Secrets of a Graceful Exit

More longtime association leaders are leaving their posts or thinking about doing so. One former CEO shares her insights about how to make sure a top executive's departure is as stress-free and respectful as possible.

By Leigh Wintz, FASAE, CAE

The recent recession may have delayed retirement for many association CEOs, but such departures are now a fact of life, particularly among baby boomers. According to one recent report, retirements account for the majority of CEO openings in search-firm portfolios. Retirement age isn't the only reason: The recession also contributed to CEO burnout and boards looking for new leadership to turn things around. More leaders now have reason to ask themselves: Is it time to move on?

Plenty of advice is available for first-time CEOs about how to make their entrance onto the stage. Much less has been written about how to make a graceful exit. Having just finished 25 years as an association CEO, my experience and the wisdom of some of my colleagues might add to the conversations being held in boardrooms and among CEOs about how to proactively plan for departure.

A juicy tweet or post on Facebook can undo a graceful exit before it even gets started.

Knowing When to Leave

I never planned to be in my last CEO position, at Soroptimist International of the Americas, for more than five years. I stayed for 20. I did consider other opportunities along the way, but at some point I stopped actively looking and settled in. I kept myself renewed and refreshed through active participation in my professional associations and by reactivating my consulting practice. I had a dynamic, empowered staff and a trusting relationship with a strategic board of directors that fostered a culture of innovation. I loved my job.

But something happened two years ago that provided food for thought. I was at an event with a group of long-term executives, none of whom had spent fewer than 17 years at the same association. We were discussing something that Robert T. Van Hook, president of Transition Management Consulting, said during a breakout session: "No CEO should stay in the same association for more than seven years." So what were we? Losers who couldn't get a job anywhere else?

The following year, Van Hook presented some impressive research on the subject at the ASAE Annual Meeting. He showed that after five years, many CEOs start doing what they like to do, not what the organization needs them to do. Founder's syndrome is not unique to founding board members. You can detect it in successful long-term executives too.

Van Hook discussed some personal cues that it may be time for a CEO to leave:

- boredom; a lack of a feeling of challenge and excitement
- impatience and irritation with board and staff
- defensiveness or resistance to change
- working from home more often
- disinterest in business travel
- chronic fatigue

He also identified cues that the organization as a whole needs a change:

- a feeling that the association is stuck in a rut
- institutional resistance to new ideas and organizational change
- returning to the same old issues
- interpersonal conflict and declining respect among board members
- failure of the board to think strategically
- staff turnover and low staff morale
- over-importance of the CEO

I saw myself in many of those bullet points. As much as I loved my job, I was definitely suffering from some boredom, irritation, and chronic fatigue. Some issues had resurfaced for the fourth time in my tenure. I thought, "Been there, done that" more than once. It was time. I decided to resign.

To make a graceful exit, the CEO must recognize when it is time to leave and be strong enough to provide for a smooth transition. If not, you run the risk of the board deciding for you that you need to go. Everybody knows that when an announcement states a CEO is leaving "to pursue other opportunities," it's code for "the board fired her" or "arrangements have been made to secure a rapid separation." If you become a topic of conversation at board meetings, or if completing your performance review requires multiple sessions, it may be time to move on.

Giving Notice

Once you've made the decision to leave, what's your next step? In my case, I was already in a consulting practice that was eager to have me on a full-time basis. I was required to give the board three months' notice, but I knew that my successor would never be identified that quickly. I decided to leave by the end of the current board term, right after the leadership meetings—a 10-month window.

I had the opportunity to resign in person and present my letter of resignation to both the president and president-elect. The president and I then crafted a joint announcement to the board and delivered the same message to staff later that same day. Paying attention to the protocol of who knows what, and at what time, is an important part of making your departure graceful. The joint announcement was released to the entire membership, immediately putting to rest any concerns that there were covert reasons for my departure. It also gave us the opportunity to document the important positive changes that had occurred during my tenure and promote the advantages of new leadership.

The announcement letter is important: It's often the main source of information for the rank-and-file staff and membership about your departure. So, it needs to be ready to go as soon as possible; in fact, you should prepare the first draft at the same time you write your letter of resignation. A juicy tweet or post on Facebook can undo a graceful exit before it even gets started. You'll also need to advise your network about future endeavors.

What is sufficient notice for a graceful exit? The answer will depend on the particular situation, but in general, three to 12 months seems to be the norm. In retrospect, my 10-month notice may have been more than necessary: It was probably unrealistic of me to expect that the new CEO would be hired soon enough that we would be able to participate jointly in strategic-plan review, budget development, and board orientation to prepare for his or her first year on the job. It may have been just as graceful had I given the contractual minimum of three months' notice and suggested that the board hire an interim CEO or negotiated for the opportunity to discuss staying on beyond those three months based on the organization's needs (and mine).

Succession Plan

Despite the potential disruption of a CEO's departure, executives and boards are reluctant to discuss succession planning. *Daring to Lead 2011*, a study of nonprofit executives by CompassPoint and the Meyer Foundation, showed that 67 percent of CEOs say they expect to leave their jobs within the next five years, but only 17 percent say their organizations have a documented succession plan in place.

At my urging, five years before I resigned, the board adopted an extensive succession plan that covered what to do in any circumstance of loss of CEO services. The plan is reviewed annually, and the policy that requires the board to have a plan also states that the CEO must provide the names of search firms and interim CEO service companies within the plan. It seemed that we had all the bases covered about what the board was supposed to do.

As it turned out, the plan was more specific about what to do in response to the absence of the CEO than about what to do when the CEO has resigned but is still present. The plan was not specific enough about who should serve on the search committee and what their reporting relationship should be to the full board.

The plan also did not include a sample RFP for search firms, so I wrote one and sent it out myself. The first lesson I learned was that I sent it out to too many prospects. I later had to help the search committee sort through more than 20 proposals. They were so overwhelmed that they asked me to select six, participate in a conference call to discuss final selections, and set up interviews with recruiters from two firms.

In your succession plan, be specific in describing a process for the board to use in hiring an interim CEO, so they can take the necessary time to perform the search. The plan should also detail the relationship between the search committee and the board. At what point do the board members want to see candidate resumes or participate in interviews? Who is responsible for negotiating the final terms of the contract with the new CEO? What requires a vote of the full board? You should have clear answers to all those questions as you begin your search.

The Transition

While the search firm was selected in a timely manner, my replacement was not chosen until three weeks before my exit. Admittedly, at this point it was becoming more difficult to remain graceful. I was mentally ready to leave but had no time to do things like pack up my office, let alone clean out files.

I prepared staff for what they would need to do to establish a good working relationship with the new CEO. Some feared that a new person might want to clean house or bring in a new team. I tried to be reassuring, but I also wanted to be realistic. I told them to have resumes ready just in case and be prepared to be "hired" all over again: They were a great team, but they were my team, and they would need to show they could work with a different leader. I also told them how valuable each of them would be to the new CEO because of their experience, expertise, and teamwork over the years.

The search committee allowed all 27 staff members to interview the final three candidates and provide feedback. The search firm did a great job in bringing excellent candidates to the table, and the successful candidate was the staff's top choice. This made it much easier for me to let go and move on.

I provided the board and staff with some articles about their respective roles in successfully onboarding the new CEO. This helped send a message that the job of onboarding wasn't mine alone; the board and staff naturally tend to think it is the responsibility of the departing CEO to get the new person up to speed.

I was beginning to doubt that I would have any time at all with the new CEO and had taken on several clients in my new role. As it turned out, my successor and I had two days in the office together. It was her office from the day she was hired. We met again for the board meeting, where we both sat at the head table, and our support for one another was obvious. The meeting also afforded the membership the opportunity to thank me for my years of service and to welcome the new CEO. A short public ceremony provided her with a graceful entrance—and me with a graceful exit. an

Leigh Wintz, FASAE, CAE, is principal consultant with Tecker International, LLC. She is coauthor of The Will to Govern Well, 2nd edition, *and serves on the faculty of ASAE's Symposium for Chief Elected and Chief Staff Officers. She left Soroptimist International of the Americas last fall. Email: lwintz@tecker.com*

SEVEN ESSENTIALS OF LEAVING GRACEFULLY

1. Know when it's time to leave.
2. Make sure your association has a succession plan and that it is specific about who is on the search committee and how the committee is to proceed.
3. The board should explore the option of employing an interim CEO and determine what his or her role will be in selecting the final candidate.
4. Clarify expectations with board members about your role in the selection and transition process to establish both your comfort level and theirs.
5. Know that everything will not be wrapped up with a tidy little bow, despite your best efforts.
6. Explain to staff and the board that onboarding the new CEO is not your job alone.
7. Once the new CEO arrives, get out of the way. Vacate the office, let go, and move on.