

## Preparing for a Successful CEO Transition

When organizations undergo a CEO transition, oftentimes they are unsure how to begin the process of identifying a successor. They frequently are also unaware of the amount of dedicated time that is required to locate, recruit, and engage today's top candidates. An expected or unexpected leadership transition necessitates a systematic, deeply involved approach in order to recruit a highly qualified senior executive. The first step in this process is the appointment of the search committee.

### ***Step One: Determining the Size of the Search Committee***

It is important to have a manageable number of people. Too many in the group can make it cumbersome and delay your progress, but too few members can result in an incomplete cross-representation of stakeholders' views. The precise number will revolve largely around the size and scope of services in your organization, but we find that five to nine members is the optimal range for most organizations.

### ***Step Two: Choosing Members for the Search Committee***

The importance of the search committee's role in candidate selection cannot be overstated. An extremely effective search committee is an invaluable asset in attracting top talent, while a poorly planned and constructed search committee can dissuade even the most motivated from accepting an offer. Remember, you are seeking today's top leaders in an extremely competitive market. In order to succeed, you need to put your best team on the search. Not only does

this group have the responsibility of selecting and conducting the initial interview of the candidates, but they represent the organization. An impressive and professional search committee sends the message that your organization is also of the highest caliber.

Committee members should have expertise in a related field, thorough knowledge of the organization and the ability to evaluate



candidates objectively. They also need to demonstrate sharp business acumen as an example of a high-

performing board. A strong core group of board leaders typically includes the immediate past board chair, current chair, and chair-elect. To this core group you should add additional board members with strong professional affiliations and a history of successful accomplishments. You may want to consider including other stakeholders, such as foundation members or past board members who have remained actively involved with the organization. While some may consider having senior-level executives on the committee who have detailed knowledge of the inner workings of the organization, many find that utilizing individuals who will have a direct reporting accountability to the new CEO can result in a lack of complete objectivity during the evaluation process.

### ***Step Three: Selecting a Search Committee Chair***



The search committee chair is crucial to your search's success and appointment requires in-depth consideration by the board. This individual will organize the process and communicate with the full board, the organization and community at large. Additionally, candidates will judge your organization to some extent based on their interaction with the search committee chair. In order to drive an efficient process, it is important for the search committee to appoint this individual at its first meeting so that from Day 1, the chair can keep the committee moving forward and help guide decisions.

#### **Necessary skills:**

- Political savvy and interpersonal skills to lead the group
- Ability to remain objective with the internal politics of the organization
- Available time to invest in the role
- Ability to gain group consensus and make certain everyone on the committee is heard without letting dissenters and detractors veer the group off course

The chair must be able to lead open discussions, promote honest communications, and gain member commitment and consensus to achieve the goal of bringing the ideal candidate to your organization. The chair also needs to develop personal relationships with the candidates. This will become crucial in the final stages of the closing process. Above all, the chair needs to be extremely accessible and proactive in the pursuit of candidates throughout the entire search process.

#### **Chair Responsibilities:**

- Facilitate the creation and management of an appropriate timeline
- Oversee the process of search firm selection
- Serve as the “voice” for the search committee
- Maintain regular contact and manage process with the search firm
- Manage communication flow between the search committee and the board
- Help the search firm gather data about the organization prior to search launch
- Make contact with internal candidates
- Create an internal and external message regarding the search and manage the release of such information at the appropriate time
- Drive the creation, development and presentation of the appropriate offer

### ***Step Four: Establishing the Roles and Responsibilities for the Timeline***

Determining the timeline and establishing roles and responsibilities for search committee members is central to a successful search process. This timeline should be detailed, specific, and realistic. Elements of the timeline should include: establishing the need, creating a path and timeline for the recruitment process, selecting a search firm, building the board's consensus on the strategy developed, creating a detailed Position Specification, ensuring that all legal requirements/due diligence measures are met, managing the candidate selection and search process, and gaining acceptance of the role by the ideal candidate.

### ***Step Five: Communicating with the Departing CEO Regarding His/Her Role in the Process***

Before the search committee begins considering CEO candidates, it is important to communicate respectfully and openly with the outgoing CEO about his or her role in the process. This prevents misunderstandings or hard feelings between all involved parties. One good way to engage an outgoing CEO in the process is to request his or her input in an advisory capacity. The information the current CEO can provide regarding the organization's future needs can add *invaluable* insight for all involved throughout the process.

### ***Step Six: Organize Candidate Interviews***

Develop interview questions that are linked to the Position Specification. These questions can serve as a guide to ensure consistency in the topics covered and will allow for effective candidate comparison. A highly qualified



executive search professional has a great deal of experience in assisting the search committee with interview questions that will reveal the candidates' genuine capacities to meet your needs. It is important not to become overly structured and "tied" to these questions during the interview process, but rather to achieve an effective dialogue with the candidates.

### ***Step Seven: Closing the Deal***

Identify a point person or a two-person team to negotiate details of the formal offer with the finalist candidate. Ideally, at least one team member will be the search committee chair. The formal offer should be based on parameters established and approved by the board in advance, using information and data provided to the board by the search firm. If the "back and forth" of negotiations has to be discussed with the entire committee, negotiations can get bogged down and the candidate may very well lose interest and choose to pursue a competing offer that moves forward more efficiently.

### ***Final Thoughts***

The secret to long-lasting results rests in the hard work, judgment, follow-up, and attention to detail on the part of everyone involved. A CEO search requires a committed and involved search committee in order to maximize the process: the best qualified hire. By following these basic guidelines and completing this "to-do" list, your search committee will have an excellent foundation for an efficient process recruiting outstanding candidates for your next CEO.