

Leadership Succession – Readiness and Resilience Framework

Why is this important?

As organizations move into greater maturity it becomes increasingly important to have both emergency and long-term succession plans in place that are reviewed and adjusted on a regular basis (every 1-2 years). These plans help build organizational resilience in the face of different types of leadership transitions – both planned and unanticipated. They allow the organization to proactively address key risks and thus fulfill an important governance function. They are particularly critical in long-term CEO or founder transitions. Having documented plans also provides clarity and assurance to board, staff, and major funders of the organization’s thoughtfulness, readiness and sophistication.

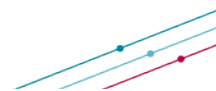
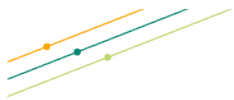
While both types of plans are important and help protect the mission continuity of the organization, they do serve different needs and have different components.

An emergency succession plan is just that – a guide for how the organization will respond to a sudden and unanticipated leadership gap. Typically the top priority is for the CEO position, but they eventually should develop to include a plan for any key role in the organization. These types of plans focus on mostly on protocols, checklists, temporary authority and decision-making processes, temporary roles, and a communications policy. They also include information on how to access critical items such as bank accounts, databases, contracts and commitments, and major relationships. They are meant to be a short-term response and to mitigate immediate risks to allow the organization to weather a temporary leadership gap (a few days, weeks or up to three months), and to bridge to a longer-term solution if necessary. Generally these are developed by staff as an operational task, and approved by the board as part of their risk-management governance duties.

The long-term succession plan is just that – a thoughtful approach to thinking about future leadership transitions over the coming years. Long-term plans do not stand in isolation, but instead should be completely integrated with an organization’s strategy, organizational design, culture, approach to talent, financial plan, and annual budget priorities. As such, they are an important way for a board to ensure its “duty of care”. These plans usually engage individual board members (or a committee) as part of a working group and the full board in thoughtful discussions and decisions that shape the plan. Effective plans allow for the organization to identify, assess, and address any gaps in various readiness factors. As with the emergency plan, the board should review and update these as necessary every 1-2 years.

Using Readiness and Resilience Frameworks in Succession Plans

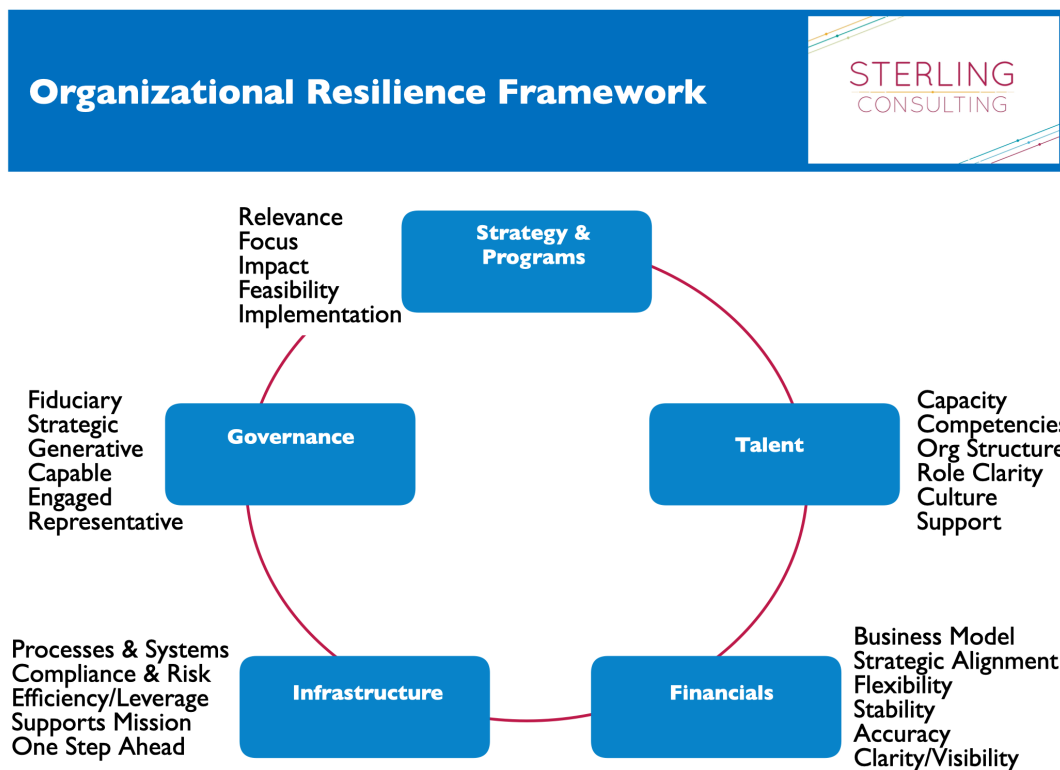
The idea behind either type of plan is to help the organization navigate one of the most complex and high stakes changes it will face. Either plan will help mitigate disruption and ensure mission continuity. Emily recommends using the concepts of Readiness and Resilience in developing these plans.



In order to assess Readiness and Resilience, an organization can discuss questions such as:

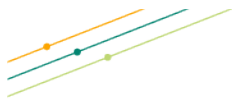
- What are the most significant risks and opportunities to our organization in a transition (emergency or planned)?
- What would need to be in place for our organization to be ready to weather this transition successfully?
- What is our current status in each of those important factors?
- What do we need to do to close any gaps, and what are our next steps?
- How will we continue to assess and adjust our plan every 1-2 years in order to stay ready?

A more complete framework prompts an organization to think about deeper specifics of what makes them resilient in the face of a major leadership change. If the organization had to manage an emergency leadership gap, or if it had to successfully attract/recruit/retain the next leader (whether coming internally or through recruiting), how well would it perform? Based on Emily’s experience and research, the major resilience factors in leadership transitions include:

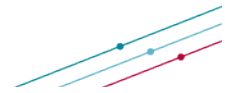


Strategy

- Is the mission clear? Do we listen and respond to the needs of our community? What is changing in the world and how are we challenging our assumptions? What would be lost if we didn’t exist?



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- Are we clear on the impact we will have? What will have changed in 3 years and 10 years as a result of our efforts? How do we track, evaluate, adapt, and demonstrate our impact?
- How do we decide where to focus our energies? How do we assess what to say yes to, and what to say no to?
- Do we set clear goals, track progress consistently, and adjust where necessary to achieve our mission?

Talent

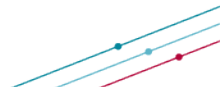
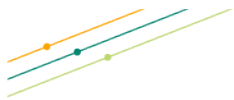
- Do we cultivate diversity, equity, and inclusion at every level of the organization?
- What skills, competencies and perspectives do we need to do the work effectively? How are those changing? Where are we strong and what do we need to develop? Do we have the capacity to deliver, adapt, take risks and grow, or are we constantly under-resourced?
- Do we have clear roles and responsibilities that directly drive our strategy and impact? Does our org structure support our goals? Are the skillsets, relationships, authority and decision-making well distributed or held by 1-2 people?
- Does our culture support the success and development of internal talent? Do we invest the necessary resources (time, budget) toward these goals?
- Are our compensation and benefits keeping pace with the market? Could we replace key talent at the same level?

Infrastructure

- Do we have the systems and processes in place to deliver on our mission and track our impact?
- Is information readily accessible by multiple parties? Is there sufficient access and cross-training to critical data and systems?
- Does staff have the facilities and equipment it needs to be effective?
- Are we consistently and clearly meeting/exceeding our legal requirements re: policies, compliance, filings, etc.?

Financial foundation

- How diverse and how predictable are our revenue streams? Who are the most influential board/staff members in acquiring those?
- Do our expenditures clearly align with our strategic priorities, and can we demonstrate that they result in actual impact?
- Are we net positive in our annual budgets? Can we meet cash flow demands, particularly during times of crisis? What are our needs re: reserves and other flexible assets, and have we met those needs? Are we planning for deferred maintenance? Can we weather a crisis? How do we define “sustainable” and do we meet that definition?



- Do we have appropriate controls and checks and balances? Who can access critical financial information, accounts and relationships in an emergency?

Governance

- How well is the board stewarding the mission?
- How knowledgeable is the board about the mission drivers and financial drivers of the work? How familiar is it with the key functions, roles, and people of the organization? Could the board answer questions from key donors, members, partners or candidates?
- If the board had to be engaged in day-to-day decision making, how well equipped would it be to do that?
- How effective is the board at ongoing learning, inviting and engaging diverse perspectives, exploring all angles of an issue, and decision making?

Although Emily developed these frameworks specifically to support organizations in preparing for complex founder transitions, these can also be used in assessing overall readiness and resilience in facing ANY major challenge – or, whether an organization would be poised to say “yes” to a major new opportunity. For both the Readiness and Resilience factors, organizations can assess their current state; create a dashboard (a simple green/yellow/red approach; assigning % “grades” out of 100%; scoring on a scale of 1-5, or any other way that resonates) of where it is strong and where it has gaps; determine priorities for addressing any challenges; and then track progress over time.