Succession Planning: Best Practices

1. Treat Succession as a Board-Level Responsibility

The board owns succession, not the CEO alone.

Assign clear accountability:

- Governance or Executive Committee oversees succession
- Full board approves the plan

Review succession annually, not only during crises.

Best practice: Include succession planning as a standing agenda item once per year.

2. Plan for Three Types of Succession

Effective plans address more than retirement.

A. Emergency Succession (Immediate / Short-Term)

Triggered by sudden illness, death, or departure

Identify:

- Interim leader(s)
- Decision authority
- Communication protocol

Should be documented and approved by the board

B. Planned Departure (12–36 Months)

Retirement or announced transition

Allows for:

- Internal development
- External benchmarking
- Thoughtful transition timeline

C. Strategic Succession

Aligns leadership needs with the organization’s future strategy, not just past success

Asks: What kind of leader do we need for the next chapter?

3. Separate the Role from the Person

Many nonprofits over-identify the mission with the founder or long-tenured leader.

Best practices:

- Regularly update a CEO/ED role profile

Document:

- Key relationships
- Decision-making authorities
- Institutional knowledge

Avoid “irreplaceable leader” risk

Red flag: “No one else could do this job.”

4. Build Internal Leadership Bench Strength

Succession planning is not just replacement—it's talent development.

Board Actions:

Ask annually:

- Who could step in temporarily?
- Who could grow into the role in 2–5 years?
- Support leadership development investments
- Encourage cross-functional exposure

CEO Actions:

- Delegate strategically
- Develop deputies
- Avoid gatekeeping information

5. Use a Future-Focused Competency Model

Do not simply replicate the current CEO profile.

Consider:

- Stage of organizational growth
- Financial complexity
- External visibility and fundraising demands
- Culture and DEI priorities
- Technology and data fluency

Best practice: Define 5–7 core competencies for the next CEO, not the last one.

6. Decide Early: Internal, External, or Hybrid Search

Each approach has trade-offs.

Approach	Benefits	Risks
Internal	Continuity, morale	Insularity
External	New perspective	Cultural misfit
Hybrid	Balanced	Requires clarity

Best practice: Signal internal candidates early—even if an external search is likely.

7. Plan the Transition, Not Just the Hire

Poor transitions cause more failures than poor selections.

Include:

- Knowledge transfer period
- Founder or outgoing CEO role clarity
- Stakeholder communication plan
- Funders and major donors engagement strategy
- 90–180 day onboarding plan

8. Communicate with Transparency (But Not Chaos)

- Avoid secrecy that breeds anxiety
- Avoid over-sharing that creates speculation

Communicate:

- Process
- Timeline
- Decision authority

Best practice: One board spokesperson + one consistent narrative.

9. Use Interim Leadership Strategically

Interims are not placeholders—they are stabilizers and change agents.

Use an interim to:

- Reset culture
- Strengthen systems
- Prepare the organization for a new chapter

10. Evaluate and Learn After Every Transition

Post-transition board reflection:

- What worked?
- What was harder than expected?
- What should we document for next time?

Common Pitfalls to Avoid

- Waiting until the CEO announces departure
- Confusing succession planning with performance evaluation
- Letting funders or founders control the process
- Underinvesting in onboarding
- Treating succession as a one-time event

Board-Ready Succession Planning Deliverables

Strong nonprofit boards maintain:

- Emergency succession plan (1–2 pages)
- CEO/ED role profile (updated annually)
- Internal talent snapshot
- Transition communication plan
- Onboarding and success metrics for the new CEO