

## SUCCESSION PLANNING

### *SITUATION*

In the more recent years of a long-standing CEO's tenure, the board of an organization had become dissatisfied with the CEO's performance. When the board decided that the time for new leadership had arrived, they informed the CEO of their decision abruptly, without having laid the groundwork for a smooth transition. In addition, they allowed the outgoing CEO to remain in his position for eight months. The CEO did not take the news well; during the period of his "lame duck" status, he was increasingly unable to contain his anger and frustration, interrupting the flow of day-to-day work and creating a demoralized staff and ineffective work environment—and highlighting the need for change all the more.

### *ANALYSIS*

This was a tremendously unfortunate—but avoidable—situation. A thoughtful, deliberative process of transition *before* taking any action would have yielded tools that the board could have used to ensure graceful succession, but also to ease internal and external communications about the change. The key tools should have included an interim plan, a severance structure for the outgoing CEO based on appropriate comparables, a succession plan (which would ascertain whether or not there were any appropriate candidates internally), and a desired process for a search. Unfortunately, without any of that forethought, the situation was made much worse than it needed to be and lasted much longer than necessary, causing difficulty and strife for the organization.

### *SOLUTION*

Approaching the transition with the aforementioned tools in place would have eased the situation dramatically. Through a thoughtful succession planning process, the board could have identified the right time for the CEO to depart, and had an interim leader lined up and ready to go. A planned transition would also have maintained the continuity of day-to-day work for the staff and board, keeping morale high at a time when it's most needed. Going through a process to develop the necessary tools ahead of time would have made the transition and search process a source of excitement for the staff and board, rather than causing fear and uncertainty. Succession planning is a vital part of the ongoing health of an organization.