to use as templates. Also offer them opportunities to assist with individual donor appeals. ▶ If you haven't already done so, establish a special projects team. Rotate team captains each year to give multiple people experience in planning and executing an event.
<p>Fiscal Oversight</p>	<ul style="list-style-type: none"> ▶ Ensure the Board Treasurer is familiar with the organization budget process and auditors. ▶ Include higher level managers or staff in meetings with organization accountants and budget development process. ▶ Delegate oversight responsibility for petty cash to a trusted office management staff person. ▶ Review the location of organization budgets and audit documents with several staff members.
<p>Personnel Management</p>	<ul style="list-style-type: none"> ▶ Invest in supervisory and leadership training for key staff. ▶ Delegate the task of updating the organization policy and procedure manual. ▶ Ensure that personnel job descriptions are updated. ▶ Ensure that annual performance reviews are current. ▶ Allow supervisory and management staff to shadow you during employee performance discussions. ▶ Ensure that a Board person and trusted staff person know how to access personnel files.

STRATEGIES TO CROSS TRAIN EXECUTIVE FUNCTIONS

EXECUTIVE FUNCTION	CROSS TRAINING OPPORTUNITIES
Contract Management and Organization Compliance	<ul style="list-style-type: none"> ▶ Assign a staff person to audit all internal and external contracts for compliance. ▶ Develop a list of deliverables for each revenue stream or payor and review deliverables with program staff. ▶ Review the process for renewing organizational licenses and certifications with a minimum of two key staff members.
Vendor Oversight	<ul style="list-style-type: none"> ▶ Create a list of organization vendors that includes contact information. • Develop contracts or memorandums of agreement for each vendor and make sure the files are easily accessible. ▶ Invite appropriate staff members to sit in on meetings with external vendors.
Volunteer Coordination	<ul style="list-style-type: none"> ▶ Develop clear policies about the role of volunteers, volunteer recruitment, supervision and recognition. ▶ Assign oversight and coordination of volunteers to an appropriate staff person. ▶ Assemble a contact list and make it accessible.

SOURCE: Executive Transition Initiative, Strategic Leadership Development Toolkit