

10 Things Departing CEOs Should Do to Help Manage Their Exits

By Don Tebbe, Host of the Exits From the Top videocast

Every job and every career eventually ends in a transition. It's just a matter of *when, how, and how well managed*.

When CEOs move on—especially if they are founders, long-tenured executives, or transformational leaders—their organizations will need to devote appropriate time and resources to managing the transition. The longer an executive has been in place, or the more significant his or her impact, the harder he or she will be to replace—and the more challenges a successor will likely face. An exit strategy can help pave the way for a smooth transition.

Preparing to disengage from an organization or institution in which you've invested years, perhaps decades, into building is, to say the least, challenging. The same is true for staff, board, and volunteers preparing to say goodbye to a central figure in the organization's life. For everyone involved, these can be some of life's most poignant moments.

While nothing will assuage the emotions involved, an exit strategy can guide the transition process and help ensure that both you and the organization thrive in life's next chapter.

Here are 10 things a nonprofit CEO can do to help shape an exit strategy.

1. Commit to taking charge of your exit. While the board has the responsibility for choosing a successor, you, as the CEO, have the responsibility for initiating the succession planning process. Part of leading well includes leaving well.

2. Start as early as practical. Effective CEO succession takes time, especially if it involves a founder or long-tenured executive. A common problem is starting the planning too late and then rushing through the process. Beginning the planning two to three years ahead of your departure is best; one year is minimal. For example, you can engage in some sustainability planning or capacity-building work without disclosing your departure plans. You can also develop a board-adopted succession policy, which outlines how the board would manage CEO succession in different

scenarios, and a backup plan for the CEO position. Both serve to help build agreement and the board's transition competency, without you having to disclose your departure plans, or even before your departure plans are formulated. Plus, the policy and backup plan are good management pieces every organization should already have in place.

3. Set a firm date for your departure and stick to it. Vagueness or waffling about a specific departure date is a morale killer for those around a departing CEO. Planning in earnest can't begin without a firm date or at least a range, e.g., spring 2017.

4. Recognize that a leader-in-transition has three roles. In addition to leading the organization, as a departing leader you acquire two new roles: preparing the organization for the transition and preparing yourself for life's next chapter. Also, recognize that a CEO's job evolves as the transition unfolds. Encourage the leadership around you to step up; the board and senior staff should take leadership and ownership of the transition. Your successor will be better off for it.

5. Manage the communications. Who needs to be told, when, how, and in what sequence? Communications are tied to the succession/transition planning stages. Typically it begins with private speculation on the part of the departing CEO, followed by some limited disclosure to the board chair and/or board. Senior staff are usually next, followed by the staff, including a broader public announcement.

6. Engage the board chair, and then the board, as early as possible. How early to disclose usually boils down to a matter of trust and confidence. You should sketch out at least a modest exit plan before you tell the board chair and board. Not only will it boost their confidence to proceed, it will signal a willingness on your part to partner on a successful transition.

7. Prepare the organization. Encourage the board to engage in some organizational assessment and planning. Have them calibrate the CEO's job to the future, not to how you currently do the job or a dusty job description. Work with your board to make your successor's job doable and commit to leaving the organization as strong and sustainable as possible for your successor. And if your board doesn't have a CEO succession policy yet, consider putting one in place.

8. Prepare yourself. If you're moving to another organization, give yourself the gift of completing your current role before jumping to the new one. Consider whether you want or can take a breather in between. Get a copy of *The First 90 Days* by Michael Watkins and develop an entry plan. If you are retiring, decades of research on retirement success points to four key areas: (1) sufficient post-retirement income, (2) health and well-being, (3) meaningful engagement with a social support network, and (4) engagement in something that matters to you and tells you that you matter

to your world. So, figure out your retirement numbers, focus on maintaining health and well-being, build your network, and create a fulfilling post-career project.

9. Manage the emotions and drama. Transitions stir the emotions; some of it is inevitable. Consider empathy and assurance for your constituents; solid planning, communications, and listening go a long way. Engage a coach, advisor, or your support network to process your emotions.

10. Leave gracefully (and decisively). Plan a thorough handoff, but let your successor lead it. In most cases “handoff and ride off” is best, but if you have an ongoing role, know that it has to work for your successor. Make sure that the role is clearly defined, that your successor has control over the employment arrangement. Also, you should include a check-in process to make sure that the arrangement continues to work. If you don’t have a role in transitioning the new CEO, be prepared to move on. Neither expect nor reject acknowledgment from those you’ve worked with. If offered, accept it gracefully. If not offered, don’t demand it. Strive for closure—for yourself and those around you.

For more on exit planning, visit ExitsFromTheTop.com. There you’ll find tools, ideas, and resources for exit planning, including a weekly video podcast.

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