



Why Every Organization Needs an Executive Director Transition Plan

your chief executive is leaving. No, not hypothetically. At some point, the CEO, executive director, or maybe even founder of your organization *will* move on to something new. In fact, according to BoardSource, 50% of nonprofit leaders expect to leave their positions within the next five years, yet only one-third of organizations have a succession plan. And even fewer have an executive director transition plan.

Difference between Succession and Transition Plans

what's the difference? Despite minimal proliferation, succession planning gets all the glory, in that most boards know it as a "should," if not an accomplishment. For the Smith County Bar Association the succession plan will be the board's approved process for identifying, recruiting and/or developing, and retaining the next chief executive. As noted in the Federal Reserve Bank of Kansas City's [*Nonprofit Executive Succession-Planning Tool Kit*](#), "executive succession planning is a structured process to ensure leadership continuity...and to retain and develop knowledge capital and relationships in the future." In short, succession planning focuses on ensuring the arrival of effective new leadership for an organization.

Transition planning for the SCBA, then, will focus on supporting the incumbent executive's process of letting go. There's no "easy" button for extracting any leaders, but those who have served long in positions they created or recreated can face especially tough transitions. This exodus will impact not only their identities, but also the continued operations of the organizations they leave. An engaged and effective board provides ongoing planning, communication, and oversight as well as an annual performance appraisal and up-to-date executive succession and transition plans. No matter how long or well a leader has served, it behooves all parties to have a plan for transferring knowledge and authority as well as relationship "ownership" and other aspects of leadership from the incumbent. Somehow, all the stuff that's stored only in his/her head must be accessed and captured. But how?

Start with Emergency Succession Plan

One key tool for both succession and transition planning is the emergency succession plan. This essential document is a roadmap for what happens in the event of the chief executive's sudden illness, lottery win, or any short-term extended absence. The board must be able to continue the daily tasks that keep the organization running, but cannot do so without clear leadership and a plan to address the leadership vacancy moving forward. Prepared by the incumbent executive, it should be reviewed by the board to ensure it is complete and supported.

EMERGENCY SUCCESSION PLAN

A strong emergency leadership succession plan covers three key areas: communications, financial oversight, and interim management. If the executive director of the Smith County Bar Association abruptly resigns, is fired, or is otherwise unable to lead the organization, the President of the SCBA, subject to ratification by the Board of Directors, shall immediately implement the Emergency Succession Plan. Upon learning of a pending or actual unplanned absence of the Executive Director, the President may appoint a temporary Acting Executive Director or defer that appointment for action by the Board of Directors.

COMMUNICATIONS PLAN

The current President of the SCBA is the first point of contact in the event of a change in the executive director's situation. They should notify all board members and discuss next steps. Subsequent communication containing the circumstances and recommended plan of action should be sent to all board members for approval. Once the plan of action has been determined, a message from the President should be sent to the membership detailing the plan for the leadership transition. As soon as reasonably possible, the President will communicate the temporary leadership structure to the media, governmental officials, and other appropriate parties.

FINANCIAL OVERSIGHT

The signatories on the SCBA bank accounts include the President and the Treasurer. Information is available in the financial tab of the operations notebook for the Treasurer to ensure that timely employee payroll payments and reports are continued. Other critical information, passwords and web sites are available for the President in the event of an emergency (e.g., contact information for members and upcoming deadlines on important activities, such as the deadline for filing the IRS Form 990).

INTERIM MANAGEMENT

As soon as it is reasonably feasible, the President shall convene a meeting of the Board to ratify the temporary appointment or to make its own selection of an Acting Executive Director. The person appointed as Acting Executive Director has the same full authority for decision-making and independent action as the Executive Director. In the event the President and Board of Directors implement changes to the scope of duties for the Acting Executive Director, those changes should be subject to periodic review. The President in conjunction with the President-elect will monitor the work of the Acting Executive Director. The Acting Executive Director will provide, at a minimum, biweekly reports on the actions planned, pending, and taken.

The Board of Directors and the absent Executive Director will determine when the absent Executive Director returns to official capacity. At the earliest practical opportunity, they will establish a mutually agreeable start date, work schedule, and any changes or limitations to the returning Executive Director's scope of duties. In the event the Board of Directors and the absent Executive Director implement temporary changes to the scope of duties for the Executive Director upon his or her return to work, those changes should be subject to periodic review.

PERMANENT CHANGE IN EXECUTIVE DIRECTOR

A permanent change includes any situation where the incumbent Executive Director will permanently vacate the position. The procedures and conditions are the same as for a temporary absence with these additions:

1. Appointment of a Transition and Search Committee. The President shall appoint a Transition and Search Committee to plan and carry out a transition to a new permanent Executive Director. Where the vacancy is part of a planned transition, the President will convene the committee at least twelve months prior to the effective date of the vacancy. The Transition and Search Committee will consist of up to six members, four of which will serve by virtue of their capacity as the SCBA President, the SCBA President-Elect, the President of the Smith County Young Lawyers Association and the President of the Smith County Bar Foundation. The President shall select two additional at-large members to serve on this committee.
2. Duties of the Transition and Search Committee
 - a. This committee may consider and report the need for outside consulting assistance depending on the circumstances of the transition and the Board of Directors' capacity to plan and manage it.
 - b. This committee shall consider the need for an Interim Executive Director, and plan for the recruitment and selection of an Interim Executive Director and/or permanent Executive Director.
 - c. This committee will review the Executive Director's position description and propose any changes they deem necessary.
 - d. This committee shall recommend a salary range and benefit schedule; determine the scope and method of the search; interview candidates; and recommend candidates for final interview and selection by the Board of Directors.
 - e. Following a selection decision by the Board of Directors, this committee shall communicate an offer and confirm an acceptance; and after hiring, in conjunction with the then President and President-elect, provide for and supervise an extensive orientation.
 - f. Subject to ratification by the Board of Directors, this committee may undertake other actions it deems reasonable and necessary in conjunction with its task.

In conjunction with the Strategic Plan, the Board of Directors will review these Transition Plans on a regular basis and implement any necessary changes or amendments.

As part of that activity, the Executive Director shall:

1. review the position description and make revisions accordingly;
2. advise the Board of Directors of plans for retirement, or temporary absence; and,
3. prepare and update operations notebook with web site sign in, passwords, financial information and all other information necessary for day to day operations.