

Community Foundation for Monterey County President/CEO Succession Plan 2019

Introduction

Succession planning is more than just replacing the president/CEO (CEO). It reflects organizational culture and long-term goals. While the departure of the CEO can be a disrupting event for the board of directors, staff, and constituents of an organization, the smooth handling of a CEO transition can communicate many positives to the staff, fund holders, grantees and general public.

Questions of who's in charge, what is the board's role, how is it communicated internally and externally, and how the organization proceeds with operations while finding a successor are much better handled when a plan is in place. Having an agreed upon plan not only allows the board of directors to find a successor CEO in an expeditious manner, but it is an opportunity to demonstrate stability and seek a replacement consistent with the organization's vision.

Decisions related to a CEO departure must consider circumstances present at the time, and which may not be anticipated in this document. As such, the succession plan describes both a sudden or planned departure of the CEO and considers CFMC organizational dynamics at the time of its writing. As the organization changes (particularly personnel and staff structure), the succession plan should be reviewed and changed accordingly.

Who is in charge?

The chair of the board of directors is the primary authority for the CFMC. However, it is inappropriate for the chair or other board member to assume day-to-day operational oversight, unless under the most extreme circumstances. Should there be a sudden departure of the CEO (death, disability, firing, resignation with short or no notice) the board of directors should first look to staff for an interim president.

Currently, the CFMC has three vice-presidents (philanthropic services; grants and programs; finance and human resources). On days when the CEO is absent the three vice presidents work together as a single officer in charge. Should the need arise for the appointment of an interim CEO, the vice president for philanthropic services should be named. The holder of this position has the most involvement with the widest segment of the CFMC's operations, and also has frequent interactions with the largest number of board members. From an external viewpoint, the VP for philanthropic services is acquainted with our fund holders and nonprofits, which should have a calming effect on how the CFMC will be run during the transition. However, an internal executive team made up of the three vice presidents should meet weekly and allow the board chair to sit in as appropriate.

Should the executive committee feel it better to seek an interim CEO from outside the staff, it is not uncommon for this role to be filled by recently retired business or nonprofit executives. It would not be appropriate to bring in a former employee of the CFMC, as they may want to operate within a culture that no longer exists at the CFMC. If it is decided that a sitting board member will fill the role, that individual, upon accepting the position, should resign from the board of directors.

In the case of a planned departure, it is hoped that a successor can be found prior to the CEO leaving. However, if that cannot be accomplished, the CEO will hold transition meetings with the executive committee and the interim CEO. It is important that the CEO's job description is kept current and available to the chair of the board and the interim CEO.

Organizing the search

The executive committee shall act as the initial search committee for replacing the CEO. The board may want to form a separate committee that includes past chairs/board members or members of the community. This committee can report to the executive committee, which, in turn, will report to the board of directors. Whether the departure is sudden or planned, the search should be put into motion immediately, the executive committee should hold a meeting within 48 hours of the departure; however, the process should be thorough and completed only when the board of directors feels the proper candidate has been found.

Internal candidates are welcomed and should be afforded the minimum courtesy of an interview. No staff should serve on the search committee.

The geographic breadth of the search is at the discretion of the search committee; however, the CFMC has a national profile and should be considered an attractive position. The search committee may want to engage a search firm. There are several that specialize in nonprofits. This information can be obtained through a variety of sources, including the Council on Foundations.

The CFMC director of communications should be consulted and/or utilized to write all job announcements and provide insight as to their dissemination. Web postings should include links to the CEO job description, the strategic plan under which the organization is currently operating, and a description of the organization (assets; grant programs and grant totals; leadership initiatives; size of the staff; and, a brief description of the community and the CFMC's role). The announcement should be featured prominently on the CFMC web site.

It is appropriate for the board of directors to encourage applications, so long as no indication of preference is given or implied.

Defining qualifications for the CEO is the responsibility of the search committee. However, the search committee should seek advice from the board of directors, staff, fund holders, and, if appropriate, leaders from other community foundations and local community leaders. In the case of a planned departure, the sitting CEO can be consulted

on qualifications, but should not be an active member of the search committee.

The search committee will outline its process to the board of directors. When the search committee has narrowed its search to two to three finalists, a special meeting of the board of directors should be called, at which time the search committee will report on the interviews and discuss the finalists. Compensation ranges should be known to the candidates, and the development of a compensation package is the responsibility of the CEO compensation committee, in consultation with the board of directors. The chair of the board should negotiate final terms with chosen candidate.

Communications

The director of communications should coordinate all media announcements and board of directors talking points related to the sudden or planned departure of the CEO and the hiring of a successor. The chair should be the primary CFMC spokesperson.

A press release describing the tenure of the CEO should be drafted, periodically updated, and kept on file. Language related to a sudden departure can be written at the time of the event.

Continuing preparedness role of president/CEO

The CEO has an important, continuing role in ensuring the CFMC experiences a smooth transition for a sudden or planned departure. The CEO must always be developing staff that can assume greater responsibility in the absence of the CEO. The CEO will keep the chair and vice-chair of the board informed on the professional development and leadership status of the CFMC's vice presidents, and their role in the ongoing operations.

The CEO/CFMC must maintain a commitment to professional development for the staff. Leadership training, conferences, committee work, etc., while at times seem like distractions from everyday work, are important in building skills and networks so staff are prepared to lead under changing circumstances.

The CEO will keep the office administrator informed of his/her filing system, so this can be communicated to a successor.