

CEOs Finishing Well: Planning Sets the Stage

Every CEO, if given the choice, would prefer to leave their position on their own terms and at a time of their own choosing. In addition, CEO's would say that they want to serve only as long as it is in the best interests of the organization.

Determining when to leave a CEO position can be an issue for CEOs at any stage of their careers. This paper is especially relevant for CEOs who plan to end their executive level career when they leave their current position. This paper may also be of interest to governing boards.

Proactive Planning

As a CEO, what steps can you take to increase the likelihood that you will be able to more objectively consider what is best for the organization as well as yourself?

1. Take steps now to develop a financial plan and standard of living that will give you more options. This makes it less likely that your financial needs will need to be a primary factor in determining how long you stay in your position.
2. Envision your life after you leave your CEO position. What else would you like to do? Explore your interests, develop hobbies and try volunteer assignments. Ask persons who have transitioned to the next phase of their lives how they spend their time and find meaning. Are you building relationships with friends and family members that will be there for you in the future? Determine the steps you can take now to test and/or prepare for this future.
3. Think now about your legacy. How do you want to be remembered? Make sure that you are paying attention to the really important things now. Read [A Leader's Legacy](#) by Kouzes and Posner.

If you plan proactively, you are more likely to be able to think objectively about when to leave your CEO position. In addition, you may want to consider the following steps in order to begin to plan for your eventual transition. Even if that transition is 5-10 years away, the following conversations may be timely:

1. Talk in confidence with trusted friends or colleagues. Consider participation in an Executive Circle, executive coaching, spiritual direction, and/or a retreat for executives that discusses these questions. Conversations with trusted peers can focus your thinking.
2. Discuss job changes and potential timing with your family. These decisions are likely to have a significant impact on your family and may affect where you live as well as your lifestyle.
3. Discuss with your board chair a plan to develop leadership capacity among your senior leaders. Invite conversation about executive leadership succession planning. The short

monograph, *The Board's Role in CEO Succession Planning*, suggests ways that the board can increase the likelihood that internal candidates will be among those who are available to be considered when a CEO search process takes place. You will serve the board and yourself well by engaging in private conversation about how to prepare for the organization's future leadership needs.

4. Consider talking with your board chair about your potential timeline for transitioning to the next phase of your life. Ask for feedback about whether your potential timeline seems appropriate or whether there are concerns or changing needs of the organization that might affect your timeline. Conversations every year or two about this timeline can keep the lines of communication open and will set the stage for healthy conversations and decisions in the future.

Factors Limiting Objectivity

In the absence of adequate preparation and objective feedback, the CEO's perspective of what is in the best interest of the organization can easily be influenced by other factors. Some of the underlying factors that can limit one's ability to be objective about how long to stay include:

- The standard of living that I am used to is quite comfortable.
 - I don't have enough money to retire. Staying longer will give me a better retirement.
 - Anything else that I would do will not pay as well.
- I like being CEO.
 - Being CEO works pretty well for me.
 - It is a little hard to imagine not being a CEO.
- I don't know what else I would do.
 - I don't have enough other interests to keep me busy.
 - My skill set would not be valuable to others.
- I don't want to leave.
 - Maybe there is some way to phase out over a period of a year or two.
 - Perhaps I should stay on as a consultant.
- I'd like to hit a certain milestone:
 - I'd like to retire when I am 66 or 70.
 - When I have completed 25, 30 or 40 years of service would be a good time.
- Can someone else really do as good a job?
 - I'm not sure if the organization can thrive (survive) without me.
 - I'm afraid the mission will suffer.
 - I would like to identify my successor but have not had time to develop someone.

Additional Considerations

There certainly are legitimate reasons for extending your CEO role. Some CEOs have continued in their positions longer than they would have preferred because they have the organization's best interests in mind.

Even the most self-aware CEO may not be able to accurately determine the best time to leave the organization without feedback from the board. A conversation with the Board Chair may provide helpful information about the board's sense of the timing that may be good for the organization.

Occasionally a board's encouragement to stay may not be in the best interest of the organization. A board can encourage a CEO to continue, at least in part, because it does not want to deal with the hassles of a leadership transition.

If a CEO senses that it is time to make a change, it is better not to succumb to encouragement by the board to stay. Each CEO needs to keep in mind that they can be replaced. In fact, leadership change can be good for an organization.

Many CEOs find it very satisfying to complete major capital campaigns, building projects or other major initiatives. While this may be positive for the organization, there is also merit in leaving while major initiatives are underway. With good planning, the initiatives can continue to be implemented while the new CEO leads the development of new plans. Positive momentum is sustained.

Conclusion

As a CEO, there are many challenges and opportunities that demand your time and attention. In fact, it can be difficult to find the time and energy to think about the next phase of your life, let alone plan proactively for it. Finishing well is much more likely if we commit adequate time to proactively planning for this eventual transition.

Planning for the next phase of your life does not mean that you are less committed to the organization that you serve. In fact, you have the responsibility and opportunity to serve the organization well by finishing well.

Whether that next phase of your life leads to another CEO position or on to other involvements, with careful thought, planning and feedback you can increase the likelihood that:

- You will be able to choose when you leave your CEO position and
- that your timing will be good for the organization and for yourself.

Blessings to you in your CEO role and as you plan for your future.

By: LaVern Yutzy, MHS Alliance Consulting Associate