

# Anticipating Change: 7 Steps to an Effective Succession Plan

By Stan Reiff, Partner

---

What would happen if a member of your organization's leadership team or other key employee left?

Succession planning might not seem like a priority among all the daily demands your organization faces. But leadership changes can occur for many reasons, from planned promotions and retirements to sudden vacancies caused by resignation, termination, or illness.

In fact, the modern workplace is one in which employee turnover is now the norm. Gone are the days when many employees stayed with an organization for decades, advancing through the ranks. Today's workers are on the lookout for new opportunities and challenges. This is particularly true for millennial workers, who Gallup has dubbed "the job-hopping generation."

## Plan for the Inevitable

Proactive organizations will anticipate, accept, and plan for this new reality. This should include a well-considered succession plan, which will help your organization transition smoothly during both anticipated and unexpected leadership changes. Without one, a sudden leadership departure could result in confusion, negatively affecting employee morale, daily operations, internal controls, donations, and even fulfillment of your mission.

Follow the steps below to write an effective succession plan or review your existing plan for potential improvements.

Note that churches affiliated with a denomination may have formal succession planning structures and procedures to follow. Check with your denomination or governing authority if you're unsure.

## 1. Determine who to involve in the planning.

Establish a committee to draft the plan and obtain board input and approval. Assign key tasks and timelines to make the process as efficient as possible.

Although it might seem awkward, it's important to include the employee whose departure you're planning for. This individual will be able to provide insight on the role, its specific challenges, and the key competencies required to fulfill it. Emphasize how essential the leader's role is to the organization and why planning for a smooth transition is critical. Most leaders will have the best interests of the organization in mind and understand the importance of this process.

## 2. Identify which roles to plan for.

Your top leader is an obvious choice, but don't overlook other employees with critical roles. At a church, for example, this might include associate pastors, the executive pastor, and the business administrator, as well as other key ministry leaders such as the school principal. At a nonprofit, it could include the chief executive officer as well as the chief financial officer, chief operating officer, broadcast team members, and program vice presidents. Chief development officer is another position to plan for, as their departure would have a significant impact on funding.

Repeat the following steps for each position you've identified.

## 3. Review and update job descriptions.

Make sure each job description is current, accurate, and detailed. Include the desired qualifications and competencies and the required tasks and outcomes.

**Nurture an organization-wide leadership culture to prepare for succession.**

Consider the current and upcoming challenges your organization faces, and include the skill sets and leadership qualities required to address them.

#### **4. Document any internal control processes or procedures the individual participates in and develop interim procedures to be followed until the vacant position is filled.**

This should include responsibilities such as check signing, review of expenses and credit card charges, and access to online banking or donor systems.

We've seen situations in which organizations fail to plan for this, creating opportunities for fraud to be committed.

#### **5. Plan for all contingencies.**

As noted earlier, there are many reasons a departure or absence can occur. Each potential scenario will have a different response. A retirement, for example, should be planned for and handled differently than a sudden leave of absence due to serious illness or injury.

For each scenario, consider:

- Whether the vacancy should be filled temporarily or permanently
- Whether you need an interim leader while looking for a permanent hire
- Who will cover key tasks and controls while the position is unfilled
- Who will be responsible for communicating the transition plan with donors, members, clients, other stakeholders, and the general public

#### **6. Fill the pipeline.**

It is often ideal to have employees on staff who can step into the vacated position. Ongoing training, professional development, and mentoring and coaching can help your organization “fill the pipeline” with talented employees with leadership potential.

Your governing board should work with management to nurture an organization-wide leadership culture to prepare for succession. All managers should be developing leaders below them to back-fill positions up, out, and across the organization.

#### **7. Review succession plans periodically — and after each transition.**

Roles change, as do the challenges and opportunities your organization faces. Schedule a periodic review of each succession plan to ensure the role, plan, and strategy is up to date and effective.

In addition, each time a transition is made you'll need to restart the succession planning process for that role.

Organizational strategist Steve Graves recommends that organizations adopt a “catch and release” mindset. An effective succession plan that includes leadership development will help your organization “catch and release” talented individuals and be prepared for whatever leadership changes the future holds.

If you would like help with the process, CapinCrouse can assist with leadership transitions as well as with recruiting qualified staff for a broad range of positions. Visit [capincrouse.com/recruiting-services](http://capincrouse.com/recruiting-services) or email us at [info@capincrouse.com](mailto:info@capincrouse.com) to learn more.

### **About the Author**

#### **Stan Reiff, Partner**

Professional Practice Leader - Consulting

[sreiff@capincrouse.com](mailto:sreiff@capincrouse.com)

o 678.518.5301, ext. 260

c 678.521.0182

Stan's professional experience includes over 30 years in ministry operations, public accounting, government accounting, and missions. He provides strategic leadership of the firm's professional advisory and consulting services.

### **About CapinCrouse**

As a national full-service CPA and consulting firm devoted to serving nonprofit organizations, CapinCrouse provides professional solutions to organizations whose outcomes are measured in lives changed. Since 1972, the firm has served domestic and international outreach organizations, universities and seminaries, foundations, media ministries, rescue missions, relief and development organizations, churches and denominations, and many others by providing support in the key areas of financial integrity and security. With a network of offices across the nation, CapinCrouse has the resources of a large firm and the personal touch of a local firm. Learn more at [capincrouse.com](http://capincrouse.com).

CapinCrouse is an independent member of the BDO Alliance USA.



© Copyright 2017 CapinCrouse LLP