

Succession Plan - CEO -Chamber

Introduction

Originally adopted by the Chamber of Commerce Board of Directors in December 2000, the Strategic Plan outlined the preparation of a leadership succession plan. The original purpose of inclusion of a leadership succession plan was to provide a seamless and orderly transition to new leadership that upholds the Chamber's organizational principles and philosophies and continues the Chamber's leadership position within the community.

Today's aim of succession planning is to identify the organization's future staffing needs, assess the existing talent pool, and prepare for the integration of these two components, if appropriate. This includes addressing the need for cross training in key roles where continuity is particularly critical. The plan should call for the identification and mentor of candidates outside current staff. Additionally, the plan addresses a process to select a candidate if a succession plan cannot be completed.

The first draft of the succession plan will focus on the position of president of the Chamber. However, it is hoped that in the future, this plan will also contain information that can be utilized and applied to other staff leadership positions within the organization, such as the executive vice president, senior vice president, and other vice presidents and directors.

The selection of the chief staff executive (president) is the single most important decision the Board of Directors will make. The right chief executive staff is vital to the continued success of the Chamber's business plan. Successful chambers are dependent on a unity of purpose and a compatible relationship between the volunteer and professional leadership.

The leadership succession plan will provide a two-track process by which the best-qualified candidate will be selected as president of the Chamber. The purpose of a two-track approach is to ensure success of a leadership change regardless of circumstance. The first track will provide a process in which normal leadership succession planning can occur. The second track provides a plan if an immediate and unplanned change in leadership occurs, prior to full implementation of the leadership succession plan.

Track One: Planned Leadership Succession

Five Keys to Successful Planning – Succession planning should be approached as a process rather than an event and is much broader in scope. There are several key elements to success.

1. **Identify key leadership criteria:** It's essential that the Chamber know what skills and competencies it needs in a successful candidate. As a result, the Chamber will rely on information obtained through a "Qualities of Leadership" exercise that was conducted during the Executive Committee Retreat on November 21 and 22, 2002.
Executive Committee members were asked to select the top twenty behavioral traits that they would consider essential in a candidate for this leadership position. The behavioral traits and their specific definitions are listed as Addendum A of the plan.

Each member provided his or her priority list and the information was compiled and categorized. The following information was a culmination of the exercise and unanimously agreed upon by members of the Executive Committee as the top 20 qualities of leadership.

Communication Skills:

- **Communicate** - Speaks clearly, articulately and concisely. Is readily understood by others.
- **Decisive** - Makes decision quickly and often without "complex" data.
- **Enthusiastic** - Communicates positive attitudes in an emotionally expressive and vibrant manner. Approaches problems systematically.
- **Listens Well** - Pays close attention when others are speaking actively; tries to understand what's being said.
- **Persuasive** - Sells ideas effectively. Overcomes objections.
- **Responsive** - Reacts promptly to suggestions and requests.

Management Styles:

- **Credible** - Readily gains the trust and confidence of others.
- **Foresight** - Anticipates the future consequences of actions.
- **Perseverant** - Behaves objectively in spite of obstacles and discouraging events.
- **Politically Astute** - Is shrewd in discerning sources of power and ways of dealing with them.
- **Results Oriented** - Is intent upon achieving practical results. Concentrates attention on making things happen.
- **Selects Competent People** - Recognizes and appreciates strength and competence. Actively seeks out competent people.

Personality:

- **Confident** - Approach to new, unfamiliar and difficult situations reveals self-assurance and realistic confidence.
- **Honest** - Behaves sincerely and candidly. Avoids deception.
- **Mature** - Does not allow feelings to distort reasoning. Controls the expression of strong feelings. Does not rationalize failures.

- **Open Minded** - Willingly considers new ideas and approaches not tied to tradition or convention.
- **Responsible** - Reliable and trustworthy, willing to be held accountable.
- **Risk Taker** - Acts without assurance of success. Able and willing to risk failure.
- **Versatile** - Applies a wide range of aptitudes, skills, and abilities.
- **Works Hard** - Expends extra effort, above and beyond the call of duty. Makes personal sacrifices for the sake of the job.

Additionally, the importance of the priorities is demonstrated through the fact that of the twenty qualities of leadership selected, all of the members of the Executive Committee selected the following five qualities:

- Communicate
- Confident
- Honest
- Responsible
- Politically Astute

2. **Identify future leaders and motivate them:** The Chamber must have a system in place for finding star employees and ensuring that they are ready for key positions. This can involve any of several approaches, including 360-degree feedback, standard reviews, and informal discussions. Understanding employees' talents, aptitudes, and interests – and then providing appropriate responsibilities, creates a much higher likelihood of success.

Additionally, the president will begin to seek out qualified individuals that can be considered as future leaders of the organization. Individuals already working within the Chamber of Commerce industry and community-at-large should be considered.

As an initial step, candid conversations should occur with the prospective candidate(s) and the president. Learning such items about the candidate(s)' previous professional experience, education and training, aptitudes and abilities, long-term objectives, and qualities of leadership comparisons are initial indicators. The president should also consider requesting candidate(s) to complete a predictor index exercise to technically compare the candidate(s) responses to the qualities of leadership as selected by the Chamber. Interviews of the candidates should be taken seriously at this point in the plan in order to move to the next level – mentorship.

Once the candidate(s) have been identified as a potential successor for the position, a mentorship should begin. The president should provide as much exposure of the Chamber to the individual in order to make an objective assessment. It is appropriate at this juncture in the plan that it becomes publicly known that the individual is under consideration for leadership.

As the candidate(s) are selected to continue through the succession process, the president and key volunteers should always provide consideration of additional individuals. Times change and so do people. New leaders within the community or industry may emerge over time.

Finally, the leadership succession plan should never provide a guarantee to any individual candidate of automatic succession to president.

3. **Align succession planning with Chamber culture:** Despite an emphasis on past performance, it is essential to retain a focus on core values for the future. Effective succession planning requires an organization to stress these values and the ability to maintain the culture of an organization.

Culture is important, particularly during organizational change. It can influence the success or failure of change initiatives in powerful ways. Ignore it, and any attempt for even small change within the organization risks failure. Pay attention to it, leverage it, and the chances for significant organizational change are greatly increased.

The Chamber of Commerce culture has evolved over time. Elements of the Chamber's successful culture include growth, excellence, and fun. Each of these three factors influences the behavior of the organization. It governs the "norms" of the organization. Additionally core values or principles of the organization shape the action of the organization and provide integrity. The organization's core values as included in the Strategic Plan include:

- First and foremost, we are a customer-driven organization.
- We believe solutions within the community are better developed through opportunities created by market-driven sectors, rather than government mandates.
- We believe in creating partnerships with organizations and individuals to leverage resources.
- We believe the private sector deserves a bold voice through its chamber of commerce, promoting the needs and views of the business community.
- We respect the role of non-profit agencies and government in helping create an environment of growth and prosperity.
- We believe that risk-taking and entrepreneurship should be encouraged and rewarded.
- We believe that diversity and inclusion are necessary to help members gain access to emerging markets and to achieve prosperity throughout the community.
- We believe that a clean environment and a healthy business economy are compatible.
- We believe that providing a fun atmosphere in our programs and activities is a key ingredient to the success of the organization.

- We believe it is our responsibility to look toward the future and to provide visionary leadership.
- We believe that the Chamber's most valuable asset is its people – the staff and volunteers. Attracting and retaining the best talent is key.
- We believe that growth is a key indicator to the success of the organization.
- We believe that the business community should take a broad, rather than narrow or parochial, view in addressing issues, since business competes in a national and global economy.
- We believe individuals in the business community should be actively involved in the political process.

As you can compare, the core values of the organization easily compliment the necessary qualities of leadership selected for future candidates.

4. **Create a sense of responsibility within the Chamber:** Successful organizations rely on management to serve as a catalyst for effective succession planning. A review from various levels within the organization should be made on the potential candidate(s) progress with detailed recording.

Input from the volunteer leadership, staff, and membership of the Chamber is important in this step. Creating buy-in from these critical groups of people will allow for a successful and smooth succession.

Reporting the progress of the leadership succession plan should be made by the President to the Personnel Committee.

5. **Measure results and reinforce desired behavior:** The only way to know whether a succession plan is effective is to put systems in place to track results. Systems must be developed, such as reward-based compensation, training, and appropriate responsibilities, to motivate employees and other outside candidates, and push them along desired development paths.

An initial timeline should be developed as an addendum to this plan in order to ensure execution of the plan. It is suggested that candidates should be identified throughout 2003 in order for additional succession steps to be taken, including, but not limited to, mentoring.

Conclusion

Succession planning requires identifying high and low performing individuals, as well as honest and often bold conversations regarding leadership capabilities. The benefits and outcomes of a leadership succession plan should include:

- Achieve a high return on development investment by growing internally.
- Ensure your leaders have the skills and knowledge necessary to lead your organization in to the future.

- Reduce leadership turnover.
- Retain and fast track high-potential individuals.
- Increase the depth of the talent pool.
- Move leaders into more senior positions with minimum business disruption.
- Ensure readiness of succession candidates for leadership positions.

As an ultimate conclusion of the leadership succession plan, it is the hope that if executed properly, the announcement of resignation of the president would also include the announcement of the individual as the successor.

Track Two: An Immediate and Unplanned Change in Leadership

Interim President Named - The Executive Vice President shall act as the interim president in order carry out the daily duties and responsibilities of the organization. This shall occur until a new president of the Chamber is named and begins employment. The Executive Vice President would not be considered a final candidate for the position.

Determine and Appoint a Selection Committee – The board must appoint a seven-member Selection Committee to review applications as well as screen and interview applicants. The current Chair of the Board shall act as the Selection Committee Chair or shall appoint an individual to serve in that capacity. The Chair shall also provide Selection Committee member recommendations to the Board for their ratification.

Members of the Selection Committee should be qualified active volunteer leaders of the organization. Individuals selected for approval should possess the necessary skills and previous experience of hiring a president/chief executive officer of an organization or business. The six individuals selected for the committee by the Selection Committee Chair should be representative of one of the following groups: active Past Chairs of the Board, members of the Board of Directors; and active volunteer leaders with Chamber membership investment credentials. The Executive Vice President shall provide administrative support for the Committee.

The Selection Committee should review the Leadership Succession Plan – Track One, to determine if a candidate has been recommended through the succession plan. If so, that candidate should be considered and offered the position. If the succession plan has not been fully implemented with no clear candidate emerging, the following steps should be taken.

Committee Seeks Candidates – Notice of job opening should be produced and submitted to like-organizations. Additionally, local/regional advertising may be considered.

Committee Selects Candidates – All suggestions and nominations of candidates should go to the Selection Committee. Candidates who are well qualified for positions as

chamber executives do not usually job hunt. Many will seek a position at another chamber only when invited to do so or as referred by a reliable source.

Chamber Contacts Candidates and Obtains Information – When all resumes are received, the Selection Committee Chair should contact the applicants and request any additional data, if needed.

Selection Committee Considers Resumes – The Selection Committee should carefully review the resumes and performance records of all candidates. Evaluate the applications based on the job requirements and core values established by the Board as well as the Qualities of Leadership identified in the plan.

Selection Committee Interviews Candidates – The Selection Committee should interview the top candidates. It should use the same interview guide and format so all candidates are considered equally.

Selection Committee Checks References – The Selection Committee should carefully check references of the top candidates. In addition, the Selection Committee may contact other staff and volunteer leaders within the industry in order to garner greater input on the qualities of a candidate. Such organization may include but not be limited to the Minnesota Chamber of Commerce, U.S. Chamber of Commerce, and American Chamber of Commerce Executives.

Selection Committee Identifies Final Candidates – The Selection Committee should choose the final candidates.

Evaluate Candidates – Evaluating the competency and qualifications of applicants through brief interviews is often a difficult task. The Selection Committee should evaluate the finalists and provide one final recommendation to the Board of Directors.

Board Selects the New President – The Board of Directors will ratify the final candidate. A unanimous selection by the Board is good member and public relations. It increases the prospect of a harmonious relationship between the Board and the President. It also strengthens the Chamber and community members' confidence in the Board and Chamber staff.

Selection Committee Notifies Candidates – As soon as the Board ratifies the new president, it should notify each candidate interviewed for the position. Following, a plan to introduce the new president to the membership and community should commence.

Glossary of Behavioral Traits – Addendum A

Ambitious	Strongly desires advancement to position of increased authority and prestige.
Analytical	Thinks logically, isolates the fundamental parts of a complex problem.
Communicate	Speaks clearly, articulately and concisely. Is readily understood by others.
Competitive	Strongly desires to be first and to win.
Conceptual	Thinks in abstract and theoretical terms.
Confident	Approach to new, unfamiliar and difficult situations reveals self-assurance and realistic confidence.
Convictions	Stands up for beliefs and principles.
Creative	Thinks originally and imaginatively. Conceives new ideas and approaches.
Credible	Readily gains the trust and confidence of others.
Critical Thinker	Probes beneath the surface. Does not accept things at face value.
Curious	Wants to know why. Shows a thirst for and a keen interest in acquiring knowledge.
Decisive	Makes decision quickly and often without “complex” data.
Deliberate	Thoughtful and hesitant in making decisions. Carefully considers alternatives.
Detail Oriented	Pays careful attention to details.
Diligent	Appeals steady, earnest effort to task performance.
Drive	Pursues objectives with a high degree of energy and persistence.

Energetic	Works vigorously and actively. Does not tire or fatigue easily.
Engaging	Stimulating; elicits reactions from others.
Enthusiastic	Communicates positive attitudes in an emotionally expressive and vibrant manner. Approaches problems systematically.
Follow Through	Carries activities through to conclusion and endures that projects are completed.
Foresight	Anticipates the future consequences of actions.
Friendly	Shows a personal interest in others.
Honest	Behaves sincerely and candidly. Avoids deception.
Initiative	Moves into new areas without being prodded; starts a series of events independently.
Judgement	Discerns and chooses the best course of action. Effectively blends intelligence, knowledge and people understanding.
Learns Quickly	Readily grasps new ideas and concepts.
Listens Well	Pays close attention when others are speaking actively; tries to understand what's being said.
Mature	Does not allow feelings to distort reasoning. Controls the expression of strong feelings. Does not rationalize failures.
Objective	Reaches conclusions on the basis of facts as opposed to personal feelings and prejudices.
Open Minded	Willingly considers new ideas and approaches not tied to tradition or convention.
Organized	Lays out task in logical and orderly sequence. Establishes and follows through on priorities.
Outgoing	Sociable, extroverted, enjoys and seeks out contact with people.
Patient	Maintains composure in the face of delays and barriers.
Perseverant	Behaves objectively in spite of obstacles and discouraging events.

Perspective	Views things in their relative importance, appreciates the broad picture.
Persuasive	Sells ideas effectively. Overcomes objections.
Poised	Maintains composure in embarrassing or upsetting situations.
Politically Astute	Is shrewd in discerning sources of power and ways of dealing with them.
Practical	Emphasizes action over abstraction. Thinks realistically; rejects the impractical.
Resourceful	Improvises, devises ways to solve difficult problems.
Responsible	Reliable and trustworthy, willing to be held accountable.
Responsive	Reacts promptly to suggestions and requests.
Results Oriented	Is intent upon achieving practical results. Concentrates attention on making things happen.
Risk Taker	Acts without assurance of success. Able and willing to risk failure.
Selects Competent People	Recognizes and appreciates strength and competence. Actively seeks out competent people.
Self-Disciplined	Carries out difficult, unpleasant and unrewarding tasks without procrastination.
Sensitive	Shows appreciation for and understanding of others.
Sets a Fast Pace	Works quickly; places a premium on speed of action. Shows a strong sense of urgency.
Sophisticated	Presents an impressive and dignified appearance and demeanor.
Straightforward	Freely states what's on his/her mind. Expresses thoughts and feelings directly and candidly.
Tactful	Rarely offends people. Expresses views without creating defensiveness.
Tough Minded	Unsentimental; able to make decisions detrimental to a few, but helpful to most.

Versatile	Applies a wide range of aptitudes, skills, and abilities.
Works Hard	Expend extra effort, above and beyond the call of duty. Makes personal sacrifices for the sake of the job.

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