



# BOARD WORKS

AUGUST 2012

## A GREAT BEGINNING: TRANSITION TO THE NEW CEO

By: LaVern Yutzy, MHS Alliance Consulting Associate

While the circumstances surrounding executive transitions vary, boards play a key role in making the CEO transition as smooth as possible.

**Helping the current CEO make a seamless exit.** Prior to welcoming the new CEO, boards need to pay attention to supporting the exiting CEO in his or her transition out of the organization. This includes arranging for the exiting CEO to leave the organization by the time the new CEO arrives. If an overlap appears to be needed, more than one week is generally not helpful. Allowing the former CEO to continue in another role within the organization, even on a part-time basis, is generally not advisable. If the exiting CEO is to be available for consultation, any contact should be at the initiative of the new CEO.

If the CEO has had a successful tenure, the board should take the lead in planning a farewell event or series of events to express appreciation to the exiting CEO and to recognize the organization's accomplishments during his or her tenure. The CEO's wishes should be considered. Although some outgoing CEOs may resist events that make them the center of attention, this recognition can be an important step in bringing closure and preparing for the incoming executive. Such events can portray the organization in a positive light to its stakeholders. Under some circumstances, such as the CEO's dismissal for cause, the board may choose not to plan events.

**Welcoming the new CEO.** The board's involvement in developing a plan to welcome and orient the new CEO is also essential. Receptions to welcome the CEO and become better acquainted are one way to establish connections with staff members and other key stakeholder groups. A "passing the torch" event could be meaningful as well. Individual contact with selected stakeholders by the new CEO can help maintain and build support and trust. Board members and senior staff can be helpful in developing a contact list and in identifying who will arrange the meetings and facilitate the introductions.

**Board-CEO Relationships.** The relationship between the board chair and the CEO sets the tone for later board and CEO interactions. The board chair can initiate a meeting with the CEO to discuss their relationship and the expectations each has for the other. This may include discussing the frequency of meetings, methods of preferred communication, and other topics. The board chair might encourage the CEO to meet individually with each board member during his or her first year in the position.

Mutually understood board and CEO roles set the stage for great teamwork. This involves supporting the CEO in his or her decisions. Asking the new CEO to address organizational performance issues left over from the previous administration can be especially challenging. The CEO needs to know that the board will support his or her decisions to make changes.



## CEO Assessments

Regular assessments of the CEO's performance provide much needed information for the new CEO. A review of the CEO's performance after six months provides the opportunity for early feedback and for more productive conversations than might be possible later after patterns become entrenched. Another more in-depth review at 12 months provides a more extended assessment and additional information about how the CEO's performance is being perceived. MHS Alliance has on-line assessment tools designed specifically for these six-month and annual appraisals.

[6 month CEO Assessment Sample](#)

[Annual CEO Assessment Sample](#)

Reviewing the board's perspective of the organization's journey can be very helpful to the new CEO. Part of a board meeting could be dedicated to developing a timeline that includes the high and low points and significant events and challenges during the organization's last 20 years or so. Of particular importance are the board's reflections about how the board responded to these challenges. Noting the current challenges and opportunities and any desired changes in the way the organization should respond will be enlightening for both the board and the new CEO.

If the board has specific expectations for the CEO during the first year, the board should be explicit about these expectations. In addition, the board may need to adapt its way of functioning as it adjusts to the mix competencies of the new CEO.

**Executive Coaching.** Whether new CEOs have prior CEO experience or not, they are new to the CEO position in a given organization. Increasingly, boards perceive value in making executive coaching available to the CEO during the first year. The coaching relationship provides a safe place for the CEO to explore how to adapt his or her leadership gifts and style to the unique mission and culture of the organization. It also allows the CEO to explore and strengthen competencies that will increase effectiveness.

Participation in an Executive Circle during or after a first year of coaching can also be invaluable. An [Executive Circle](#) provides an opportunity for the CEO to expand and deepen contacts with peers. The board's willingness to offer these resources is almost always greatly appreciated by CEOs.

**Conclusion.** A carefully planned leadership transition reflects well on the board's leadership capacity. Staff appreciate being part of an organization that has a board that knows how to manage major transitions. Most importantly, the individuals the organization serves can maintain their confidence in the organization's leaders and its vital services.

---

## ◆ FOR DISCUSSION

1. Have we observed an organization that handled executive transition well?
2. What materials or structures would we want to have if we were facing executive transition?

---

## OUR VISION

To be a community of vibrant Anabaptist health and human service ministries committed to God's work of healing and hope in Jesus Christ.

## OUR MISSION

MHS Alliance strengthens and extends Anabaptist health and human service ministries in faithfully and effectively fulfilling their missions.

For further information or to suggest topics for future issues of Board Works, please contact MHS Alliance at [Emily@mhsonline.org](mailto:Emily@mhsonline.org).



1112 N. Main Street  
Goshen, IN 46528  
Phone: 574.534.9689  
Fax: 574.534.3254  
Web Site: <http://www.mhsonline.org>