

*Section 1: Succession
Policy*

SUCCESSION PLAN

CEO Succession Plan Policy

A change in executive leadership is inevitable for all organizations and can be a very challenging time. XXX has created a CEO Succession Plan and a supporting Toolkit that will prepare the Agency for an eventual change in leadership—either planned or unplanned—to ensure the stability and accountability of the Agency until such time as new leadership is identified. The Board of Directors shall be responsible for implementing this policy and its related procedures.

It is the responsibility of the XXX Board of Directors to assess the long term leadership needs of the Agency to help ensure the selection of a qualified and capable leader who is representative of the community, a good fit for the Agency's mission, vision, values, goals and objectives, and who has the necessary skills to lead and manage the Agency. To ensure the Agency's operations are not interrupted while the Board of Directors assesses the leadership needs and recruits a Chief Executive Officer, the Board will appoint interim executive leadership as described below. The interim Chief Executive Officer shall ensure that the Agency continues to operate with minimal disruption and that all organizational commitments previously made are adequately executed.

This succession plan will guide the Agency through this transition. All information contained in the CEO Succession Plan and Toolkit will be reviewed and updated annually by the Director of Administrative Services or by a designee of the Chief Operating Officer to ensure it is current and accurate. Copies of the Plan and Toolkit will be held by the Board President, the Incoming Board President, the Board Secretary and the Chief Operating Officer.

This CEO Succession Plan Policy is hereby approved this date of _____, 2007 by:

XXXX, President

XXXX, HR Committee Chair

Procedures for Succession:

For a temporary change in executive leadership (i.e. illness or leave of absence) refer to the Agency's policy handbook. All communications with internal and external stakeholders regarding succession must be reviewed and approved by the Development and Marketing department. Although in virtually all circumstances this procedure will be implemented as written, it is the responsibility of the Executive Committee to determine any modifications needed based upon the circumstances confronting the Agency at the time.

I. Unplanned Departure: Emergency CEO Succession Plan

Circumstances that trigger implementation of the Emergency Succession Plan:

- Death of CEO
- CEO becomes permanently incapacitated
- CEO's employment terminated

In the event of one of these circumstances, the XXX Emergency CEO Succession Plan will be implemented and the Chief Operating Officer (COO) will assume leadership of the Agency as Interim CEO. If the COO is unable to assume leadership of the Agency, the Director of Professional Services (DPS) will be named interim CEO. If the DPS is unable to serve in this capacity, then an external consultant with experience as an executive leader will be appointed. This process will follow the timeline detailed below:

First 24 Hours:

- 1) Emergency conference call or meeting with Executive Committee scheduled as soon as possible—confirm COO as Interim CEO or, if necessary, the DPS or an external consultant, create timeline for action plan and assign responsibilities; notify Board of Directors of situation and that emergency session is occurring.
- 2) Consult with Human Resources or outside expertise to advise on personnel issues regarding disability insurance, etc.
- 3) If appropriate based upon circumstances, XXX attorney to be notified with questions and concerns regarding any potential legal issues
- 4) Written memo and email to XXX staff from the Board President explaining events and anticipated actions. Memo to include:
 - Announcement of CEO departure
 - Circumstances of departure if appropriate to share
 - Appointment of Interim CEO or person temporarily responsible until an Interim CEO is named
 - Person to whom employees should refer questions
 - Person designated to provide information to media, donors, state agencies, and others (See Toolkit Section #2)
 - Process for hiring new CEO
 - When and how additional information will be provided
 - Availability of counseling or support services, if necessary

- 5) If CEO employment was terminated and it is deemed necessary, begin taking steps to:
 - Secure cash and checks (Finance)
 - Secure employee files (Administrative Services)
 - Secure contracts (COO)
 - Change security codes, passwords and combinations (Administrative Services)
 - Change locks (Administrative Services)
 - Safeguard personal property of departing CEO (Administrative Services)
 - Cancel or change credit cards and authorization cards (Finance)
 - Change signature cards (Finance)

- 6) Activate Emergency Communication Plan for CEO departure led by Director of Marketing (See Toolkit Section #2) in coordination with President and Chief Operating Officer.

First Week:

- 1) The Board Executive Committee will appoint/confirm an interim CEO according to the following line of succession:
 - A. Chief Operating Officer (COO) of Jewish Family Service
 - B. Director of Professional Services of Jewish Family Service
 - C. External consultant (with experience as an interim executive director)

The Interim CEO shall assume the authority for operations of the Agency. The Interim CEO may be offered a temporary salary increase or bonus, depending upon the length of service as Interim CEO, to be negotiated during the interim CEO period.

- 2) Activate the Board Executive Transition Committee, which is appointed by the President, that consists of the President-Elect, the Immediate Past President, the President and one additional current or past Board Member. It shall be the responsibility of this committee in conjunction with the Interim CEO to implement the following preliminary transition plan (with the exception of the hiring process, which will not necessarily involve the Interim CEO):
 - A. Work with XXX Development and Marketing staff to communicate with key stakeholders regarding actions taken by the Board in naming an interim successor, appointing a transition committee and implementing the succession policy. The Agency shall maintain a current list of key stakeholders who must be contacted, such as donors, funders, government agencies, and others (See Toolkit Section #3).
 - B. Consider the need for consulting assistance (i.e. transition management or executive search consultant) based on the circumstances of the transition.
 - C. To be sensitive to the special support needs of the Interim CEO in this temporary leadership role and act accordingly to ensure continued Agency operations.
 - D. Review the Agency's business and strategic plans. Conduct a brief assessment of organizational strengths, weaknesses, opportunities and threats to identify priority issues that may need to be addressed during

the transition process and to identify attributes and characteristics that are important to consider in the selection of the next leader.

- E. Establish a plan and time frame for executing the recruitment and selection process.
 - F. Refer to the CEO Hiring Policy and Procedures contained in this document.
 - G. Notify AJFCA regarding CEO status and request all materials and assistance at their disposal. (Please note that some materials have already been incorporated into the Toolkit.)
- 3) The Board President appoints a CEO Search Committee that may include the members of the Executive Transition Committee, additional Board Members, the chairs of the Human Resources and Finance committees as well as community members.
- 4) Notification provided to the following persons/organizations:
- A. Key outside stakeholders including donors, funders, lenders, Agency partners, relevant media (See Toolkit Sections #2, 3, 5))
 - B. Organizations in which the Agency has an active membership (See Toolkit Section #3)
 - C. Any agencies involved in licensing, bonding, accreditation, etc. (See Toolkit Section #3)
 - D. Update to staff on progress

First Month and beyond until new CEO assumes position:

- 1) Update staff and other key stakeholders on progress
- 2) If appropriate, identify and announce plan to honor former CEO

The Board should use similar procedures in case of an executive transition that simultaneously involves the CEO and other key management. In such instance, the Board may also consider temporarily subcontracting some of the organizational functions from trained consultants to other organizations.

II. Planned Departure: Succession Plan

Circumstances that trigger the implementation of this Succession Plan:

- CEO announces retirement or departure

In the event of one of these instances, the CEO Succession Plan will be implemented. The process is detailed below. The timeline for this process will be determined by the CEO's intended departure date, and therefore, will be developed by the Executive Transition Committee according to that date.

Departure that occurs in less than six months—

This may be considered less than sufficient notice for recruitment purposes thus requiring emergency-like procedures.

First Two Weeks:

- 1) Emergency meeting with Executive Committee scheduled as soon as possible. It is likely that an Interim CEO will need to be appointed. In this case, the Executive Committee may choose to confirm the COO as Interim CEO effective a particular date or name another individual as Interim CEO, if necessary. The Committee shall also create a timeline for this action plan and assign responsibilities as well as notify Board of Directors of the situation and the emergency session. If necessary, the Executive Committee will appoint/confirm an interim CEO according to the following line of succession:
 - A. Chief Operating Officer (COO) of Jewish Family Service
 - B. Director of Professional Services of Jewish Family Service
 - C. External consultant (with experience as an interim CEO)
- 2) Consult with Human Resources or outside expertise to advise on personnel issues.
- 3) If appropriate, XXX attorney notified with questions and concerns regarding any potential legal issues, including but not limited to breach of contract.
- 4) Written memo and email to XXX staff from the Board President explaining events and anticipated actions. Memo to include:
 - Announcement of CEO departure
 - Circumstances of departure if appropriate to share
 - Appointment of Interim CEO and effective date, if necessary
 - Person to whom employees should refer questions
 - Person designated to provide information to media, donors, state agencies, and others (See Toolkit Section #2)
 - Process for hiring new CEO
 - When and how additional information will be provided

If appointed, the Interim CEO shall have authority for decision-making and independent action, as did the regular CEO. The Interim CEO may be offered a temporary salary increase or bonus to be negotiated during the interim CEO period.

- 5) Activate the Board Executive Transition Committee, which is appointed by the President and consists of the President-Elect, the Immediate Past President, the President and one additional current or past Board Member. It shall be the responsibility of this Committee to implement the following preliminary transition plan in conjunction with the Interim CEO, if one is appointed, with the exception of the hiring process:
 - A. Work with XXX Development and Marketing staff to communicate with key stakeholders regarding the situation, actions taken by the Board in naming an interim successor, and if needed, appointing a transition committee and implementing the succession policy. The Agency shall maintain a current list of key stakeholders who must be contacted, such as donors, funders, government agencies, and others (See Toolkit Section #3).
 - B. Consider the need for consulting assistance (i.e. transition management or executive search consultant) based on the circumstances of the transition.
 - C. To be sensitive to the special support needs of the Interim CEO in this temporary leadership role and act accordingly to ensure continued Agency operations.
 - D. Review the Agency's business and strategic plans. Conduct a brief assessment of organizational strengths, weaknesses, opportunities and threats to identify priority issues that may need to be addressed during the transition process and to identify attributes and characteristics that are important to consider in the selection of the next leader.
 - E. Establish a plan and time frame for executing the recruitment and selection process.
 - F. Refer to the CEO Hiring Policy and Procedures in the Policy Handbook for additional procedures.
 - G. Notify AJFCA regarding CEO status and request all materials and assistance at their disposal. (Please note that some materials have already been incorporated into the Toolkit.)
- 6) The Board President appoints a CEO Search Committee that may include the members of the Executive Transition Committee, additional Board Members, the chairs of the Human Resources and Finance committees as well as community members.

First Month:

- 1) Notification provided to the following persons/organizations:
 - A. Key outside stakeholders including donors, funders, lenders, Agency partners, relevant media (See Toolkit Sections #2, 3, 5))
 - B. Organizations in which the Agency has an active membership (See Toolkit Section #3)
 - C. Any agencies involved in licensing, bonding, accreditation, etc. (See Toolkit Section # 3)
 - D. Update to staff on progress

Second Month and beyond until new CEO assumes position:

- 1) Update staff and other key stakeholders on progress.
- 2) If appropriate, identify and announce plan to honor former CEO.

Departure that occurs in six months or longer:

The following are key activities that need to occur. The timeframe for their execution will be set by the Executive Transition Committee and the CEO.

- 1) Executive Committee shall meet to create a timeline for this action plan and assign responsibilities as well as notify Board of Directors of the impending departure.
- 2) Consult with Human Resources or outside expertise to advise on personnel issues.
- 3) Written memo and email to XXX staff from the Board President explaining events and anticipated actions. Memo to include:
 - Announcement of CEO departure
 - Circumstances of departure if appropriate to share
 - Person to whom employees should refer questions
 - Person authorized to provide information to media, donors, state agencies, and others (Media Policy—to be developed)
 - Process for hiring new CEO
 - When and how additional information will be provided
- 4) Activate the Board Executive Transition Committee, which is appointed by the President and consists of the President-Elect, the Immediate Past President, the President and one additional Board member. It shall be the responsibility of this Committee to implement the following preliminary transition plan in conjunction with the CEO, if one is appointed, with the exception of the hiring process:
 - A. Work with XXX Development and Marketing staff to communicate with key stakeholders regarding the departure, actions taken by the Board in appointing a transition committee and implementing the succession policy. The Agency shall maintain a current list of key stakeholders who must be contacted, such as donors, funders, government agencies, and others (See Toolkit Section #3).
 - B. Consider the need for consulting assistance (i.e. transition management or executive search consultant) based on the circumstances of the transition.
 - C. Review the Agency's business and strategic plans and conduct a brief assessment of organizational strengths, weaknesses, opportunities and threats to identify priority issues that may need to be addressed during the transition process and to identify attributes and characteristics that are important to consider in the selection of the next leader.
 - D. Establish a plan and time frame for executing the recruitment and selection process.

- E. Refer to the CEO Hiring Policy and Procedures in the Policy Handbook for additional procedures.
 - F. Notify AJFCA regarding CEO status and request all materials and assistance at their disposal. (Please note that some materials have already been incorporated into the toolkit.).
- 5) The Board President appoints a CEO Search Committee that may include the members of the Executive Transition Committee, additional Board members, the chairs of the Human Resources and Finance committees as well as community members.
 - 6) Notification provided to the following persons/organizations:
 - A. Key outside stakeholders including donors, funders, lenders, Agency partners, relevant media (See Toolkit Sections #2, 3, 5)
 - B. Organizations in which the Agency has an active membership (See Toolkit Section #3)
 - C. Any agencies involved in licensing, bonding, accreditation, etc. (See Toolkit Section # 3)
 - D. Update to staff on progress
 - 7) Additional update to staff and other key stakeholders on progress.
 - 8) If appropriate, create and announce plan to honor former CEO.
 - 9) Work with XXX Development and Marketing staff to plan celebration of outgoing CEO.

CEO Transition Expectations

- 1) The role of the departing CEO:
 - A. Provide input to the CEO Search Committee on appropriate skill sets, experience, qualities, personality and priorities for position
 - B. Offer names of potential candidates
 - C. Continue to perform duties of CEO until the new CEO assumes the position, unless an Interim CEO has been appointed
 - D. Be available for a one month transition period and potential overlap, subject to circumstances at the time, to share information with the new CEO and introduce him/her to key stakeholders, such as the Jewish Federation, United Way and individual donors
 - E. Post separation, be available for consultation for a period up to three months

Sources for the XXX CEO Succession Plan Policy include TransitionGuides, The Center for Nonprofit Advancement and Erin Hemmings and Amanda Madorno.

CEO Hiring Policy and Procedures

The Executive Committee shall exercise its discretion in determining whether to hire an already identified individual or whether to do a formal search. Should the Executive Committee decide to do a search, the following guidelines will apply. It is the goal of Jewish Family Service to select from a pool of candidates with diverse qualifications and consider at least three finalist candidates for its new CEO position. Jewish Family Service should implement an external recruitment and selection process while, at the same time, encouraging the candidacy of current employees. The interim CEO and any other interested internal candidates are encouraged to submit their qualifications for review and consideration by the CEO Search Committee according to the guidelines established for the search and recruitment process.

The Board President will appoint an ad hoc CEO Search Committee that may include the members of the Executive Transition Committee, additional Board Members, the chairs of the Human Resources and Finance committees as well as community members. According to AJFCA recommendations, a committee of seven individuals is most ideal. It is not appropriate for staff to serve on the CEO Search Committee.

AJFCA offers outside consultant support to CEO search committees by either AJFCA's own staff or another CEO of a XXX agency. XXX would be responsible for consultant travel and out of pocket expenses as well as compensating the individual for time and expertise.

The following are suggested steps to be taken by the CEO Search Committee in hiring a new XXX Chief Executive Office. Included in the Toolkit is the *AJFCA's Executive Search Manual* that may provide further details and guidance through the steps of the hiring process (See Toolkit Section #1).

- 1) Develop a search budget, which may include executive search firm fees, advertising, hosting candidates, travel, consultation, long distance phone calls and fax time.
- 2) Review the Agency's business and strategic plans to identify priority issues and relevant criteria to consider in the selection of the next leader. The Committee should also solicit and take into consideration input from staff as to the requirements of a new CEO. Based upon feedback and assessment of needs, the Committee will review and update, if needed, the Chief Executive Officer job description (a copy of the job description may be found in the Toolkit Section #4).
- 3) Create an interview process, including number of interviews required, by what means (phone, in-person) and identifying individuals and groups to be included in the process. Also develop a list of interview questions for each step of the process and the evaluation criteria and method.
- 4) Prepare a recruiting strategy that reflects the then current needs of the Agency.
- 5) Designate a member of the Committee to receive applications. The Committee Chair or another member screens applications. Applicants who do not pass the initial screening should be notified immediately that they are not being considered for the position. Those applicants who meet the desired qualifications should be notified that materials have been received and they will be contacted shortly by the Committee.

Please see the *AJFCA Executive Search Manual* for guidance in reviewing resumes (Toolkit Section #1—page 6 of AJFCA manual).

- 6) Initial interviews may be conducted by telephone with the entire Committee present. (See *AJFCA Executive Search Manual* for guidance—Toolkit Section #1—page 7 of AJFCA manual.) Subsequent interviews should be done in person and include members of the Committee plus individuals representing other stakeholder groups.
- 7) The CEO Search Committee identifies three finalists to meet with the Board Executive Committee and begins reference checks on the finalists.
- 8) The Board Executive Committee meets with the three finalists and selects the preferred candidate.
- 9) The full Board of Directors and Senior Management have the opportunity to meet the preferred candidate and provide feedback to the Board Executive Committee.
- 10) Upon approval of the Board Executive Committee, the Chair of the CEO Search Committee extends an offer to the successful candidate.
- 11) The Chair of the CEO Search Committee consults with AJFCA regarding a competitive compensation package and then negotiates contract terms with the candidate.
- 12) The Executive Transition Committee works with outgoing CEO or Interim CEO, as applicable, and Incoming CEO to develop transition plan.

The CEO Succession Plan and Toolkit will include the following information that will be available in hard copy, electronically on the Agency's network and on a thumbdrive. This information will be reviewed and updated annually by the Director of Administrative Services or a designee of the Chief Operating Officer to ensure it is accurate and current.

Section 1:

Succession Policy:

- Policy
- CEO Search Policy and Procedures
- Reference materials for conducting CEO search—*AJFCA Executive Search Manual*

Section 2:

Communication Plan:

- Crisis communication plan for unplanned departure
- Communication plan for planned departure

Section 3:

Agency Information:

- Organizational chart
- Board directory including committees
- Key staff contact list
- Bank account information and authorizations (subject to appropriate security protections)
- Insurance policy information
- Key contracts/grants
- Real estate information
- Licenses
- Historical data: philosophical issues for Agency, key milestones

Section 4:

CEO-Specific Information:

- Job description
- CEO annual goals and objectives
- Passwords (location of/people who know) for computer, phone, etc. (subject to appropriate security protections)
- Donor/supporter relationship information

Section 5:

Agency Partner Information:

- Key contacts at other organizations for which XXX has a relationship
- Jewish organizations contact list for Greater Seattle Area
- General community organizations contact list