

Preparing in Advance for an Executive Exit

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OMG! The CEO and CFO just won the lottery and walked out! While this is a very unlikely scenario, it alerts us to the critical need for every organization to have a succession plan, and to look at not only who might step into vacated positions, but how that transition will be handled. While this is particularly important at the highest level in the organization, it should be part of the organizational culture, top to bottom. Organizations will be well served to meet the very challenging (and exciting) years ahead, by giving some thought every day to

what needs to be done if top-level executives resign or retire.

Here are some basic elements to incorporate into day-to-day activities:

1. Cross train staff and administrators. This might be as simple as having managers of departments be at least familiar with their colleague's personnel, regulatory requirements, and critical systems.
2. Make everyone in the organization aware that the organization promotes from within. Encourage those that manage others to mentor everyone who works for them regarding how to move up in the organization. Even if they don't want to move up, a greater transparency and awareness of their boss's challenges will make any transition easier.
3. Get to know outside resources before you need them. If your plan is to recruit replacements from a neighboring hospital, keep in mind that might be their plan also. Know which

consulting firms or agencies you can trust that have interim or permanent placement capabilities.

Plan Ahead

Hospital executives need to take a serious look at who will take over their position in the event they should win the lottery or decide for other reasons to leave. These questions may be uncomfortable, but executives owe it to their organization to have a plan for this. Discuss it with peers, and of course the human resources department. There might be potential succession candidates in other departments. Others might know of excellent people in other organizations. Someone might know a recruiter they trust. It is a legitimate plan to use a recruiter, if there aren't internal resources. Just have a plan.

For those in the C-suite, this is especially critical. CFOs, COOs and CNOs, need to discuss with the CEO the plan in place should they leave the organization. Another option is to discuss it as a team.

CEOs need to discuss these topics

with the board of directors. Frankly, as part of the board's fiduciary duty to the organization, they should insist that there be a CEO succession plan, even if the plan is to call in an executive recruiter. Planning is key in most successful CEO placements along with involvement of staff, physicians, and local organizations. This includes asking community leaders to provide input on the needs and wishes of the hospital and the community. When the new CEO comes to town, he or she is likely to be welcomed, given a "honeymoon" period, and accepted into the community fiber. All of which helps the new executive, and the organization, to succeed.

What's The Transition Plan?

Sometimes the best resources might be the people one meets at industry association meetings. Is the controller able to fill in for the CFO in a pinch? Can one of the best nurse managers be a temporary CNO? If not, why not? These are

things to think about and plan for.

In addition to who will fill the empty shoes, the organization should also have a transition plan for what will happen during the time that a candidate is being sought for the position. The following questions need to be addressed:

- Who could/will step in immediately as an interim?
- What level of authority will the interim have?
- How will strategic projects or plans be handled during the transition time?

While someone is serving in an interim or transitional role, be careful about perceptions and communication. Let everyone know whether the interim person is a candidate for the permanent position. Don't make decisions, if possible, that will best be made by the person who will eventually fill the job. If

the interim comes from a department that includes staff who will now be reporting to her or him, make sure there is training or counseling available on how to handle what is sometimes an awkward situation. It cannot be stressed enough-be sure to have a plan. If you try to wing this at the last moment, it sends a bad message to employees, and possibly to patients and community.

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