Succession Planning for CEOs of Stand-alone Associations

Current Trends and Research

A presentation by

Association Laboratory Inc.

5 Key Questions

- Will there be a surge in association CEO retirements?
- What is the current state of CEO succession planning?
- What are “Best Practices” for association CEO succession?
- How is the “Normal Path of CEO Succession” currently articulated and perceived within the association community?
- What are opportunities for the AMC community?

Question 1: Will there be a surge in CEO retirements?

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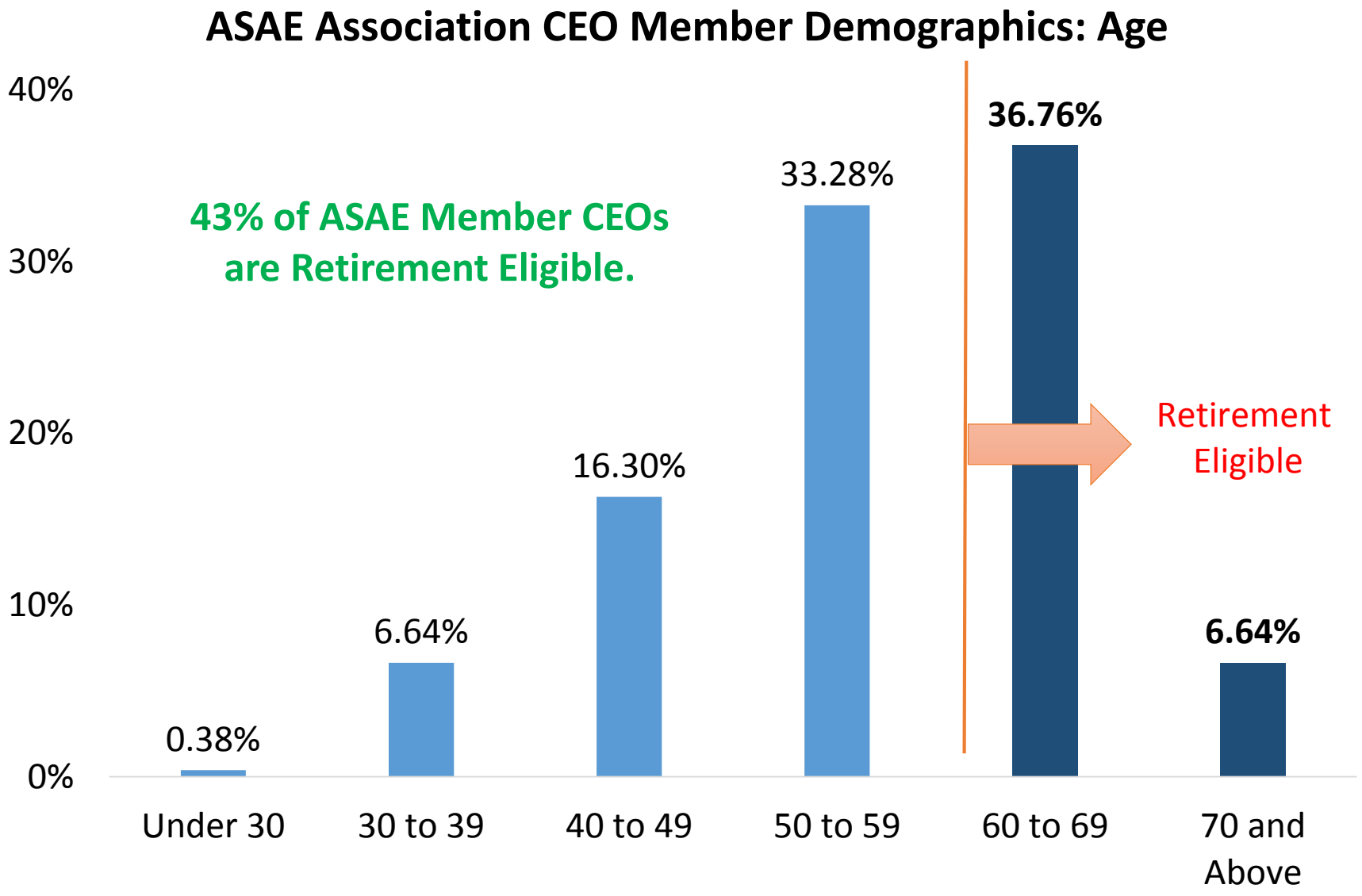
Yes

Association Laboratory assumed any individual 60 years or older was ***Retirement Eligible***.


ASAE Association CEO Member Demographics: Age
40%
30%
20%
10%
0%
43% of ASAE Member CEOs are Retirement Eligible.
0.38%
6.64%
16.30%
33.28%
36.76%
6.64%
Retirement Eligible
Under 30
30 to 39
40 to 49
50 to 59
60 to 69
70 and Above

Multiple sources suspect that that 30% - 40% of CEOs will leave their positions in the next two years.

Question 2: What is the current state of CEO succession planning?

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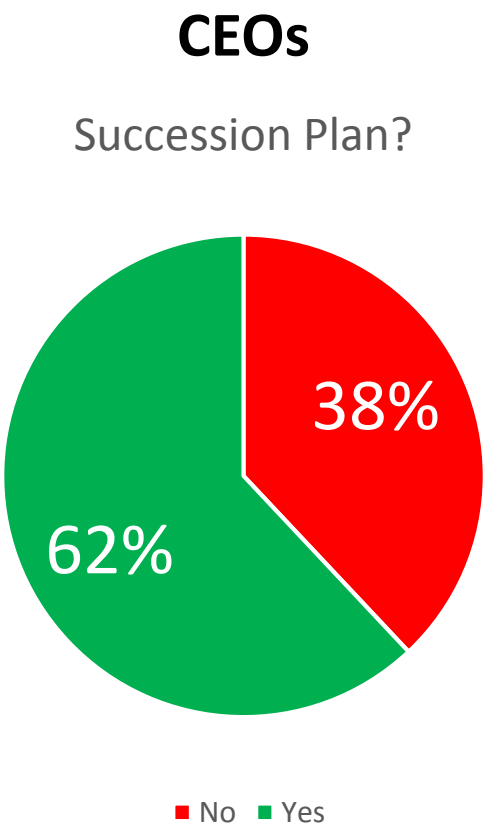
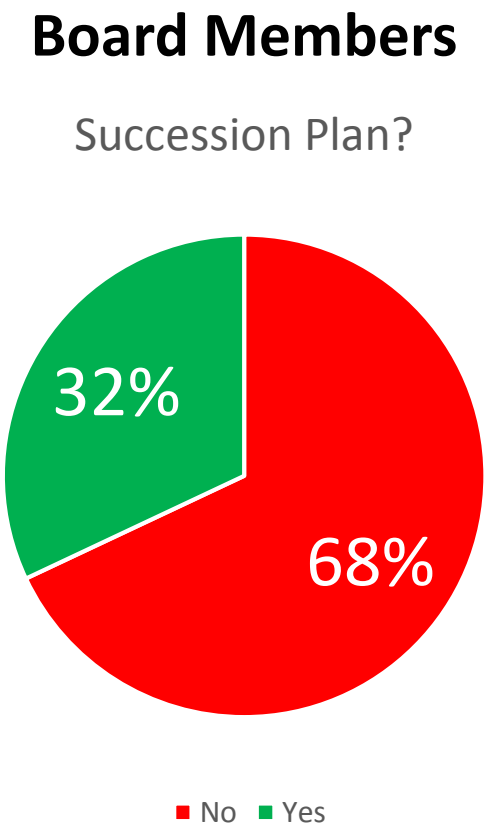
Few associations proactively initiate succession planning.

CEOs & Leaders Disagree on Planning





Question 3: What are recommendations as “Best Practices” for association CEO succession?

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Recommended best practices are opinion driven and frame the decision as a human resource task.

Overwhelmingly, “**best practices**” are not research based but articulated as subject or opinion leader guidance.

Existing guidance on succession planning takes three primary forms.

- Emergency CEO Succession Plans
- Planned Departures
- Ongoing Leadership Development

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- Emergency CEO Succession Plans – limited time for strategic review
- Planned Departures – time for thoughtful, planned response
- Ongoing Leadership Development -time for thoughtful, planned response

Question 4: How is the “Normal Path of CEO Succession” currently articulated and perceived within the association community?

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The 'Normal Path" treats CEO succession as a human resource activity.

Why is succession viewed as an HR activity?

Apples-to-Apples paradigm & status quo – Attention is focused on “finding another leader”.

Urgency – Given the lack of planning, replacement becomes an urgent task.

Existing infrastructure – There are established institutions encouraging executive search.

Risk aversion - Changing the model is harder than changing the leader.

Current Opinion Leader Bias Drives Perceptions

Lawyers see succession as a **legal** issue.

Recruiters see succession as a **recruitment** issue.

Few current participants in the succession planning process view the transition from one leader to the next as an opportunity for review of the association's business model.

Final Question: What are opportunities for the AMC community?

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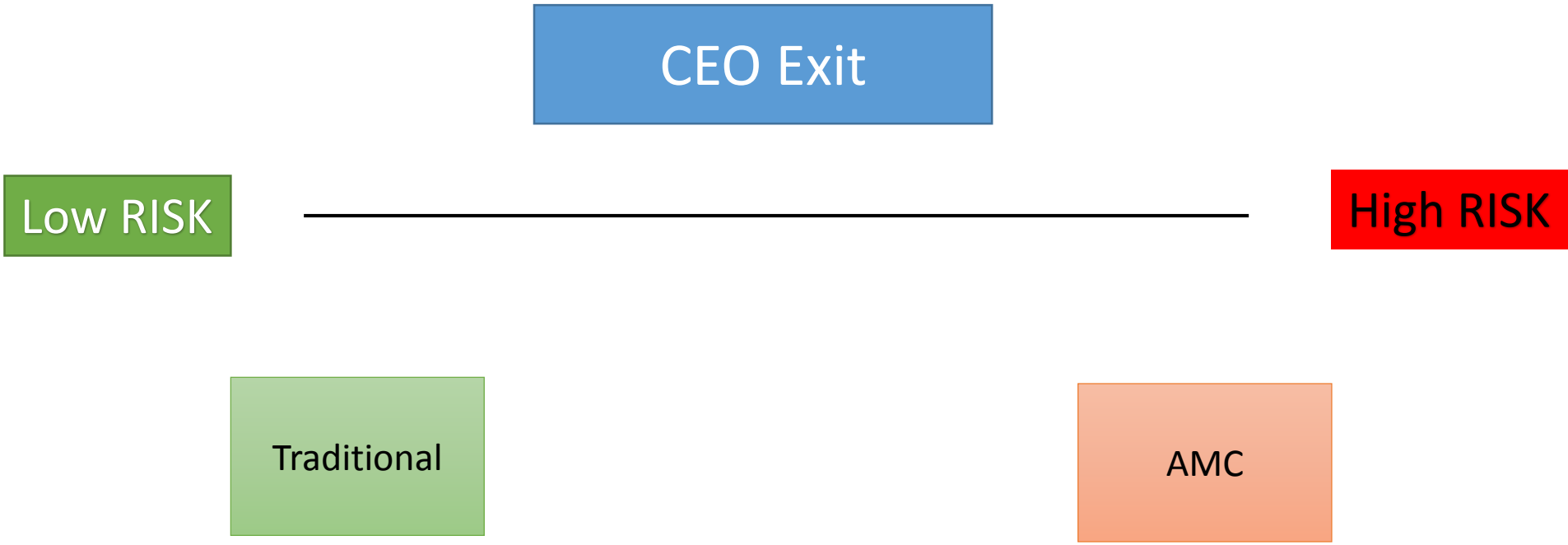
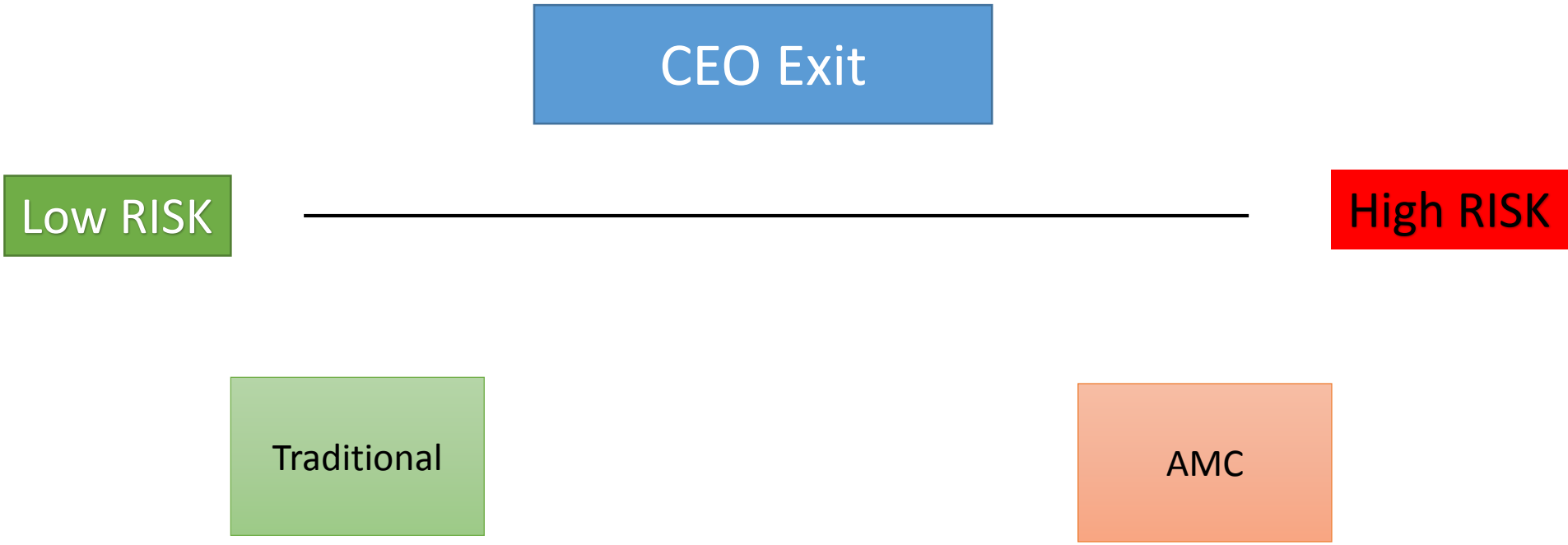
It depends on how hard you want to work.

CEO Exit
Low RISK
High RISK
Traditional
AMC



1. Conservative decision makers
2. Entrenched opinion leaders
3. Cultural momentum



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1. Awareness as option
2. Credibility as option
3. Mechanism for action

Time for discussion.

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