

Davenport Asset Management presents:

Virtual Investor Summit Series

Future-Ready:

Succession Planning Essentials

October 29, 2024



Davenport & Company LLC Member NYSE-FINRA-SIPC

Agenda

- The Why, What, and Who of Succession Planning
- Internal Succession – Leadership Development
- External Succession – Search Process
- Board Succession
- Documents and Protocols
- Wrap Up – Q & A



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The Why, What, and Who of Succession Planning

Why have a plan?

Succession planning is important because:

- There are no guarantees
- It strengthens your leadership team and staff
- It helps your Board



What situations need a plan?

Circumstances to consider:

- Planned transition, such as a retirement
- Unplanned transitions, such as resignations
- Long-term absences for family or health issues



Who should be included?

Succession plans for key positions:

- CEO and Board Chair
- Leadership Team Members
- Any position critical to daily operations, such as the Payroll Clerk



Internal Succession – Leadership Development

Start

Start with your Strategic Plan, identify internal candidates, such as:

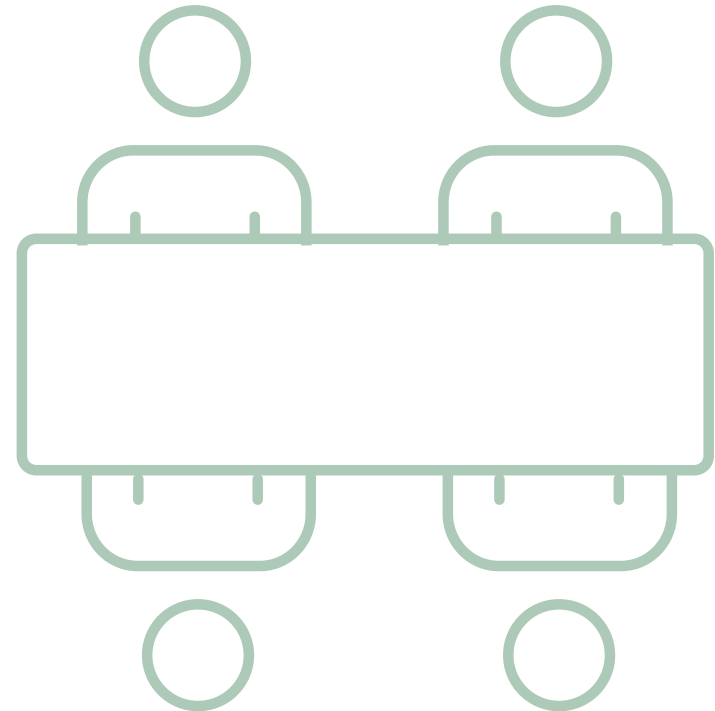
- CEO
- C-Suite
- Top Management



Assess

Identify and assess **ALL** roles

- Demand and needs for each role
- Risks
- Needs and Success
- Align with vision
- Position description



Identify

Identify Potential Internal Prospects

- Identify
- Cultivate
- Train/ Educate
- Mentor
- Address FUTURE needs



External Succession – Search Process

- Determine who will make the decisions
- Define the process
- Establish job priorities and qualifications
- Develop a job profile that:
 - “Sells” the opportunity
 - Clearly states responsibilities and qualifications



External Succession – Search Process

- Screen candidates based on essential qualifications
- Assess finalists on different days and in different situations
- Maintain confidentiality
- Be transparent with finalists
- Create a transition plan



Board Succession

Start with the Strategic Plan

- Maintain consistency
- Diversify the team
- Match talent with needs
- Create trust with the stakeholders



Develop the Plan

- Create a Board matrix with needs & board member skills
- Determine future vacancies
- Recruit early
- Write a Board of Director manual
- Onboard with a training program
- Create a Board performance evaluation system
- Develop awareness of finance & KPI's



Develop a leadership track for Board officers:

- Identify skills and passions early in a member's tenure
- Put potential leaders in committee leadership roles
- Be mindful of term limits as members progress
- Create a back-up plan for officer positions



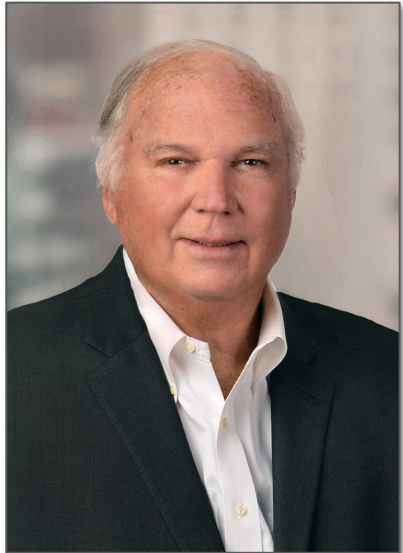
Documents and Protocols

- Develop protocols that allow access to passwords.
- Document important job functions in detail.
- Maintain current contact information for business partners.
- Ensure that critical documents can be located.
- Develop a communications plan for key positions.



Wrap Up – Q & A

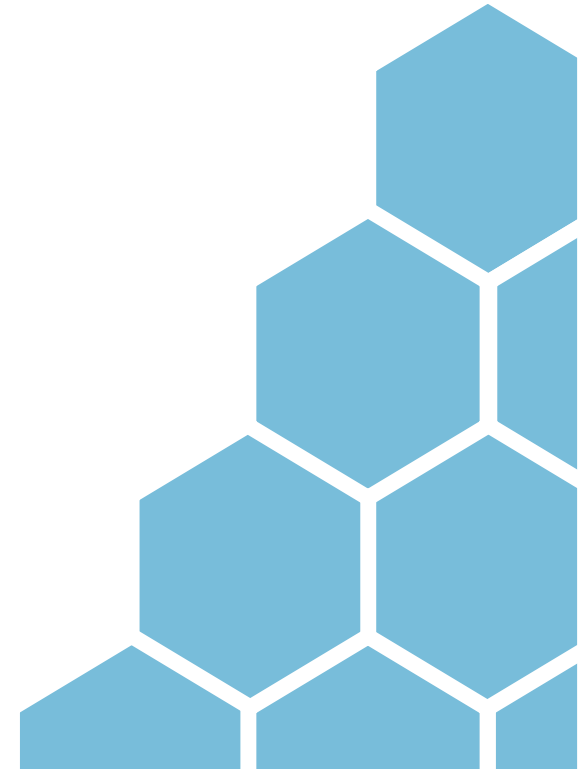
Questions?



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