



## Effective board succession planning

Board succession planning is critical to an organization's stability and continuity and, if well-designed, can help improve board culture, strengthen decision-making, and align board and leadership changes with long-term organizational objectives.

These five components support effective board succession planning:

1. **Skills assessments:** Review trustees' skills and experience regularly to reassess their alignment with the organization's future direction.
2. **A balanced blend of backgrounds:** Have varied perspectives and problem-solving approaches to foster stronger decision-making and help boards be adaptable and resilient.
3. **Board leadership and committee makeup:** Conduct a skills and gap analysis of staff committees based on experience and expertise. Policies that address tenure will help with committee and board rotation.
4. **An optimal board culture:** Your board culture should adapt to the board's and organization's needs. Regularly assess your board's culture through an annual board evaluation and your succession planning process.
5. **A proactive pipeline of candidates:** Identify qualified candidates ahead of time to help your board more easily respond to both planned and unplanned transitions.

According to a [Nasdaq 2024 Global Governance Pulse](#) survey, many companies do not recognize the importance of board succession planning. Private companies are half as likely to have a formalized board succession plan than public companies. Further, only 28% believe their succession planning process is effective. Ineffective succession planning can result in skill gaps, cultural misalignment and stagnation.

Assessing the effectiveness of your board succession plan is a vital step in the process. Some ways to do so include:

- **Evaluate your board regularly:** Conduct an annual board evaluation that reviews skills, backgrounds and experiences to gain insight into its effectiveness and current and future needs.
- **Reflect on recent transitions:** Develop a formal onboarding plan and evaluate its success.
- **Look to your peers:** Observe the succession planning process that your hospital/health system board peers have implemented, which can provide insight into changes to make to your plan.
- **Get stakeholder feedback:** Consider points stakeholders' points of view, such as the CEO and management team, who interact with the board and contribute to the board's value.

How well boards strategize, execute and evaluate their succession plan affects their leadership success for years to come.

Save the date for this year's Trustee Conference, **Sept. 11 – 13**, at The Saratoga Hilton. We'll have a session focused on evolving the board to meet future needs through proactive succession planning, board evaluations, onboarding and more. Refer to [HTNYS' Board Operations resource library](#) for related resources on board assessments and succession planning.

*Information for this article was obtained from:*

- [Succession Planning: A Board's Blueprint for Stability](#), Nasdaq

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