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Executive Team Succession Planning in a CHC

2017 TPCA Leadership Conference
October 5, 2017



NCFH

AGENDA

- I. General Overview**
(Why and What it is)
- II. CEO Succession Examples**
(The Good, and Ugly)
- III. Review of Resources**
(Tool, Tips, Sample Policy)
- IV. Bonus Slides - Tips from the Valley**
(Golden Valley Health Services Merced, CA)



Objectives of today's session

- Discuss how succession planning is important in the CHC setting and why it is hard to 'get it right'
- Focus on CEO Succession Policy and planning
- Gain information on tools and tips to take back home to open the dialog, launch, enhance and/or improve succession planning efforts

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I. General Overview

Succession Planning – Why Do It?

- Qualified staff are essential! We need them!
- The age of CHC Program & early leaders
- Vacancies in key positions occurring in many organizations, simultaneously
- Demographics indicate statistically fewer people available to fill vacancies

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I. General Overview

Succession Planning – Why Do It?

TO:

- Nurture career development
- Create a career ladder for emerging leaders
- Introduce new blood and new ideas
- Avoid lost opportunities for growth of organization

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I. General Overview

Succession Planning – Why Do It?

To:

- Avoid loss of institutional & “movement” memory
- Strengthen well being of Health Center

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I. General Overview

Succession Planning – Why Do It?

- Baby Boomer retirements - on the rise just when the economy is growing & demand for senior management expertise is increasing
- No influx of potential new employees on the horizon as in past generations (i.e. baby boomers, women entering the workforce)

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What is it:

- It is a written policy adopted by the Board of Directors
- It includes a Plan and Procedures
- It is available for OSV review
- It respects requirement for HRSA Oversight of final CEO decision

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What is it?

It is a dynamic process that anticipates change & upward mobility and:

- Is respectful of all
- Is considerate of individual careers
- Circumvents train wrecks
- Is both long-term and short-term
- Provides a guide but is not rigid
- Is not an entitlement for anyone – things change

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Characteristics – it is:

- Systems oriented
- About managing change
- About minimizing business risk
- A multi-level, team plan
- Engages those involved
- Supports planned career development

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When it works well, it:

- Facilitates conversation
- Defines info: “confidential” or “public”
- Is separate from annual evaluation
- Makes no promises that cannot be kept
- Precipitates no adverse action
- Dismisses no one

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Select a Focus

Tool can serve multiple purposes: PICK ONE

- Personal reflection and goal setting
- Professional development
- Advanced training/CEU/
- Cross training
- Setting career goals
- Setting corporate goals
- Anticipating transitions

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Introduce the Conversation

- Select a desired focus for the conversation, and time frame
- Ask open-ended questions to facilitate exchange of information.
- Make it an ongoing conversation over an extended period of time

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Personal and Professional Career Planning Tool

PERSONAL & PROFESSIONAL CAREER PLANNING TOOL

Name: _____
Date: _____
Focus: _____

Title: _____
Time Range: _____

Insert Logo Here

Historical					
CAREER					
	2010	2011	2012	2013	2014
PERSONAL					
NOTES:					

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Personal Career & Succession Planning Guide

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Introduction to the Tool (Cont'd)

PERSONAL & PROFESSIONAL CAREER PLANNING TOOL

Name: _____ Title: _____
Date: _____ Time Range: _____
Focus: _____ Insert Logo Here

Current and Projected					
CAREER					
	2015	2016	2017	2018	2019
PERSONAL					
NOTES:					

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For purposes of today's
Conversation, we will focus
on

CEO LEVEL SUCCESSION PLANNING

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II. CEO Succession – Real Life Examples

Plan Type	Characteristics
Emergency Plan	➤ AKA the Mack Truck Plan
The Long Range Retirement Plan	➤ Plenty of advance notice often creates speculation
The Rolling 18-Mo Plan	➤ Never set an exact date, always 18 months out
The Interim Non-Contender Plan	➤ A 6 - 12 month hired Change Agent to get new blood, new perspective
The In-House Multi-Competitor Plan	➤ A great way to lose valuable leaders
The Chosen One Plan	➤ CEO Successor is hand picked and groomed in advance
Internal/External Recruitment Plan	➤ Keeps everyone on their toes, cause for high anxiety levels



II. CEO Succession Plan – REAL LIFE EXAMPLES

Plan Type	Characteristics
Emergency Plan	➤ AKA the Mack Truck Plan



If the CEO were to leave unexpectedly (for any reason) would your Board be prepared ?



II. CEO Succession Plan – REAL LIFE EXAMPLES

Plan Type	Characteristics
The Long Range Retirement Plan	➤ Too much advance notice may create unnecessary speculation and anxiety among staff



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II. CEO Succession Plan – REAL LIFE EXAMPLES

Plan Type	Characteristics
The Rolling 18-Mo Plan	➤ Never set an exact date, always 18 months out



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II. CEO Succession Plan – REAL LIFE EXAMPLES

Plan Type	Characteristics
The In-House Multi-Competitor Plan	➤ A great way to lose valuable leaders



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II. CEO Succession Plan – REAL LIFE EXAMPLES

Plan Type	Characteristics
Simultaneous Internal & External Recruitment Plan	➤ Keeps everyone on their toes, cause for high anxiety levels



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II. CEO Succession Plan - EXAMPLES

Plan Type	Characteristics
C. Interim Non-contender Plan	➤ A 6 -18 Month Contracted Change Agent – to bring new perspectives, new blood and clean house before launching competitive search.



- New Broom
- Old Broom

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II. CEO Succession Plan – REAL LIFE EXAMPLES

Plan Type	Characteristics
The Chosen One Plan	➤ CEO hand picks potential successor, he or she is groomed and mentored in advance



Remember:
The final decision
always belongs to
the Board of Directors

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AUDIENCE:

For those who expect a CEO level transition in the next 5 years at your health center, do you have a written transition plan in place?

- A. Yes**
- B. No**
- C. Don't Know**



AUDIENCE:

For those who have experienced a CEO level transition in the last 5 years:

Was the outcome successful?

Yes.....? No.....?

Care to Share?



III. Intro to NCFH Resources

- **Personal and Professional Career Planning Tool**
- **Sample CEO Succession Policy and Plan**
- **10 Tips**

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SAMPLE Succession Policy

[Health Center Name]
Policy and Procedure Manual

**Policy Title: Leadership Transition & Succession
Policy for the Position of
President & CEO**

Policy Number: _____

Date of Adoption: _____

Subsequent Revision: _____

Policy Statement: It is the Policy of [Health Center Name] to prepare for inevitable change in Executive Leadership (which may occur on either an unexpected or planned basis) in order to ensure the stability and accountability of the organization, hereinafter referred to as “[*Health Center Name*]”.

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EXCERPT from NCFH Policy - Sample

- The Board of Directors is responsible for implementing this policy and its related procedures through the development of a leadership transition and succession plan appropriate to the circumstances, which addresses the position of President & CEO of *[Health Center Name]*. Plan A and Plan B are described below:



Excerpt from NCFH Policy Sample

Plan A (Short Term or Unexpected Vacancy & Transition Plan) is designed to address a vacancy which occurs for a short term period, or on an unexpected basis.

Plan B (Advance Notification Anticipated Vacancy & Succession Plan) is designed to address a planned transition for which advance notification is provided and a vacancy is anticipated at least 12 months in advance.



Lessons Learned:

- **Plans can change & can backfire**
- **Perspectives & perceptions are very personal**
- **Employment is very personal**
- **Designate trusted & objective person to manage process**
- **Time flies –budget it carefully**

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One Health Center's CEO Transition Experience

You mean we have to get a new one?

John Price

Board Member Golden Valley Health
Centers



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Picture This: CEO Transition

Our CEO just told us that he or she will retire in 6 months.

Oh no.

What do we do?



In Denial?

It is helpful to remember the counsel of Elizabeth Kubler Ross – Stages of Grief

- Denial
- Anger
- Bargaining
- Depression
- Acceptance

- DABDA



CEO Transition

- Step One... Don't Panic
- Step Two: Don't Panic
- Step Three: Don't Panic
- Step Four: Get out of Denial. It is going to happen.
- Step Five: Implement your plan.

What? You have no plan?



CEO Transition

We have no plan so...

what do we do now?



CEO Transition

- Hire an interim CEO that doesn't want to be the permanent CEO.
 - The interim needs to be a buffer between the departing leader and the new leader.
 - There are good reasons for this.
- Get some help. Professional help.
- Secure a consultant or coach to guide you and do the task and work to be done.



Tips from the Valley

- Establish a CEO Transition Committee of the Board
- Establish a CEO Transition Committee of some key staff, representing the stakeholders of the corporation.



CEO Transition - Assessment of the Organization

- Assessment of the Corporation
 - Find out who you are. Not what you think you are, or what you have been told what you are, but what others see and think you are.
 - Survey Staff. Use your Staff CEO Transition committee for help and feedback.
 - Survey Strategic Partners
 - Survey Community Stakeholders
 - Survey Collaborative Partners



CEO Transition - Assessment of the Organization

- Assessment of the Board
 - Assess the Board and its effectiveness
 - Assess the strengths and weakness of individual Board Members. Learn how you work together.



CEO TRANSITION

- Assessment of the Corporation and the Board is complete.
 - What do we do about the stuff we don't like. What happened to us?
 - How do we repeat the stuff we do like?
- Redefine, or... Recommit to your Mission, Vision and Values
- THIS WORK WILL HELP YOU DEFINE WHAT LEADER YOU NEED

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CEO TRANSITION

- Define the Skills, Ability and Experience you need in your new Leader
- Define, if you dare, the Temperament and Personality you discern that you need for your corporation's new Chief Executive Officer.
- I know. That is scary...

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CEO TRANSITION

- Define your CEO Candidate Profile
 - People out there need to know what you want.
- Develop your announcement
- Broadcast your announcement to the targeted area.
- Distill the resumes and rank them to come up with a list of candidates
- Interview the top ten Candidates
 - Skype
 - Video
 - In Person
- Distill the list to the top three Candidates

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CEO TRANSITION

- Interview the top three candidates
- Personal, face to face interviews
- Tour the facility or facilities as is appropriate.
- Watch the interaction of the candidates and the staff.
- Get feedback from staff, as appropriate.
- Convene the Board to choose a new Leader.
- Discuss the parameters of the CEO Compensation Package
- Appoint a designated person, (if you haven't already) to meet with your CEO Candidate to negotiate the contract and establish the timeline for bringing them on board the corporation.

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CEO TRANSITION

- Celebrate the arrival of the new CEO.
- Introduce the new CEO to the Community and Staff.
- Meeting with Board committee and new CEO to review performance goals and clarify system for performance evaluation.
- Establish an Onboarding process that allows for continued coaching and training of the new CEO.
 - This process can be critical. Because...



CEO TRANSITION

- In the 2011 “Daring to Lead”, national study of nonprofit leaders, found that among current executives, 33% followed a leader who was fired or forced to resign indicating the frequency of mis-hires and unclear expectations between boards and executives.
- New leaders need intentional support and development as they build efficacy in the role. This level of on-boarding—distinct from new hire orientation—is essential to a new leader’s long-term success, yet often absent from many nonprofit transition processes.



IN CLOSING:

“I believe that we are solely responsible for our choices, and we have to accept the consequences of every deed, word, and thought throughout our lifetime.”

Elizabeth Kubler Ross

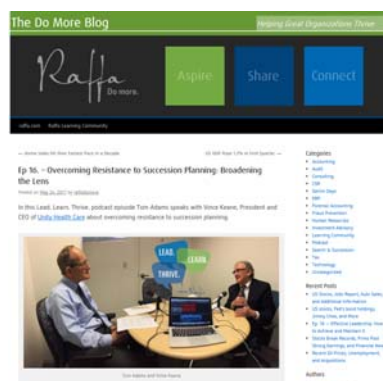
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<https://raffadomore.com/2017/05/24/ep-16-overcoming-resistance-to-succession-planning-broadening-the-lens>



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What does HRSA offer?

Internet search: Enter “Sample Succession Planning Work plan BPHC Archive” for 3 key documents:

1. Sample Succession Planning Manual
2. Sample Succession Planning Policy
3. Sample Succession Work plan



Succession Planning

Bobbi Ryder, President & CEO
National Center for Farmworker Health (NCFH)
Buda, TX

Bonus Slides Compliments of:
John Price, Board Member and Former Chair
and
Golden Valley Health Services, Merced, CA