Preparing for the Future: Succession Planning

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Health Center Board Member Training
May 16, 2014
Icebreaker

• How many years have you been on the Board?

• What kind of experience or involvement have you had with Succession Planning?

• What is one question you hope to get answered today?
Poll

1. I understand what succession planning is.
2. I have been involved in planning for the future departure or retirement of our current CEO.
3. I understand the role of the Board in succession planning for the organization.
4. I understand the role of the current CEO in succession planning for the organization.
5. One of the biggest concerns I have for our organization, is planning for our future leadership needs.
6. Our board agrees that succession planning should be a priority for our organization.
What is Succession Planning?

• The process of identifying high potential employees, evaluating and honing their skills and abilities, and preparing them for advancement into positions which are key to the success of business operations and objectives.

• Which positions require succession planning?
How can you identify high potential employees for key positions?

Consider:

• organization’s long term goals and objectives
• candidates strengths and development needs
• workforce trends
ELEMENTS OF SUCCESSION PLANNING

• Review the **strategic plan**.
• Understand the leadership roles needed and **leadership style** best suited to achieving the strategic plan.
• Identify and assess **potential future leaders**
• **Develop** leaders, according to the needed leadership profile.
Why is Succession Planning Important?

• Assures greater organization stability by avoiding costly and extended vacancies in key positions.

• Engages talented employees with meaningful development opportunities, preparing them for advancement.
Is it foolproof?

• No apparent successor
• Unplanned vacancy, no one is ready
• Development of potential leaders is slow or ineffective
• Departure of potential successor
• Change in strategic plan requires new roles and/or new style
Then what?

• Recruit externally for a successor
• Use role profile created to recruit, interview, and select new leader
• Use role profile to continue to develop new leader and other high potentials in the organization.
Who is responsible for succession planning?

- Board
- CEO
- Human Resources
- Other Leaders
Ongoing Planning

- Review 1-2 times/year
- Assess relevance
  - Changes in strategic plan?
  - Changes in needed leadership style?
  - Changes in development of candidates?
  - New candidates?
# CEO Succession Process

<table>
<thead>
<tr>
<th>Step</th>
<th>Who</th>
<th>Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solidify CEO Role Expectations</td>
<td>Board, LeadLearn</td>
<td>CEO Role Assessment, Best Practices, Strategic Plan</td>
</tr>
<tr>
<td>Plan Search for Successor Candidates</td>
<td>Board, Search Firm, LeadLearn</td>
<td>CEO Role Profile, Behavioral Interviewing Practices</td>
</tr>
<tr>
<td>Evaluate Candidates’ “Fit” with Role</td>
<td>Board, Search Firm, LeadLearn</td>
<td>Leader Assessments, CEO Role Profile, Search Firm Data</td>
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<tr>
<td>Onboarding of Selected Successor</td>
<td>Board, New CEO, Retiring CEO? Other Staff? LeadLearn?</td>
<td>CEO Role Profile, Strategic Plan &amp; Goals, Onboarding Best Practices, Performance Review Resources</td>
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Role Expectations Process

What it does: Define Leadership Requirements

- Focuses on the leadership attributes that are necessary for the leader to achieve the stated business outcomes, using the available resources, within the existing business environment

- Identifies these leadership practices for selection and development purposes

- Establishes a common language and clear expectations for the new leader and other stakeholders
• What are **the key goals and objectives** of your organization as you see them? (You might draw upon any initiatives your organization has undertaken such as strategic planning, customer surveys, employee surveys, business improvement initiatives, etc.)

• What are the half-dozen **key challenges** facing your organization? (You might consider any issues in the areas of products/services, competitors, staffing, labor costs, capital organizational structure, government relations, etc.)
• Considering the goals, objectives and challenges identified, what are the **top six priorities** for your organization?

• Given the organization priorities you have identified, **what type of leadership** will be needed in order to achieve these objectives?
Ongoing Leadership Development

• How are you developing current and future leaders?
  – Job description
  – Performance review process
  – Development goals
  – Coaching and feedback
  – Training
  – Informal learning
  – Mentoring
  – Online learning
  – Stretch assignments
# Table Activity

1. Using Best Practices in Healthcare, identify one area that you feel a leader(s) at your organization could improve in

2. Discuss
   - Is this in the job description?
   - Has it been part of previous reviews?
   - What feedback has been given? What feedback needs to be given?
   - Is there a development plan? What ideas do you have for how the leader could develop in this area?
Next Steps

• With your CEO and Board, outline the type of leadership that will be needed by your health center in order to be successful in meeting your strategic plan.
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