

Chief Executive Succession Planning for Private Clubs

An NCA Board Leadership Institute White Paper

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Foreword and Acknowledgements

Foreword

Succession planning at private clubs can be a daunting task. A General Manager's departure may be sudden, or planned well in advance. Regardless of the circumstances, it is never too early to create a framework for developing or reevaluating your club's succession plan.

Every succession plan will be different, and should be designed around the needs of your club. The best plans should be able to flex and change along with your club's needs, remaining vigilant to culture and tradition. A transition presents an opportunity for the board to find the right leadership for the present and future needs of the club.

This resource guides you through best practices for succession planning to ensure a successful transition.

Acknowledgments

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Introduction

Succession planning is one of the most important aspects of club governance, and is often the most overlooked.

Many private clubs operate under the General Manager/Chief Operating Officer concept. Succession planning—planning for a GM’s departure or absence—is a significant challenge for many clubs.

In any business, a leadership change is a chance for reflection, even though it can be an unsure and often chaotic time. Developing a comprehensive succession plan is a critical part of good governance, and will ease the difficulty of the search process and transition to new leadership.

Because most private clubs are small, it is often difficult to transition employees up the chain of command and into the general manager role. There simply are not enough resources to invest in the human capital required to efficiently and effectively train and groom key staff.

When a GM departs, what are the next steps? How can your club ensure it doesn’t lose knowledge critical to daily operations? How can your club avoid morale sinking, staff turnover and disagreements among board members? And how can you ensure the right person is hired under the right circumstances and for the right reason? The answers to all of these questions lie in well-executed succession planning.

Why is succession planning important?

Succession planning is one of the most important aspects of club governance, and is often the most overlooked. Your club’s success depends on the continuing productivity of employees in key positions, the relationship between the GM and the board, the influx of new and creative ideas, and the happiness of club

The best search firms play two central roles: Access a wide talent pool and manage the process, undertaking the subtle elements that members generally do not understand.

members. Every one of these areas is affected by the loss of a GM. Whether that departure is sudden or planned, a thorough succession plan will allow you to maintain the critical functions of your club and ensure a smoother transition for the successor.

The succession plan will guide the board through the executive search process and identify not just the GM's job description, but also the key attributes the board needs in its new GM. While obstacles always arise, issues of time, resources, structure, talent and political infighting can be reduced or even eliminated with the presence of an effective succession plan.

Who should be involved?

An effective GM succession plan is the responsibility of the board, including plan maintenance and execution. A Search Committee may be formed that is composed of board and club members.

The process should also include key club staff. Because the GM directly affects club efficiency and employee satisfaction, which in turn affects the overall success of your club, a level of transparency is necessary with employees to assure visible leadership continuity.

Conversely, staff may have a tendency to pick the path of least resistance, ultimately shaping an organization to fit their style that may not be in alignment with critical club objectives and change opportunities. Simply said, some management teams may make decisions based on their own longevity through creating a static business model rather than aggressively managing change.

If the current GM is retiring or moving to a new position, he or she should also be involved, but don't place too much weight on their perspective. In the spirit of moving forward, this is a point of inflection and paradigm shift is difficult for some. An exit interview could provide valuable information, and help you understand his or her unique difficulties and successes. It can also unveil cultural issues or professional relationships that were particularly taxing during his or her tenure, but which may have been difficult to overcome due to political infighting or other reasons.

Some clubs will hire an outside firm to handle the search process due to considerations of limited time, resources, or a shallow talent pool among the club's current staff. This outside firm will help in setting the objectives and deliverables for the incoming GM, uncovering difficulties or misalignments in strategy and providing an outside perspective that can illuminate overlooked issues. In addition, the firm will help attract new talent from outside your organization that would otherwise not be available to your club. The best search firms play two

central roles: Access a wide talent pool and manage the process, undertaking the subtle elements that members generally do not understand.

Who are the stakeholders?

Stakeholders in the succession planning process include club members, staff and management, board members and committees. The club's culture is an important factor in the GM selection, as member expectations will and should influence which type of candidates may be potential matches for the club. For more on the various stakeholders' roles and responsibilities in the succession planning process, see pages 10-12 of this paper. Of course, it's important to understand from the outset that the club's major constituencies should align as much as possible. The stakeholders should aim to over-communicate during the process to ensure transparency and buy-in from each essential constituency.

What are the key benefits?

A GM cannot be expected to remain at a club forever. Effective succession planning ensures that, when the time comes to appoint a new GM, the club will act in an orderly process, ensuring essential knowledge transfer, the appointment of a GM who understands the club's culture, understands where the club should be positioned in the future, is an able partner with the club's leadership in strategic development, and fosters the continued success of the club in realizing its short-term and long-term goals.

The stakeholders should aim to over-communicate during the process to ensure transparency and buy-in from each essential constituency.

What are the main obstacles?

The main obstacles to developing a formal succession plan will differ from club to club, but often will involve misunderstandings surrounding the plan's scope. Realistically planning for scope—with specific goals, deadlines, and estimates of the amount of time each step may require—will ensure a smooth transition with your incoming GM.

Some examples of possible obstacles include:

- **Time:** Whether your succession plan is activated in an emergency vacancy or a planned departure, time is one of the biggest obstacles. In order to complete each step responsibly and effectively, it is critical to plan so that the hiring process stays on schedule. A minimum timeframe to effectively recruit and retain a new GM is usually four to six months.
- **Resources:** There are many aspects of a succession plan that should be taken into account, specifically the problem of knowledge transfer in an emer-

Your succession plan should be reviewed and updated ideally on a bi-annual basis to ensure goals and metrics are in alignment with current challenges.

gency situation. Clubs should ensure that they have the resources available to facilitate the effective transfer of critical club knowledge to the new GM, and are clear as to what this means. Some information that the incumbent GM feels is of high value may not be and conversely critical information may not be identified. Create a list of high-value information by type before you begin the “brain drain,” including passwords to e-mail and vendor accounts, alarm and security codes, contact information for banking and insurance and a calendar of work projects are but a few things that should be developed as part of a “bus book.”

- **Dysfunctional board:** The execution of a sudden GM search can be compounded in complexity by a dysfunctional board. As discussed later in this paper, the board must speak with one voice in order to maximize efficiency. A misalignment among individual board members, the board and key staff, or the board and the incoming GM can create a chaotic situation that hinders the hiring process and creates issues for onboarding the incoming GM.
- **Management structure:** Promoting a groomed employee into the GM position is an efficient way to fill the open position. However, this can have disastrous effects on your club’s organizational structure if you haven’t set up processes for their previous role to be filled. Ensuring you have made a pathway employee advancement within the club and that the proper knowledge transfer programs are in place are critical steps in the search for a new GM.
- **Talent pool:** What if there isn’t a qualified candidate inside the club? Hiring outside the club can negatively affect employee morale or more importantly, culture fit. Small talent pools both outside and inside the club can make it very difficult to hire the right person. Reduce this risk in the club assessment phase of the search to ensure the new hire will meet your club’s needs and culture. Alternatively, consider an executive placement firm to assist in creating a list of qualified candidates and in assisting the board with the search process.
- **Political infighting:** One of the most difficult situations that may arise in the search is the political infighting among those who feel that they’re in line for the position, or board members with biased opinions as to who should be hired. While an amount of confidentiality in the process is required for streamlining your search, it’s important to also be appropriately transparent with stakeholders—particularly with those who desire the position.

What elements are needed for an effective plan?

Your succession plan should be reviewed and updated ideally on a bi-annual basis to ensure goals and metrics are in alignment with current challenges. This is essential to prepare for a sudden or planned transition in leadership. Regard-

Aligning the current needs of the club with the experience and skillsets necessary to meet those needs is the most important aspect of succession planning.

less of the timeline, the following points are essential in the development of your GM succession plan:

- Up-to-date job description
- Clear annual performance expectations
- Measurable indicators for the club
- Key qualities of a high-performing GM at your club
- Highest-priority issues the new GM is expected to address
- A hiring process and timeline for identifying the new GM
- Options for managing the executive transition period
- Effective and realistic onboarding plan to minimize the amount of time for the transition
- Emergency plan for the unexpected loss of the GM
- Clear link in the succession plan to the club's overall strategic plan

Aligning the current needs of the club with the experience and skillsets necessary to meet those needs is the most important aspect of succession planning and the easiest way to begin your search for a new GM. Regularly reassessing these points will make it much easier for leadership to identify changing expectations between the departing GM and the successor.

Identifying Key Concerns

The first step to a comprehensive strategic plan is to conduct a thorough and unbiased assessment of the club's current condition.

What has the previous GM left unfinished after his or her departure? Where did he or she succeed? The relationships between the disparate sections of club leadership—from the GM and the board and the GM and key staff to the GM and club members—should also be considered, as these relationships are fundamental elements of club culture.

In addition, identifying your club's short- and long-term goals will help you to develop an outline of the skillsets and experience needed in your next GM. This is an essential process before you open a search, as the results of this assessment will identify the direction in which your search should move, and prevent you from wasting time interviewing unqualified candidates.

Following are measures for identifying previous GM failures and successes, sample interview questions, and ways to determine immediate and future club needs.

What has the previous GM failed to achieve?

If best practices were followed during your previous GM's tenure, you should have had a documented actionable growth plan submitted to your board in the first months of the GM's employment. Measuring that original plan against the state in which the GM left the club is a great starting place for discovering the skills that the GM lacked, as well as the skills necessary for the successor.

Take, for example, a situation in which a club's previous GM was charged with organically growing the club's membership by 15 percent over a quarter, but

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No matter why the previous GM's employment came to an end, look for positives in his or her tenure.

fell short of that goal by 10 percent. If the original number was realistic, these figures illuminate an important weakness—the GM's inability to generate ideas that could maximize growth potential. In search for its next GM, this club would know to be extra attentive searching for candidates with this skill. That said, maybe the manager was not effective at managing up to the board—indicating that the target objective was not reasonable, or that the correct tools were not accessible to the management team to achieve the goal.

When interviewing candidates for the GM role, ask them the following:

- Where do you believe our club is missing out on potential growth?
- How would you organically grow our membership?
- From your previous position, what is a specific example of how you organically grew the club's membership?

Did the board play a role in that failure?

There are three sides to every story. While self-examination is never easy, if your previous GM was unsuccessful and was terminated for performance reasons, it's essential to ask yourself what role you could have played in that failure. Was the board too bureaucratic? Did the board make it difficult for the GM to hire the talent he or she needed? Was a lack of board-approved funding to blame?

If the board was in any way responsible for underperformance, put forward a motion to change either the organizational structure of the board or give the GM more autonomy. Determine how the board can better support the GM, e.g., shortening approval times and streamlining decision-making while monitoring performance.

What has the previous GM accomplished?

No matter why the previous GM's employment came to an end, look for positives in his or her tenure. What club goals did the GM accomplish? Which goals did he or she exceed? In which aspects of the job did the GM excel? It's easy with a departing employee to focus on the negatives, especially when stakeholders are bemoaning the cost of a GM search and the lack of productivity in their absence. However, an equally weighted list of accomplishments and failures is necessary in order to prove unequivocally the skills that have impacted performance in the past.

Let's go back to our original example. Your previous GM missed his or her organic growth metrics by 10 percent, however, he or she reorganized the managers into a flat management style, eliminating redundant positions and cutting \$250,000 in costs during their tenure.

In this example, we know two things about this GM. The first is that they had the ability to reorganize the structure of the club itself, and second, they were able to make decisions that led to the termination of several employees when the purpose and benefits were clear.

In this situation, when interviewing candidates for the role, ask them the following questions:

- “How would you go about laying off several employees without damaging the staff morale?”
- “When in your previous experience have you needed to alter the club staff organizational structure? How did you go about it? What elements were hardest? How did you measure it to be a successful outcome?”

What are the immediate concerns of the club?

In the wake of your previous GM’s departure, what are the immediate concerns of the club? High employee turnover, especially in the executive staff roles, a lack of clear direction, and an established growth plan can affect employee morale and lead to member dissatisfaction. Regardless of where the board wishes the club to be a year or two from now, develop a list of the key concerns the new GM will need to address as soon as he or she takes the position.

This is important for two reasons. One, it highlights the skills and expertise the GM will need to tackle the major problems within the club, and two, it gives the new GM a place to start when he or she is hired. Knowing exactly what issues to address will allow the board and committees to work with the GM to create an actionable plan—decreasing the time the new GM will need to produce results.

What are the long-term goals of the club?

Immediate concerns are obviously important, but an effective GM will also put in place a strategy and growth plan for taking your club to the next level. Knowing what the members, employees and board want from your club in a year, two years and five years from now before you hire a GM will ensure the new GM knows where the club needs to go.

In order to streamline this process, the club’s strategic plan will identify where members see the club heading—often from member surveys and other planning committee research. One of the most important jobs of the board is to ensure a structured process that may take years and require the commitment of every club employee.

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Focusing on a strategic plan will allow the board to systematically improve club governance by creating a club culture that allows grassroots innovation from the bottom level of the organization to the top. Implementing the strategic vision adopted by the board and supported by the membership is the responsibility of the GM; however, the relationship among the GM, board, key staff and members must be one that promotes growth, innovation and communication for the club as a whole to be successful.

Succession Planning Roles

The effectiveness of the board and the general manager are interdependent, and they excel when they understand that they are mutually dependent on one another.

Ultimately, every employee and board member has a responsibility in succession planning. In order to achieve a smooth transition, each of these parties must understand their responsibility in the process as well as the importance of effective communication.

Following you'll find a summary of each stakeholder's role in the process, their responsibilities and the unique challenges for each position. While not every club will need to bring in an outside consultant, it is frequently an option clubs overlook. Often a fresh perspective can illuminate deficiencies overlooked by the board and key members.

Board members

Board members have an essential role in succession planning. As their relationship with the GM is the most important in the club, they're directly responsible for identifying the key concerns listed in the previous chapter.

The board needs to govern in constructive partnership with the GM, recognizing that the effectiveness of the board and the GM are interdependent, and that they excel when they understand that they are mutually dependent on one another to create and foster a successful club. The way that board members and the GM interrelate and communicate with one another can create opportunities to collectively build something far richer and more powerful than any of them can do alone. Although there will inevitably be disagreements (and constructive debate is important), on the whole, board-manager relations need to function as “yin-

The board may be responsible for the majority of succession planning, but the key staff also maintain an important role in the process.

yang” harmony where their complementary interaction forms a dynamic system in which the whole is greater than the parts.

It is the board’s duty to ensure that the right GM is hired for the role—someone with whom the board feels comfortable engaging in consistent feedback, and intimately working together for the success of the entire club.

Overall, the board is responsible for:

- Identifying key concerns
- Establishing short- and long-term goals
- Identifying previous GM accomplishments and failures
- Identifying skillsets required for the role
- Creating an up-to-date job description
- Establishing clear annual performance expectations
- Identifying measurable goals for the club and acceptable indicators for these goals
- Establishing an effective hiring process
- Owning the onboarding plan for the new GM
- Approving the succession plan

Key staff

The board may be responsible for the majority of succession planning, but the key staff members also play an important role in the process. Managers and executives within the club are more attuned to the needs and desires of club employees and members, and have a better idea of the club’s day-to-day needs than the board.

While the board is responsible for focusing on the club’s big picture issues, they should depend on key staff to delineate the needs, wants and morale of the club’s membership, short-term issues such as employee turnover, and general day-to-day operational issues.

Overall, the key staff is responsible for:

- Communicating effectively with the board
- Maintaining metrics of month-over-month-growth, member satisfaction ratings, “units” under management per employee and new initiatives and impact points.

- Establishing short- and long-term goals to deliver to the board
- Participating in the onboarding plan for the new GM

Outside consultants

An outside consultant can help illuminate issues that have not been identified by the board or key staff, and can shed light on club structure, governance and communication. This is particularly helpful if the board and key staff have not previously communicated effectively.

Hiring a consultant can be an expensive but fruitful endeavor, and often plays an essential role in the succession planning process. Fresh eyes can make a big difference, and because hiring a new GM is a serious commitment, all options should be considered to ensure the most effective person is hired for the role.

An outside consultant would typically be responsible for:

- Effectively communicating with key stakeholders
- Evaluating club structure and governance
- Identifying weak points in the management chain
- Identifying key issues with the board and committee structures that hamper the GM's success
- Identifying key concerns overlooked by the board and key staff
- Discovering key competencies required for the GM role
- Identifying expertise and experience required for the role
- Assisting in the planning process for membership development, financial stability and physical growth
- Identifying required leadership style for your club
- Identifying undesirable leadership traits

Fresh eyes can make a big difference, and because hiring a new GM is a serious commitment, all options should be considered.

Emergency and Planned Successions

In order to function effectively, the board should speak with one voice.

Unfortunately, even if your club has developed a specific and actionable succession plan for your GM, situations can arise that force you to find a new GM on a shorter timeline than expected.

Whether your GM suddenly resigns, dies or is terminated on short notice, it's essential to have an emergency plan in place that will ensure club stability.

Steps to address emergency succession

While your exact needs may differ from the following emergency succession plan, following is a summary of key points that fit most club structures:

Agree on process to hire the new executive

First, determine your immediate hiring process. From that point, you'll be able to complete the next steps effectively, knowing which have been completed and which ones remain. This includes the drafting of an updated job description, determining whether your club will seek outside help in the GM assessment, and identifying which board members and managers will participate in the interview process.

Identify the key spokesperson

In order to function effectively, the board should speak with one voice. This reduces debate time and promotes consistency. To avoid a divided board in an emergency situation, plan ahead for which board member will speak for the board on specific aspects of the search process.

While an interim GM won't be expected to hold the position for a significant period of time, additional compensation should be competitive and approved by the board.

Draft a communication plan

In the communication plan, determine who is responsible for which part of the search process to reduce the time it takes to move to the essential step of identifying an interim GM. Set up a timeline for when these steps should be accomplished, assign responsibilities, and formalize the document for the club to promote a standard process that diminishes confusion. The last thing you want during this process is for your club's employees to feel that there is no firm plan in place, which weakens stability and morale.

Identify the interim GM

In the meantime, determine whether you need an interim GM. This person should be familiar with the role and responsibilities of the previous GM and be able to effectively assume those responsibilities while the board searches for a replacement. This person may come from within or outside of the club, but the board should be unanimous in its decision.

Recommend additional temporary compensation

An interim GM—whether an in-house staff member or an individual from the outside—must be compensated for the skills and abilities needed for this temporary position. While an interim GM won't be expected to hold the position for a significant period of time, additional compensation should be competitive and approved by the board. A weekly or monthly stipend, depending on the progress and projected timeframe of the search, should be decided before the candidate is selected.

Identify the Search Committee

Finally, the board must select members who will serve on the Search Committee. This group will be fully responsible for finding, attracting and hiring the successor. These members should not only be intimately familiar with the role the GM plays at their club, but should also fully understand the current short- and long-term needs of the club.

Steps to address for a planned vacancy

Alternatively, if the board knows in advance that the GM will be departing, they may have the benefit of working directly with the GM to draft the succession plan. This also allows more time to train and empower potential successors within the club, to define competencies required, and to implement measurable goals and expectations.

Depending on the length of notice given, consider the following steps to address a planned vacancy:

Create a specific and actionable plan

Once you've been informed of your GM's impending departure, immediately begin instituting a plan that involves your entire club. Don't center the plan on one individual; spread responsibility throughout your club and get key stakeholders involved. Begin conversations with your club's newly formed Search Committee, board members past and present, select members—especially any serving on committees—and management team, including potential successors.

You may have the opportunity to look within your club for a successor, and time to put them to the test should there be adequate notice. This is essential, as you can begin the process of confidentially grooming select employees and seeing what they can do. Some clubs may hire from within when the opportunity arises, and should have knowledge transfer programs in place to promote employee advancement and development. In other cases employees may raise their hand for consideration for promotion. A club may wish to evaluate them alongside outside candidates.

Create a succession plan timeline with specific targets

Whatever the duration of your GM's employment, develop a checklist of target dates to transition responsibilities to the successor. Doing so will allow you to then go back and fill in all other requirements. For example, if your GM gives a six-month notice ending on September 1, the first three months of your succession plan timeline may look something like this:

March 1: Create actionable plan

March 10: Identify key concerns

March 15: Establish short- and long-term goals

March 20: Identify previous GM accomplishments and failures

April 1: Identify skillsets required for the role

April 5: Create an up-to-date job description

April 10: Establish clear annual performance expectations

April 20: Identify measurable indicators for the club

April 25: Establish an effective hiring process

Once you've been informed of your GM's impending departure, immediately begin instituting a plan that involves your entire club.

May 1: Approve the succession plan

May 5: Open search committee activities and begin marketing to fill the position

May 10: Evaluate current club employees for succession

May 20: Evaluate candidates for the position

May 30: Begin interviews

June 15: Select GM

With the final goal of transitioning new leadership by September 1.

Realistically analyze your club trajectory

What has changed in your club over the last six months? Last year? Where do you expect your club to be a year from now? Examine the changes in leadership, growth and performance, and focus your findings into the following areas:

1. Do you have the current talent that you will need to meet your goals?
 - If not, how can you hire the right GM and where will you find him or her?
2. If you hire from within the organization, who will be taking that employee's place? What opportunities would this move create to leverage other talent within the organization?
 - If yet another employee from within the organization will replace the employee who is replacing the GM, who will then take that employee's place? Is a proper knowledge-sharing program in place to ensure that no essential talents or skillsets are unaccounted for?
3. Are your resources properly aligned and efficiently scalable?
 - If not, which resources should be moved, expanded or slimmed down to ensure efficient club function?
4. Are the disparate factions in your club working together efficiently?
 - If not, what is the cause of the problems and how can you correct them?
5. If major changes are needed, what is the estimated cost impact?
 - In some cases, a change of the top executive will spur other changes in the executive team. Can the club account for the expected costs and advocate for additional funding? If not, in which areas can you cut spending to allow an influx of talent?

Once you can answer these questions, you'll be in a better position to assess what sort of person will best fit the position in the future, and you will have a

In some cases a change of the top executive will spur other changes in the executive team.

Set bi-annual performance evaluations to help track the GM's progress and discover his or her strengths and weaknesses.

better idea of the skills and experience needed from any new GM to ensure the club's trajectory.

Communicate with stakeholders

The club is successful when all stakeholders align as much as possible on the succession plan, the club's trajectory and the coming changes to club structure. It's essential to over-communicate during this time to insure everyone is kept up-to-date and understands his or her own unique responsibilities in the process. In general, it is best to designate one individual (usually the Chair) to communicate with applicants, members, staff and others who may inquire about the search process.

Implement realistic goals and performance expectations

After compiling the data on club performance and growth, establish goals for the successor by which to measure his or her performance. It is essential to quantify these goals into specific metrics so that the board and key stakeholders can review the GM against them. For example, setting a goal of "growing club membership" isn't enough. Looking back at past growth, is it realistic to set that goal at, for example, 10 percent? Fifteen or 20? And over what duration?

Once these goals are quantified, set bi-annual performance evaluations to help track the GM's progress and discover his or her strengths and weaknesses. If possible, during these performance evaluations, you should identify and hire (or promote) supplementary talent that the GM will need to make your club successful.

Hiring a New GM

Once firm skillsets and previous experience are identified, the Selection Committee can begin the search.

Now that you've developed a process and timeline for hiring a new GM, it's time to start the screening and hiring process.

Because choosing the next GM can often be a long and difficult undertaking, properly evaluating the club's needs in the previous steps is essential. Once firm skillsets and previous experience are identified, the Search Committee can begin the search.

During the interview process, the committee will need to evaluate candidates on several different factors that may vary depending on the club's specific needs and culture. Factors such as alignment with club culture, ability to maintain relationships and communicate effectively, and motivation to grow the club may be some of the qualities assessed to fill this important role.

The club will also have to take into account the need to hire outside the club if a viable candidate is not available within. This decision, if not properly executed, may have negative effects on employee morale and retention.

The following nine competencies and success factors can help ensure your club hires a GM who is aligned with the club's needs.

GM/COO competencies and success factors

Vision and strategy

Does the GM candidate demonstrate agility and resourcefulness in challenging, complex or difficult situations? Are they able to bring in knowledge from a diverse range of learning experiences? Do they have a core understanding of your

club and its practices and challenges? And finally, is the candidate optimistic about the club's future but realistic in what it will take to accomplish the club's goals? Is this vision aligned with the board's vision for the club?

Ensuring tactical success

Does the GM candidate have the ability to lay the groundwork and develop a plan to ensure that the club's big ideas are achievable with the given resources? Can this candidate build a team that can execute tactical success? A candidate may overpromise when searching for a job, so listen for responses that are supported by facts, statistics and previous experience.

Effective communication begins with understanding the needs of others.

Relationships and communication

GMs must address a diverse set of needs from members, staff and the board. Managing these needs and the relationships among these groups is critical to the club's success. During the interview process, assess whether or not the candidate has the interpersonal skills necessary to work with others, especially the board, including empathy toward your club's employees and the ability to create common ground among those at the club. Effective communication begins with understanding the needs of others. The candidate should also show experience demonstrating distinguished communication skills, as this is an essential tenet for the position.

Motivation

Is the candidate properly enthused and excited to enter into the unique challenges offered by your club?

Previous experience

Has the candidate been vetted for previous experience managing a similar club? If the candidate has no previous GM experience, do they have the management skills necessary to perform at a high level? When assessing the short- and long-term needs of your club, does the candidate's profile match the task at hand? Has the candidate shown a record of previous success in multiple clubs, and how has that success reflected in the decisions the candidate has made during his or her previous tenure?

Fit to situation

Using the questions listed in section two, is the candidate ready for the challenges he or she will face, and does his or her previous experience align with your club? How likely is he or she to succeed in the position? Is he or she both a business fit and a culture fit? Remember that the most successful and qualified GMs align with the club culture.

Hiring from within or outside the club

Before you decide to hire a candidate from outside the club, reflect on your current employee pool and decide if you have a possible candidate among the club's leadership staff.

Setting up an internal promotional structure

How do employees advance at the club? Putting a formal review structure and professional development plan in place not only reduces employee turnover, but also aligns employees with a growth path. Priming your employees to grow into management positions, and then into the GM position, can dramatically reduce the length and difficulty of your GM search.

Hire the GM with the thought that he or she will be a lasting centerpiece to your club, not a temporary fix.

How to know when and why to recruit from outside the club

However, even with a formal review structure, those within the club may not necessarily be ready for the role or be a good fit. Hire the GM with the thought that he or she will be a lasting centerpiece to your club, not a temporary fix. Hiring internally for the sake of doing so is not only detrimental to your club, but may result in a misalignment of strategy and the loss of your most talented employees.

If there is no one within the club who fits the job description outlined by the board, and a decision is made to hire from outside the club, sometimes employees who felt entitled to be "next in line" will be disappointed. Deal with this after the GM hiring process is complete. Explain the decision with your employees in one-on-one conversations.

How to communicate the appointment of an external hire to current employees possibly in candidacy

If you conduct the internal search correctly, no employee should be surprised to learn that a GM has been hired from outside the club. Giving current employees the chance to interview before looking outside shows that you take them seriously. However, if no employees are a fit for the GM role, share with staff that the search is moving outside the club before doing so.

Knowledge Transfer

Those who possess skills and knowledge essential to the club should then train their peers in their knowledge.

A major component of the GM succession plan should be the knowledge transfer not only of the current GM to the board and employees, but also of the experts within your club to new employees.

Knowledge transfer is a constant in any club, as passing along experience-based knowledge is important for the success and continued development of your employees.

Steps to ensure critical knowledge transfer

The following four questions will help to prevent loss of institutional knowledge during times of transition.

Who on the team/board has intimate knowledge of the various specialties of the club?

First, make a list of the employees within your club who are indispensable for their critical knowledge. Who in your club best understands the various aspects of the club? Create a chart that delineates the knowledge with the various employees to illustrate the overlap or scarcity in skills.

Those who possess skills and knowledge essential to the club should then train their peers in their knowledge. Documenting processes, knowledge and skills in a club directory is also a great way to minimize any knowledge losses in transition.

How can the club best train employees to be future managers?

Whether you find workshops, classes or documentation most effective for pass-

Ideally, employees will feel empowered by the chance to learn more at their own pace and grow professionally.

ing along knowledge, formalize the process and announce it to staff. Let employees know that these training programs exist, and that they're a reliable way to help them grow within the club.

Ideally, employees will feel empowered by the chance to learn more at their own pace and grow professionally, thus reducing employee turnover while making the club workplace more robust.

How can these resources be best utilized?

Are the employees with critical knowledge in positions best suited for their knowledge and skillsets? Ask how you can make these employees happier, resulting in higher staff morale while reducing turnover and knowledge loss.

Which tools or resources can be used to pool expert knowledge?

Pooling the knowledge and skills within your club doesn't help if employees don't have access to it. Setting up a shared network full of educational material is a great way to not only catalogue the material for employees, but also to create a culture in which employees can pursue their own professional growth during the downtime between their own responsibilities.

Plan Implementation

Now that you've identified the need for a succession plan and have answered the important questions, it's time to put all your planning to the ultimate test by sharing it with your club members and employees and implementing it formally.

Communicating the plan

Communication is key for a successful transition. The following steps allow for testing of the succession plan before the club implements it—allowing for transparency and engagement with all stakeholders.

Begin intensive knowledge sharing

It is impossible to over-communicate with club members and employees.

Communicate with stakeholders

Let the stakeholders of your club know that the plan is in progress to assure them of the club's stability.

Develop a written transition plan

Formally draft the plan, including all the previous steps, in order to formalize it. Share it with the board, management and stakeholders first to ensure the plan covers every detail and nothing was missed. Get their feedback and edit the plan if necessary, but do not allow this part of the process to become mired in endless edits and rewrites. Be efficient, and put the plan in place as quickly as possible in the event of the loss of your GM.

It is impossible to over-communicate with club members and employees.

Share the transition plan

After review with your stakeholders, it's time to share the plan with club employees. Inform them of their unique responsibilities within the plan and ensure they understand why the plan is in place and what role they're expected to play.

It's also important to listen to the employees' feedback on the succession plan. If the plan requires another round of edits after review, doing so will empower employees to speak up and promote transparency in the club.

GM Succession Mistakes

Completing a succession plan is an achievement and requires a significant investment of time and funding to ensure the foundation of senior management is secure.

Review these GM succession mistakes to ensure you aren't missing anything from your plan, and that what you've delivered to your board and employees is the most effective plan possible.

Avoiding common succession plan mistakes

Failing to align on strategy

The strategy of the club should revolve around the key issues both in the short- and long-term and tie to the strategic plan. Hiring a GM who fails to align on this strategy is a failing proposition. The dismissal of a GM soon after a search undermines the club's ability to make the right choices, and is costly in both time and money.

Over-involving the entire board

Going back to the checklist, one of the most important items is choosing a Search Committee and chairman to speak for the board. Over-involving the board can waste valuable resources and time. If the board can't make a decision, it's essential to put measures in place to either limit the board's power, or change the voting process to move quickly when the club's livelihood is at stake.

Implementing a search too early

If the club begins searching for a new GM before analyzing the club's needs and requirements, you're sure to hire the wrong person for the job. While a degree of

Hiring a GM who fails to align on this strategy is a failing proposition.

speed is essential in hiring a new GM, ensure you follow the proper procedures. If the GM is hired incorrectly, you'll be wasting valuable time and resources while adding to confusion and decreasing employee morale.

Neglecting external benchmarking

While every club is unique in terms of its needs, challenges and successes, don't delay too much for self-reflection. Ensure that goals are realistic for the club *and* the club industry. Review NCA materials to compare how your club performs against external benchmarks, and ensure you're hiring a GM that will help you compete with other clubs in your locale.

Overvaluing external candidates

As we mentioned previously, it's important to look first within your club for qualified candidates. Hiring someone outside the club has its merits, but only if the requirements for the position cannot be met internally first. Bringing someone into the club without properly evaluating your own employees can lead to disastrous consequences, like expert knowledge loss, employee turnover and plummeting morale.

Failing to update the plan

As the club changes and evolves, so too should the GM succession plan. The club's current needs may not be relevant 12 months from now, so be sure to update the plan annually. Entering into a search for a GM based on outdated information will ensure you hire the wrong person for the job.

As the club changes and evolves, so too should the GM succession plan.

Failing to maintain confidentiality

Finally, whether you are hiring from within or outside, it's important to maintain the confidentiality of the process. A breach of confidentiality may result in the immediate termination of the search, a serious loss of time and money and potentially viable candidates, or may cause the most qualified candidates to withdraw from the search, fearing that a premature disclosure of their candidacy will jeopardize their current positions. A breach of confidentiality could also cause you to lose control of this critical process because you will be focusing on damage control rather than the search itself. High-performing employees considered for the role who aren't appointed to the position may leave the club if their privacy hasn't been respected. Confidentiality must be understood and honored by everyone on the search team, from the first meeting until the conclusion of the search.

Appendix A

Succession Planning Checklist

Succession planning can be a long and challenging process, with unexpected setbacks and delays. This checklist includes key steps in the succession planning process. At a minimum, every succession plan should include the following:

- A statement of purpose explaining why succession planning is important for the club both in the event of a planned or unexpected vacancy
- A timeline for each step of the process
- An updated GM job description
- A communication plan that identifies who is responsible for informing key constituents about the succession plan and selection process
- A description of the GM search process, including interview timelines, who will be interviewing the candidates and whether an outside consultant will be retained
- A description for the selection process for an interim GM (if needed), including an outline for responsibilities, compensation and oversight
- A calendar of key events including annual club events, staff hiring plans and review dates, and lease negotiations
- A list of key contacts that is kept regularly updated
- A list of financial institutions critical for the day-to-day functions of the club
- A financial plan that includes GM transition costs such as interim GM compensation, recruiter fees and compensation for a consultant should the board deem it necessary

Appendix B

Emergency Succession Planning Timeline

Sometimes a GM departs the club suddenly with little to no notice, making an emergency succession plan vital for continuity. During this time it's easy to become overwhelmed and miss important steps during execution. The following emergency succession plan timeline will help you not only prepare for the task ahead, but also ensure you stay focused and complete all objectives.

Week One:

1. Review and discuss the emergency succession plan with the board, GM and key staff
2. Assign roles and responsibilities to all parties

Weeks Two – Six:

1. Update job description and identify the key objectives that will fall under the new GM's responsibilities
2. Select an interim GM from either outside or inside the club, and recommend additional compensation
3. Outline the interim GM's responsibilities, reach and limitations
4. Identify parties responsible for supervision of the interim GM

Weeks Seven – Eight:

1. Identify the board's spokesperson
2. Develop internal and external communication plans

Weeks Nine – Ten:

1. Define process to select and hire new GM
2. Appoint GM Search Committee
3. Outline a transition plan to onboard the new GM

Weeks Eleven – Twelve:

1. Spokesperson shares emergency succession plan with the board
2. Board signs off and enacts the emergency succession plan

Note: This timeline can vary depending on the club's immediate needs and frequency of meetings.

Appendix C

Planned Succession Planning Timeline

With a defined departure of a GM, there is more opportunity for planning, communication and decision-making. However, clubs must act in a timely manner when crafting their succession plans. The departure-defined succession plan timeline below will help you stay on track as you search for your new GM.

Weeks One – Three:

1. Current GM meets with the board to submit his or her resignation, discuss succession-planning process and assign roles and responsibilities
2. Current GM completes self-reflection questions

Weeks Four – Six:

1. Update job description and identify the key objectives that will fall under the new GM's responsibilities
2. Select a key spokesperson from the board
3. Outline the spokesperson's responsibilities

Weeks Seven – Eight:

1. Identify the skills and experience needed in the new GM
2. Develop internal and external communication plans

Weeks Nine – Eleven:

1. Define process to select and hire new GM
2. Appoint Executive Search Committee
3. Provide regular updates on the selection and hiring process
4. Outline a transition plan to onboard the new GM

Weeks Twelve – Sixteen:

1. Successor is identified
2. Transition plan goes into effect

Appendix D

GM Self-Reflection Questions

When your GM chooses to leave the club, it's essential for he or she to answer important questions regarding the decision. During this phase of the succession plan, you may uncover important issues the board was unaware of, or stresses for which you will have to consider when hiring the next GM. These questions can be revealing for a multitude of reasons, but especially for identifying necessary traits in the new GM and understanding the overall health of your club.

1. Why did you make this decision?
2. What will you gain from this move professionally and personally?
3. Are there downsides to this move?
4. What changes in the club may have made you reverse your decision?
5. What changes would you like to see the club make in the future?
6. How can you be of help to the new GM?
7. How would you define your relationship with the board?
8. Are you moving to another club?
9. If so, what does that club offer that you did not receive from ours?