

## Doing good CEO succession planning as a Board

A key responsibility of the Board is to make sure you have the right CEO. You may be quite happy with the current incumbent, but events in his or her life or in the world may require you to change CEOs in a long-anticipated or in an emergency way.

A study documented in the [MIT Sloan Management Review](#) showed a few years ago how poorly prepared a wide range of Boards were to manage the CEO transition. The article has several key lessons that made me think about the work I do and how it might help you.

1. **The Board needs to understand the skills and talents the organization needs in its long-term CEO.** It is important to develop a profile against which candidates can quickly be compared.
2. **The Board needs to have an explicit long-term CEO succession plan and an explicit emergency plan.** Be ready, in the short-term, to promote someone from within, and know ahead of time who that will likely be. Ideally, they closely match the skills and attributes described in the CEO profile.

For the long term, use the profile to evaluate potential internal candidates for the top job. This is a place where you could certainly benefit from using management assessments on current leaders. It would help your company make better decisions for the long-term and give your CEO an additional insight into his/her key people that would be helpful now. It makes sense to have management assessed with a method that informs him/her of what the managers can do and how best to work with them for all to be successful.

While some boards almost always do rigorous and informative management assessments, others are very skittish about asking CEO candidates - internal or external - to be assessed. Fortunately, there are ways to ask without straining relationships with the candidates.

If you hire a CEO without an assessment, then I suggest you do an assessment shortly after he or she begins. You can say, "We are happy you are joining the company, but this is a transition and we want to take every constructive step in the transition to ensure that the board and its CEO work as well as possible. The assessment is something that we have found helpful. Here's what it involves and here's what you get out of it. It's helping people find ways to improve where they're not yet perfect." Because the CEO is now an employee of the company, he or she is likely to be hard-pressed to say "no."

Of course, a negative response can happen, and then consider informing the CEO that your Board representation will be particularly intense. You can explain that you need to manage downside risk, and in the absence of knowledge about how best to manage the relationship - due to the absence of data that the assessment would provide - you need to take a more draconian approach.

Your goal is to do the assessment before problems arise, and ideally, to use the results of the assessment to prevent preventable problems. If problems do arise, relationships will be strained and tensions will be high, making it hard to get cooperation on an assessment.

3. **Build a strong pipeline of internal candidates for the CEO position.** If assessing the top leaders makes you feel like there are no or few internal candidates to replace the CEO, consider how much that concerns you. There are ample tools available to help Boards and CEO's develop their leaders.

The key elements of the process of succession planning are the same as the elements of CEO search, only you have the time to do it slowly. That means you also have plenty of time to do it right.

For your current CEO, try to set up an assessment instead of being afraid of scaring him or her. You can both gain by establishing a much better way of working together. What you learn can also reduce the chance of a bad situation developing, and make you much more able to fix one if it develops.

Please [contact me](#) if you'd like to talk about how your Board can know more about and support the development of its key leaders, and how I might add to that process.