

FORVIS

WEBINAR

Succession Planning for Success

January 25, 2024

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Meet the Presenters



Dan Prater
Senior Managing Consultant



Dan is a senior managing consultant in **FORVIS'** Nonprofit/Education/Public Sector practice. He has a deep background in nonprofit and higher ed. Dan provides guidance in the areas of board governance, program assessment, policies and procedures, and leadership acquisition.



Corinna Creedon, CPA
Managing Director



Corinna is a managing director in **FORVIS'** New York City office, and she co-leads its Nonprofit Advisory Services & Emerging Accounting Outsourced Services practices. Corinna brings more than 25 years of experience as a finance executive, where she has provided interim- & outsourced-CFO services to a wide range of organizations.



Brad Ledford
Managing Director



Brad Ledford is the Managing Director of **FORVIS** Executive Search. Brad has been with the firm for 25 years. As a trusted business partner, he helps clients ranging from small/family owned to large Fortune 500 companies to source top talent in Executive, Finance, Accounting, Audit, and Tax.

Learning Objectives

- Identify types of succession plans, their desired outcomes, & potential vulnerabilities
- Recognize who should be involved in the planning process
- Create a plan for their organization with tangible action steps for building a talent management/recruiting plan with contingencies

Agenda

- Succession Planning
 - Why It Matters
- Goals of Succession Planning
 - Streamline Processes
 - Understanding Job Description & Contemplate Staffing Redesign
- Talent Management
 - Assessing Talent
 - Retaining Talent
 - Recruiting Talent
- Takeaways
- Key Resources

Succession Planning: Why It Matters



Succession Planning:

Why It Matters

55.8%

Does not
have a
Succession
Plan

62.6%

Does not
have a
Mentoring
Program

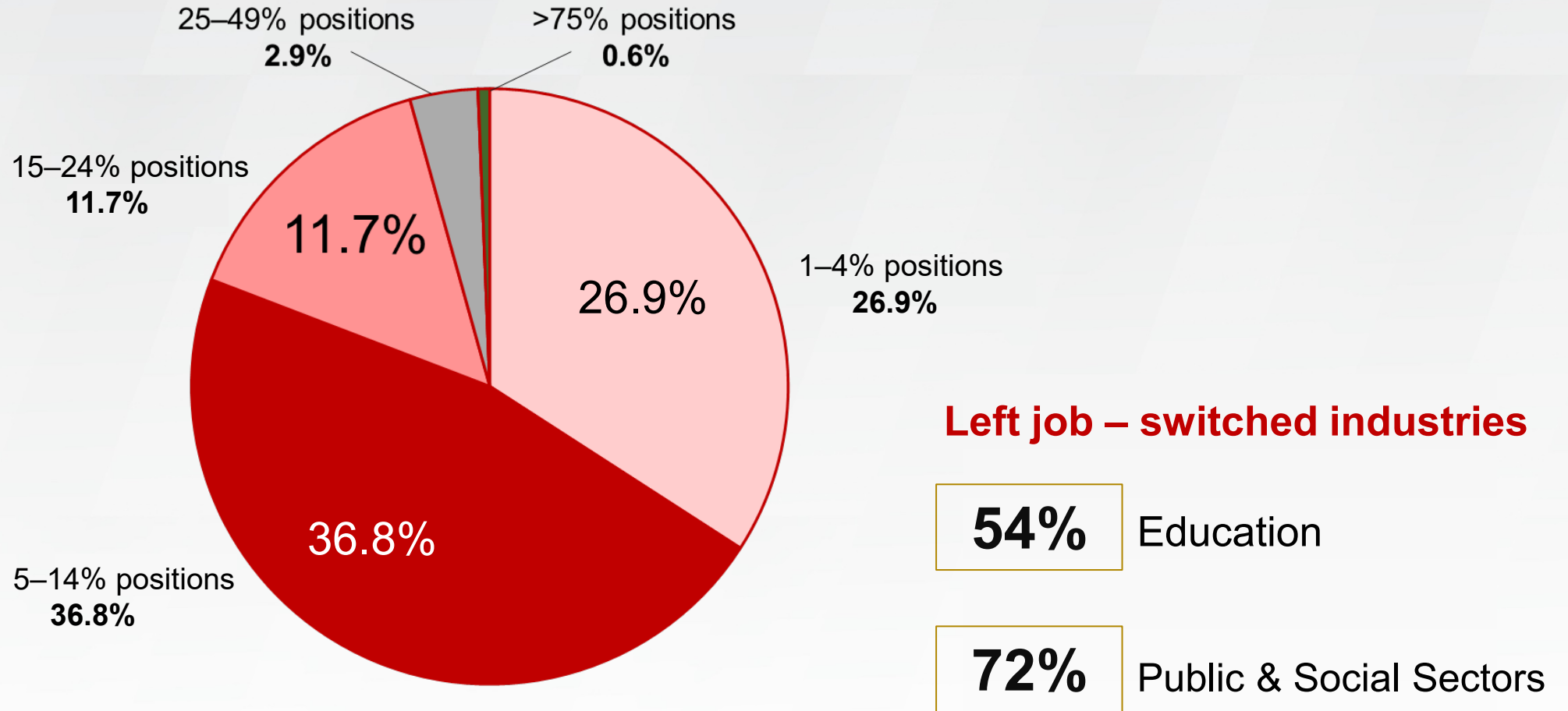
Succession Planning: Why It Matters

Peak 65 – 12,000 turn 65 every day

The Great Retirement – 75 Million Baby
Boomers by 2030

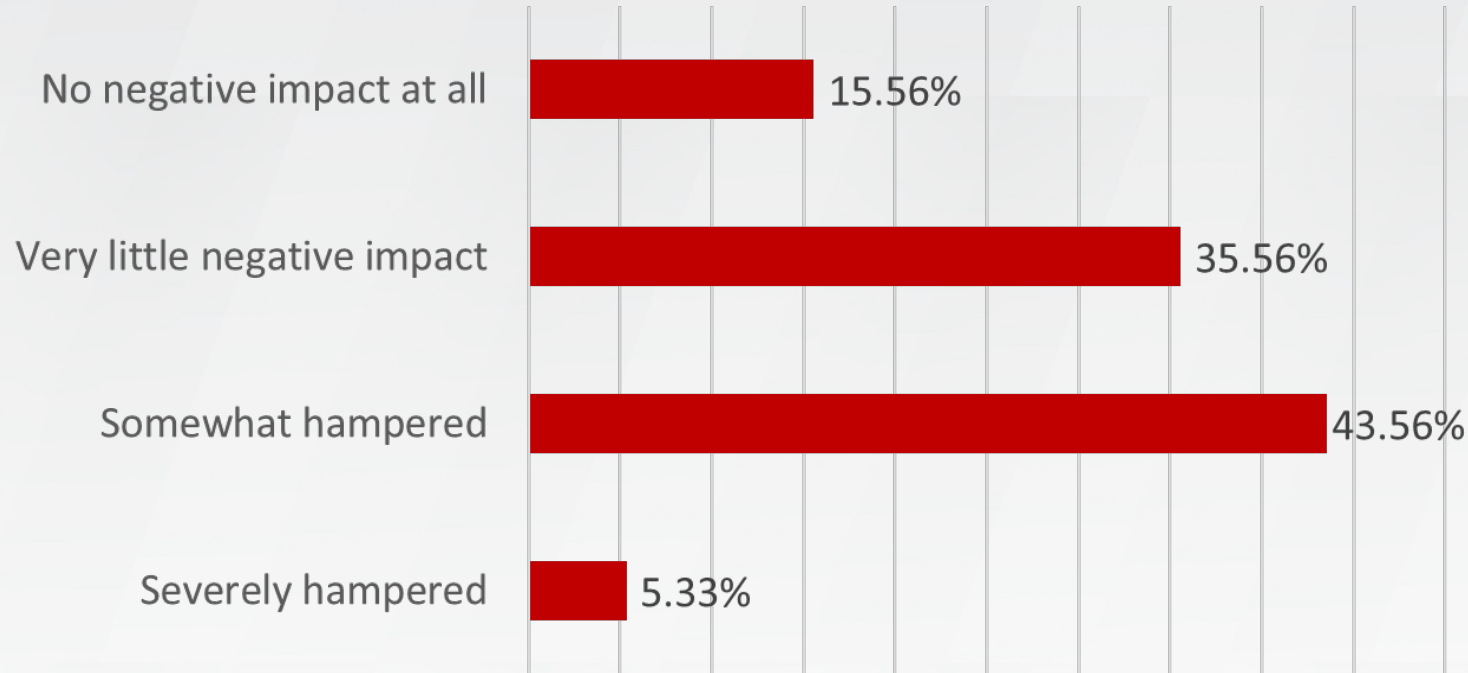


Succession Planning:



Succession Planning:

Shortage impact on delivery of programs/services

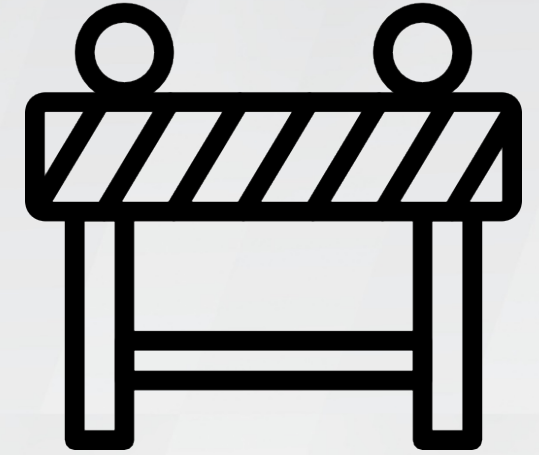


48.9%

Staffing shortages have hampered their ability to deliver programs & services.

Waitlists have swelled, delaying critical services.

Succession Planning: Barriers



- Too busy with short-term (keeping doors open)
- Lack of Board support
- Current leader resistance (fear of elimination)
- Weak or non-existent strategy or vision
- Former plan not used, considered waste of time

Succession Planning Types:

Emergency/Contingency Succession Plan



(aka “Lottery” or “Mack Truck” plan)
For sudden, unplanned departure for
extended time or longer than 3 months.

Departure-Defined Succession Plan



A process in place for future planned
retirement or permanent departure.

Strategic Leader Development Plan



A process that promotes ongoing leadership
development for talent within organization.

Departure Defined Plan

Search Committee
Evaluation tools
Compensation package
Position Posted/Recruitment
Screen/interview/select
Negotiate/offer
Board ratification
Communication
Onboarding

Stakeholder Feedback

Surveys, Interviews, etc.



Succession Planning:

Setting Clear Goals



Succession Planning:

The Board of Directors' Role

1. Setting direction
2. Matching mission success & vision to leader
3. Lead in succession planning process (the Board's only employee)
4. Formation of search committee
5. Provide resources needed
6. Participate in process from beginning to onboarding
7. Communicate with appropriate stakeholders

Goals of Succession Planning



Limit organizational
fraud & risk



Reduce access of
unauthorized
personnel



Maintain effective &
timely accounting
functionality



Empower Staff with
minimal disruption to
operations

Actionable suggestions to facilitate an orderly transition will focus on:

- How to **streamline processes**, &
- The importance of **job descriptions & staffing assignments**

Challenges Encountered During Planned or Unexpected Job Transition

- Interdepartmental relationships can be strained
- Lack of transparency of task reassignment
- Concern about ongoing accuracy & timeliness of financial reporting
- Use of technology can be inhibited by lack of training or knowledge of system limitations & capacities
- Lack of knowledge about job dependencies within finance & between other department personnel

Streamlining Personnel Tasks



1. Establish
Strong &
Efficient
Procedures



2. Leverage
Technology to
Streamline &
Automate
Processes



3. Increased
Transparency &
Collaboration



1. Establish Strong
& Efficient
Procedures

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THE SOLUTION

- Routinely review & update procedures
- Documentation of offboarding guidelines
- Inventory compliance-related responsibilities
- Consider assistance in developing well-written procedures incorporating best practices



2.Leverage
Technology to
Streamline &
Automate
Processes

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THE SOLUTION

- Create interfaces between key systems to align processes
- Take advantage of functionality already embedded within these platforms
- Avoid duplication
- Perform an assessment of the current platforms to determine process gaps & optimize underutilized features



3. Increased Transparency & Collaboration

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THE SOLUTION

- Foster an environment that allows for collaboration
- Cross-training or job sharing for vital roles & tasks
- Re-evaluate where precedent & dependent data is best compiled or reconciled

Challenges Encountered During Planned or Unexpected Job Transition

- Urgency to fill vacated positions may result in less competent or experienced hires
- Pressure to backfill role may not allow organization the time to critically evaluate the true need for the role on a go-forward basis
- Internal controls may be compromised
- Risk of data loss & institutional knowledge gaps
- Additional tasks may have an outsized impact on remaining individuals' workload/assignment of tasks for staff productivity

Understanding Your Job Description & Contemplate Staffing Redesign



1. Critical Roles
& Core
Competencies



2. Internal
Controls &
Segregation of
Duties



3. Potential
Over/Under
Utilization of Staff



1. Critical Roles & Core Competencies

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THE SOLUTION

- Identify critical roles & the required competencies
- Evaluate the team's "bench strengths"
- Leverage & utilize technology to help complement the human capital needed
- Consider outsourced specialized resources or consultants to supplement skills that are on demand or immediately needed



2. Internal Controls & Segregation of Duties

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THE SOLUTION

- Evaluate segregation of duties based on staffing & entity structure
- Consider the higher level of risk due to the loss of a key individual
- Reduce access of unauthorized personnel to financial systems



3. Potential Over/Under Utilization of Staff

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THE SOLUTION

- Allocate job tasks & roles to determine opportunities
- Understand the impact of “job creep” while being right sized
- Explore supplementing with additional external resources to supplement existing workforce

TA DA!



- Streamline processes without sacrificing integrity of controls
- Reimagine staffing design without sacrificing integrity of performance

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Strategic Leadership Development



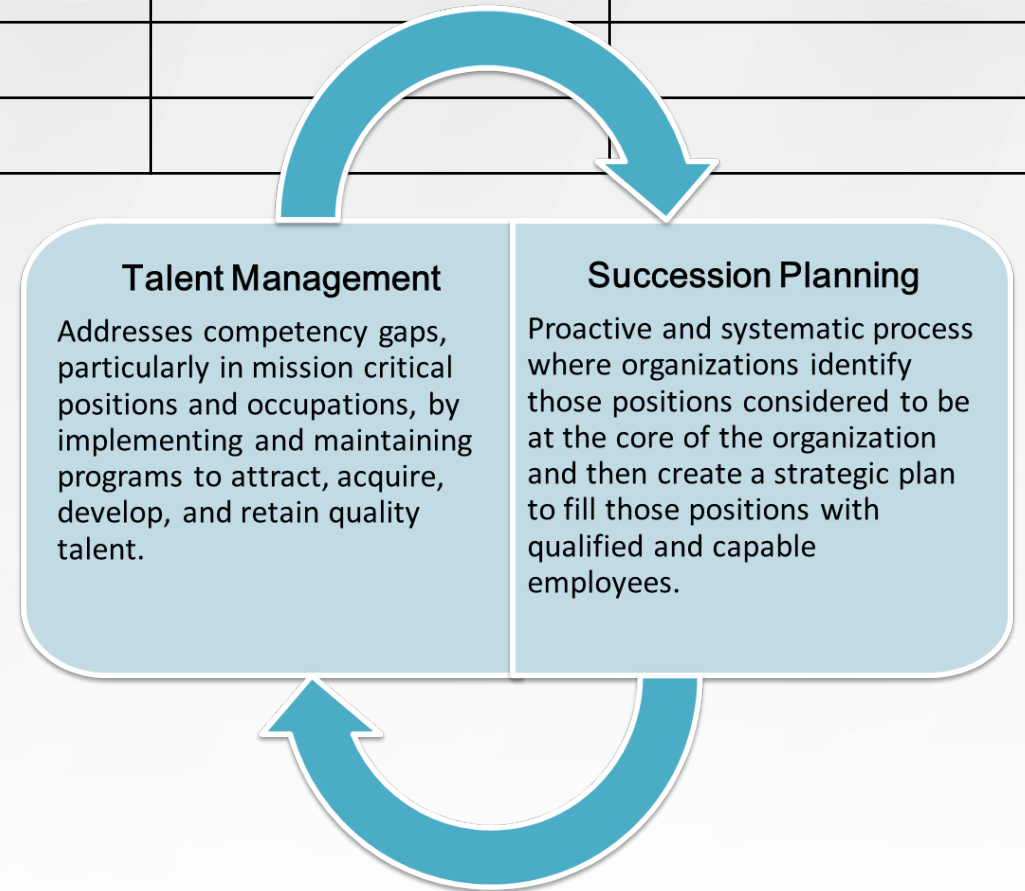
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Assessing Talent

- Risk & composition of current team
 - What competencies, skills, & knowledge do team members possess?
- Identify key roles needed to fill for supporting business continuity through teaching & training
- Identify & recruit talent
- Implement a contingency plan – interim plug & play (utilize nine-block table as a resource)

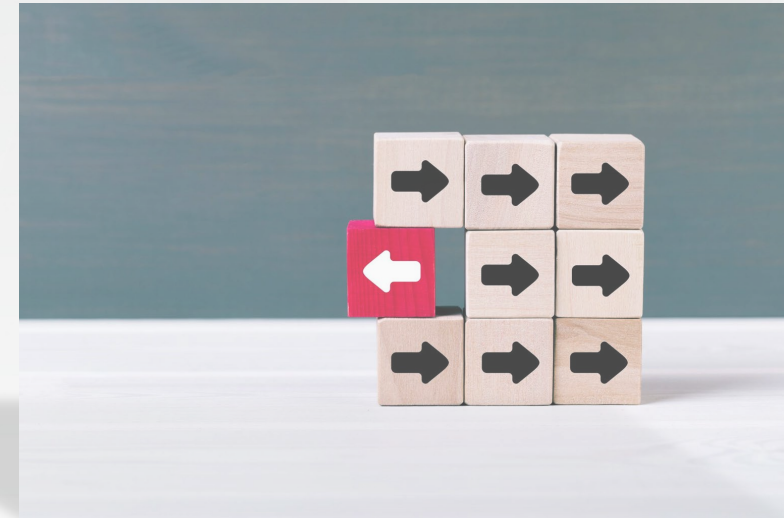
	Underperformance	Effective Performance	Outstanding Performance
High Potential	<p>Box 5:</p> <p>Seasoned professional capable of expanded role but may be experiencing problems that require coaching & mentoring.</p>	<p>Box 2:</p> <p>Does extremely well at current job with potential to do more. Give stretch assignments to help prepare for next level.</p>	<p>Box 1:</p> <p>Consistently performs well in a variety of assignments. A superstar employee, big-picture thinker, problem solver, self-motivated.</p>
Medium Potential	<p>Box 8:</p> <p>With coaching, could progress within level. Focus on stretch goals for this employee.</p>	<p>Box 6:</p> <p>May be considered for job enlargement at the same level, but may need coaching in several areas, including people management.</p>	<p>Box 3:</p> <p>Current role may still provide opportunity for growth/development; focused on tactical. Focus should be on helping improve strategic thinking.</p>
Low Potential	<p>Box 9:</p> <p>May be a candidate for reassignment, reclassification to a lower level, or to exit the organization.</p>	<p>Box 7:</p> <p>Effective performer but may have reached career potential. Try to coach employee on becoming more innovative, focused on lateral thinking.</p>	<p>Box 4:</p> <p>Experienced high performer but has reached limit of career potential. Still a valuable employee & can be encouraged to develop communication & delegation skills.</p>

Key position title	Incumbent name	Anticipated vacancy date	Succession candidate name	Anticipated date candidate will be ready for succession	Risk rating of departure
Example: <i>Director of Human Resources</i>	<i>Andrea Rodriguez</i>	<i>January 2025</i>	<i>Juanita Goldsmith</i>	<i>January 2024</i>	<i>High</i>



Departure – Defined Succession Plan

- Are all team members in place & is there a risk of departure?
- Are you prepared for a departure?
- Determine your recruitment plan. Is there a need to ...
 - Train current team members to fill gaps
 - Recruit externally
 - Hire a team like FORVIS Executive Search
- Capture the knowledge that individuals possess before departing the organization





Emergency/Interim Succession Plan

- Assess concerns, risks, & issues
- Chart & graph when team members are leaving
- Bridge the gap
- Consider ideas for retention

Closing Thoughts ...

- **What:** Desired outcomes & potential vulnerabilities
- **Who:** Individuals involved in the planning process
- **How:** Create a plan for talent management, retention, & recruiting

Key Resources:

Succession Planning FORsights™

- [Your Role in Succession Planning on a Nonprofit Board | FORVIS](#)
- [How Organizations Can Bridge the Talent Gap in Succession Planning | FORVIS](#)
- [How Organizations Can Prepare for Transition as Part of Succession Planning | FORVIS](#)

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