

# CEO Emergency Succession Plan



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## INTRODUCTION

This template simplifies the process of creating an emergency succession plan. The term 'CEO' will be used throughout as a shorthand for any senior leadership role.

This template may also be used for emergency succession planning for any role within your organization. Feel free to adjust to your needs and situation.

## HOW TO USE THIS DOCUMENT

This document is formatted with a suggested template (*on the right*) and a guidance (*on the left*). Please feel free to edit and adjust to best meet the needs and priorities of your organization.

## 3 EMERGENCY SUCCESSION SCENARIOS

Emergency succession planning should cover three scenarios:

1. *Temporary Short-term Absence*
2. *Temporary Long-term Absence*
3. *Permanent Absence*

The *Temporary & Short-term* planning scenario provides the foundation that the following two will be built on.

## SUGGESTED TEMPLATE

### Emergency Succession Plan For

*(Name of Organization)*

*(Sample language)*

To be used in the event of an unplanned absence of the CEO.

### POLICY INTENT

The policy intent statement is a paragraph or two that describes the intent of the framers of the policy.

This statement is helpful for guiding future revisions. Additionally, it will help you regain clarity or direction in unforeseen or ambiguous circumstances which can never be entirely avoided.

### PLAN REVIEW

In most cases a review process will be brief and will primarily focus on updating any key contact information or to reflect organizational changes. A checklist that guides the review process is at the bottom of the document.

### Policy Intent

The purpose of this policy is to provide clarity, stability and a path forward to (Define who: Board of Directors, owners, leadership team, etc.) for appointing an Acting CEO in case the current CEO is unable to perform his or her duties due to an unforeseen circumstance.

It is also intended to mitigate operational disruption due an emergency departure.

Last, it is intended to ensure the confidence and continuity of key staff, partners and stakeholders through appropriate communication.

### Plan Review

This Emergency CEO Succession Plan will be reviewed updated as needed and reapproved annually.

- Review will be conducted by (*The Board of Directors, Executive Committee, etc.*)
- Completed by: (*Date*)

## TEMPORARY & SHORT-TERM UNPLANNED SUCCESSION

This section determines what qualifies as Temporary & Short-Term.

## AUTHORIZATIONS

The section describes who is authorized to execute the succession plan. Should answer the following questions:

- Who is responsible for executing the plan? This will usually be the Board or senior authority in the organization. This authority can be shared or delegated.
- Who will inform the authority of the absence? This is to avoid situations where communication is assumed to have happened. Typically, this is one staff member or close contact that is most likely to receive notification of the CEO's absence.
- How will this plan and steps forward be affirmed? Typically the board or most senior authority will meet, as soon as possible, to review the plan, make adjustments as necessary and affirm it.

## SUGGESTED TEMPLATE

### Temporary & Short-Term Unplanned Succession

*(Sample language)*

- A short-term absence is less than three months.
- It is expected that the CEO will return to their position.
- The absence of the CEO was unexpected or unplanned for.

### Authorizations

*(Sample Language)*

The executive committee of the Board is responsible for executing the emergency succession plan.

The CEO is expected to notify the chair of the executive committee of any absence in as timely a way as possible. In the case of an emergency, where this may not have happened, the staff member named as Acting CEO will notify the chair of the executive committee as soon as they are aware of the absence.

The executive committee will meet as soon as possible to review the plan, make adjustments as needed, and affirm it.

### KEY ROLES & RESPONSIBILITIES OF THE CEO

This section is a short summary of the key functions and responsibilities of the role. It is not a job description, although one may be attached. It is not a job description. It is intended to serve as a “quick reference” to focus and guide decisions regarding the Acting CEO. This will include language that speaks to:

- Core areas of responsibility
- What can and cannot be postponed or suspended.
- What can and cannot be delegated away from the CEO role.

This section should answer the following questions:

- Will the acting CEO have full authority?
- If not, what exceptions are there?
  - What decisions require approval or input from the Board or senior authority?
  - What decisions are excluded from consideration?

### Key Roles & Responsibilities of the CEO

#### Core Areas of Responsibility:

*(Sample Language)*

The Acting CEO will be responsible for all standard duties of the CEO. This will include but is not limited to:

- Acting as the senior manager of the organization. Accountable to the (board, owners, etc) for results.
- Creating clarity regarding goals, deliverables and priorities.
- Ensuring operational alignment throughout the organization.
- Ensuring accountability in terms of performance.
- Serving as the public face of the organization.

In the instance of a temporary & short-term absence the Acting CEO will not initiate new programs that aren't otherwise approved by the board, owners, etc.

## SUGGESTED TEMPLATE

### NAMED ACTING SUCCESSORS

This section pre-identifies acting successors.

#### **Named Acting Successors**

*(Sample language)*

Name and current title of the first Acting CEO

Name: Current Title:

Name and current title of the first back-up Acting CEO

Name: Current Title:

Name and current title of the second back-up Acting CEO

Name: Current Title:

If the first Acting CEO isn't able or ready to take on the role, the (board, owners) may, at its discretion, name a back-up CEO to the position or may split the responsibilities between designated acting CEO's.

## SUGGESTED TEMPLATE

### COMPENSATION OF THE ACTING CEO

It is helpful to have already determined how compensation questions will be addressed. For example, the Acting CEO may be offered:

- A temporary salary increase to the entry level salary of the permanent CEO position.
- A bonus of \$\_\_\_\_\_ during the Acting CEO position.
- No additional compensation.

### COMMUNICATION PLAN

A sudden change in leadership will need to be communicated. To reduce disruption, it helps to have a communications plan that, at a minimum, describes who needs to be communicated to and when

### Compensation of the Acting CEO

*(Sample language)*

The Acting CEO will receive a temporary increase in salary up to entry-level pay for the CEO or a 5% increase above their current salary – whichever is greater.

### Communication Plan

*(Sample language)*

Directly after responsibilities have been transferred to the Acting CEO, the Board Chair (or highest senior authority) will communicate the acting leadership structure to:

- Members of the Board of Directors
- Staff
- Key contractors, business partners, financial institutions, customers, etc.

As soon as possible after the Acting CEO has assumed the role, the Acting CEO or Board/ Senior Authority will additionally communicate the change to (other key stakeholders which may include):

- Contract officers
- Banks
- Strategic partners
- Vendors
- Press release
- Etc.



### COMPLETION OF THE SHORT-TERM EMERGENCY PERIOD

It's important to define when this time period has concluded – either for handing authority back to the permanent CEO or recognizing that this may be a long term or permanent absence.

### Completion of the Short-Term Emergency Period

*(Sample language)*

The completion of the Short-Term Emergency Period will be determined by the executive committee. When possible, this will be decided with the CEO.

Once determined:

- This decision will be communicated to the Acting CEO, full board and key staff with a clear schedule and date for return.
- If there will be a staged return for the CEO (a gradual increase of time or responsibility or both) the executive committee may create a reduced schedule for a defined and limited period of time. This schedule will lead back to full-time commitment.
- If it appears that the temporary absence will continue beyond three months (or the defined time) and an acceptable schedule of return cannot be established, the executive committee may consider moving to a Temporary & Long-term Plan.

## SUGGESTED TEMPLATE

### TEMPORARY & LONG-TERM UNPLANNED SUCCESSION

- An absence is considered long-term if greater than three months.
- In most ways, the temporary & long-term plan will be the same as the temporary & short-term with this exception:
  - You may consider filling the role with an Interim CEO as opposed to asking the Acting CEO to carry two sets of responsibilities.
- An interim CEO is usually:
  - An external hire.
  - A temporary position – usually not more than 12 months.
  - Very experienced as a CEO.
  - Not up for consideration as a permanent hire.

### Temporary & Long-Term Unplanned Succession

*(Sample language)*

A long-term absence will be determined if the CEO will:

- Be absent for more than three months.
- Plans to return.
- 

The temporary short-term plan will be followed in the circumstance. However, the (board, owners, etc.) may consider hiring an interim CEO during the absence to relieve the Acting CEO from carrying two sets of responsibilities.

## SUGGESTED TEMPLATE

### PERMANENT & UNPLANNED SUCCESSION

Questions to Consider:

- Can this search/transition committee pursue outside consulting advice?
- Will there be a need for an interim CEO while preparing for permanent hire? (It often takes 6 to 18 months to recruit and install a new CEO.)
- What are your basic plans for the recruitment, selection and installation of the:
  - Interim CEO (if needed)
  - New permanent CEO

### APPROVALS

This section ensures both that the appropriate organizational authorities have approved of the plan as well as ensuring that it has been communicated to staff key to executing the plan.

### Permanent & Unplanned Succession

*(Sample language)*

A permanent absence is when it is apparent that the CEO will not return to their position.

Same procedures will be followed as a long-term temporary absence except the (Board, owners, etc.) will:

Appoint a search/transition committee to guide transition and find a new CEO.

### Approvals

Board Chair:                      Signature  
Name

Date

CEO:                                      Signature  
Name

Date

# ANNUAL SUCCESSION PLANNING CHECKLIST

Write or Update the Plan

---

Complete or update Quick Reference Guide: Key Records & Contacts

---

Gain Approval for the plan from (the Board? Executive Committee? Other?)

---

Signed Approvals:

- Board Chair
  - CEO
  - First Acting CEO
  - Hr Director
  - All Acting CEO Appointees
- 

Include Organizational Charts:

- Current organizational chart
  - Emergency succession organizational chart - should reflect any changes that will be made during an emergency succession.
  - Current board of directors with contact information
  - All standing committees named in the succession should be listed here - with individual members named with contact info.
- 

Current copies to:

- Board chair
- CEO
- First Acting CEO
- HR Director
- Attorney

COMPLETED BY (print): \_\_\_\_\_ (sign): \_\_\_\_\_

DATE COMPLETED: \_\_\_\_\_

# Quick Reference Guide: Key Records & Contacts

This document is intended to serve as a quick reference guide to important records and contacts in the event of an unplanned succession.

Why? One of the most critical and damaging challenges during an unplanned succession is the sudden loss of institutional knowledge around key records, contacts, systems, passwords and so on. Without a current form of this document, key staff in organizations will often spend many months attempting discover and reconstitute this information. It isn't always possible. But it always results an enormous loss of time and energy. It can mean the abandonment of old systems that can't be figured out or accessed and the need to start from scratch.

If your organization has a current and well managed records retention policy, much of this information may be found there. If your organization does not, compiling this document may become the basis of one.

This document is only as useful as it is current and accurate. It is recommended that you schedule an annual review.

The template below is intended for illustration purposes. Your organization may need more, less, or different information than what is suggested below. Adjust as needed.

- Corporate Documents ..... i
- Financial Documents..... ii
- Other Records..... iii
- Banking & Investments..... iv
- Key Contacts ..... vii

# CORPORATE DOCUMENTS

*BE SPECIFIC. INCLUDE ADDRESSES, URL'S, CONTACT NAMES, SECURITY REQUIREMENTS, ETC.*

Articles of Incorporation

---

Corporate Bylaws

---

Board Minutes

---

Shareholder Agreements

---

Strategic Plan

---

Employer Identification  
Number (EIN) #

---

Full list of associated  
entities and DBA's

---

Buy/Sell agreements

---

Operating Agreements

---

Share Certificates

---

Other

---

# FINANCIAL DOCUMENTS

Employer Identification  
Number (EIN) #

---

Tax Returns

---

Financial Statements  
(Current and previous)

---

Audited financial  
statements (Current and  
previous)

---

Debt Obligations

---

Lease and/or purchase  
agreement

---

Other

---

Other

---

Other

---

# OTHER RECORDS

Local/state Permits  
and Registrations

---

Patents

---

Trademarks

---

Blank Checks

---

Computer Passwords

---

Client/Customer Records

---

Vendor Records

---

Employee Records

---

Other

---



# BANKING & INVESTMENTS

Name

---

Account Numbers

---

Representative/contact  
name

---

Phone number(s)

---

Fax

---

E-mail

---

On-line banking  
(URL/Sign in)

---

---

---

# BANKING & INVESTMENTS

Financial Planner/  
Broker

---

Representative/  
contact name

---

Phone number

---

E-mail

---

URL

---

Who is authorized to  
make transfers?

---

Who is authorized to  
make wire transfers?

---

Are there alternatives?

---

Per institution - who are  
the authorized check  
signers?

---

Is there a safe? Who has  
the combination/keys?

---

Who is authorized to  
contract or bind the  
company?

---

# BANKING & INVESTMENTS

## RETIREMENT PLAN

---

Representative/  
contact name

---

Phone number

---

E-mail

---

URL

---

---

---

# KEY CONTACTS

## LEGAL COUNSEL

---

Attorney

---

Name

---

Phone Number

---

Email/URL

---

## HUMAN RESOURCES

---

Key Contact

---

Personnel Info (Names,  
home addresses, contact  
info, emergency  
contacts, etc.)

---

# KEY CONTACTS

## PAYROLL

---

Key Contact

---

Name

---

Phone Number

---

Email/URL

---

---

## FACILITIES

---

Office Lease(s)

---

Building Deed(s)

---

# KEY CONTACTS

## BUILDING MANAGEMENT

---

Company Name

---

Contact Name

---

Phone Number

---

E-Mail / URL

---

---

## OFFICE SECURITY SYSTEM

---

Company Name

---

Account Number

---

Contact Phone Number

---

Email / URL

---

# KEY CONTACTS

## **INSURANCE** - General Liability / Commercial Umbrella

---

Company / Underwriter

---

Policy number

---

Contact: Phone / E-mail

---

Broker: Phone/E-mail

---

## **INSURANCE** - Commercial Property (also flood / earthquake/etc.)

---

Company / Underwriter

---

Policy number

---

Contact: Phone / E-mail

---

Broker: Phone/E-mail

---

# KEY CONTACTS

## **INSURANCE** - Commercial Auto Insurance

---

Company / Underwriter

---

Policy number

---

Contact: Phone / E-mail

---

Broker: Phone/E-mail

---

---

## **INSURANCE** - Professional Liability

---

Company / Underwriter

---

Policy number

---

Contact: Phone / E-mail

---

Broker: Phone/E-mail

---



# KEY CONTACTS

## DIRECTORS & OFFICERS LIABILITY

---

Company / Underwriter

---

Policy number

---

Contact: Phone / E-mail

---

Broker: Phone/E-mail

---

---

## HEALTH INSURANCE

---

Company / Underwriter

---

Policy number

---

Contact: Phone / E-mail

---

Broker: Phone/E-mail

---

# KEY CONTACTS

## UNEMPLOYMENT INSURANCE

---

Company / Underwriter

---

Policy number

---

Contact: Phone / E-mail

---

Broker: Phone/E-mail

## WORKERS COMPENSATION

---

Company / Underwriter

---

Policy number

---

Contact: Phone / E-mail

---

Broker: Phone/E-mail

---

# KEY CONTACTS

## DISABILITY INSURANCE – Short term

---

Company / Underwriter

---

Policy number

---

Contact: Phone / E-mail

---

Broker: Phone/E-mail

## DISABILITY INSURANCE – Long term

---

Company / Underwriter

---

Policy number

---

Contact: Phone / E-mail

---

Broker: Phone/E-mail

---

# KEY CONTACTS

## LIFE INSURANCE

---

Company / Underwriter

---

Policy number

---

Contact: Phone / E-mail

---

Broker: Phone/E-mail

---

## DENTAL INSURANCE

---

Company / Underwriter

---

Policy number

---

Contact: Phone / E-mail

---

Broker: Phone/E-mail

---

# KEY CONTACTS

## VISION INSURANCE

---

Company / Underwriter

---

Policy number

---

Contact: Phone / E-mail

---

Broker: Phone/E-mail

---

## LONG TERM CARE

---

Company / Underwriter

---

Policy number

---

Contact: Phone / E-mail

---

Broker: Phone/E-mail

---

# KEY CONTACTS

## BONDING

---

Name of person  
completing the  
inventory

---

## SIGNATURES OF APPROVAL

---

Board Chair

---

CEO

---

Acting CEO

---

Dep HR/Other Key staff

---

# KEY CONTACTS

## DATE OF INVENTORY

---

Name of person  
completing the  
inventory

## SIGNATURES OF APPROVAL

---

Board Chair

---

CEO

---

Acting CEO

---

Dep HR/Other Key staff

---