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Emily Heard ([00:00:00](#)):

Hello. Good afternoon or good morning depending on where you are. This is Emily Heard, NACHC's Director of Health Center Governance. Welcome to today's webinar on Board Chair Succession.

Emily Heard ([00:00:12](#)):

The board chair plays a critical role in Health Center Governance in identifying and developing future chairs is critical work for any health center board. This webinar is part of a spring summer webinar series and part of a number of webinars that NACHC is providing on succession.

Emily Heard ([00:00:29](#)):

Last month we talked about board succession. Today we're going to talk about board chair succession and later this week, actually on June 21st, we'll share information on the board's role in CEO succession and I will make sure that you have information on that webinar before we close out today's session.

Emily Heard ([00:00:48](#)):

Should you have any technical issues throughout today's session, please email my colleagues Zoe Grimaldi or myself. Our email address is on the screen. Let us remind you that we're also recording this webinar. The audio recording will be available on NACHC, My Learning Center and the URL is on your screen. We sent around the slides for today's session to those of you who had pre-registered and we will do the same with the webinar recording link once it's available.

Emily Heard ([00:01:20](#)):

After the webinar today, you'll be presented with a brief survey. We really encourage you to share your thoughts. This really helps us inform future webinars and we greatly value your feedback.

Emily Heard ([00:01:31](#)):

Today, there will be various mechanisms for input. We do have lines muted. We will unmute the line several times throughout the webinar. Then, also please make use of the chat feature on your screen. To chat any questions, we will be monitoring that and we'll be answering your questions as we go along.

Emily Heard ([00:01:50](#)):

With that, I'm going to turn it over in just a minute to our presenter, Kimberly McNally who leads McNally and Associates, which is a consulting firm that specializes in healthcare, leadership and governance. Kimberly has been a frequent presenter on the webinars and at conferences for NACHC and some primary care associations. Every time I listen to her, I learn from her. Welcome, Kimberly. I'm going to turn it over to you for today's webinar.

Kimberly McNally ([00:02:19](#)):

Thank you, Emily, can you hear me?

Emily Heard ([00:02:22](#)):

We can hear you.

Kimberly McNally ([00:02:24](#)):

Wonderful. Well, I'm delighted to be here and to spend the next hour with people who have decided to participate in this really important conversation. We will get started right away.

Kimberly McNally ([00:02:41](#)):

The webinar really is intended to get you thinking about the topic about board chair succession planning. As Emily mentioned, this is part of a series on succession as a whole. Today, we're really honing in on the board chair relative to succession planning. We're going to focus primarily on why is it important, what is the purpose and impact of having leadership continuity and thinking about term limits, and really how do you plan for a board chair succession if you don't currently have a robust plan to do that, and then I want to leave you with some first steps.

Kimberly McNally ([00:03:20](#)):

This is not meant to be prescriptive or the only way to think about this, but we're really interested in sparking your thinking so you can have conversations back at your centers with your boards and CEO and as Emily mentioned, we will unmute the lines a couple of times so you have a chance to ask any questions or certainly feel free to chat your thoughts and questions in the chat box.

Kimberly McNally ([00:03:45](#)):

I'd like to start with a question that's on your screen and just have you think about is it important that your health center have the right leaders for the future and I'm guessing if I was in a classroom and was seeing you, you would of course, tell me, "Yes, that that is really an important thing to do."

Kimberly McNally ([00:04:05](#)):

My following questions really are for you to consider, do you have a robust, well-planned out, comprehensive CEO and governance leadership succession planning process in place? Is there evidence of that? Then, for you to think about how do your board officers and committee chairs get selected and prepared for their roles. Those are really important questions.

Kimberly McNally ([00:04:29](#)):

I believe, every board needs to plan for board officer succession and really what that means is how to identify the leadership qualities that are needed now and in the future for your center to really elect and select the best candidates for the positions. Be sure people have the onboarding and training and preparation they need for their leadership roles or officer roles and then to ensure timely and regular rotation in the leadership role.

Kimberly McNally ([00:05:00](#)):

Then, we think about, talking about succession. I'd like to just have you think for a minute, what is the conversation about succession like in your health center? Does it occur on a regular basis? Has it never occurred based on your experience? In my experience, oftentimes, health centers have addressed CEO succession, but they haven't really engaged in the conversation about board chair succession. Today, I'm hoping that you'll be thinking about it in a new way.

Kimberly McNally ([00:05:37](#)):

Sometimes people will tell me that it's hard to talk about that you may have had a board chair who has been serving for a period of time and it's hard to kind of bring that conversation up. I would suggest that

one of the reasons why it is hard to bring up is that succession planning is about change and transition and oftentimes, change can make people anxious or uncertain. As humans, we then tend to put off the planning that's so important.

Kimberly McNally ([00:06:10](#)):

One of the things that I'm hoping for you today is that you begin to think about the importance of having the conversation and some ways to think about that. The goal of succession planning really is twofold. It's to assure leadership continuity, leadership over time and to avoid the trauma that can really occur when there's unexpected transition, which can be very deleterious for a health center, its governance and its management team and the people delivering care.

Kimberly McNally ([00:06:45](#)):

It's really about a mindset as well as a commitment to not leave leadership to chance. If there's something that I would ask you to take away today is the idea of being very intentional and ensuring that you're thinking about Continuous leadership. Of course, sometimes things will happen that you've not anticipated but I know that when there's the thinking and the mindset and then commitment to go along with that to really be thoughtful in advance, then there's more likelihood that you'll have continuous leadership.

Kimberly McNally ([00:07:25](#)):

Why does this matter? Let me offer a couple of thoughts that certainly stability on a board can reflect a good culture, an effective culture where people are treating each other like colleagues and there's good evidence of trust and consistency, attendance, all of those things that are important. You may say to yourself, "We're all getting along just fine. Why do we even need to think about this," but I do notice also a danger anytime that there is too much stability that it can lead to stagnation and that's really Important in the kind of environment we're in now where there's so much change. I want you to be thinking about that stability may not actually be the measure of success.

Kimberly McNally ([00:08:10](#)):

One of the things that we know is that when there's a thoughtful board officer, board chair succession planning, it actually promotes strength for the governance function as well as for the centers through diversity and diversity in the broadest sense of the word in terms of thinking about diversity of thinking and diversity of perspectives. We also know that when there's unplanned turnover, meaning that it just happens precipitously, whether it's at the board chair level or at the CEO level, it can put the health center at risk and it can take a long time to recover. The opposite of that is a plan succession planning process and it can prevent crisis, again, providing that leadership stability or continuity and really allows continuous growth.

Kimberly McNally ([00:08:57](#)):

Now, in my experience working with health centers in different parts of the country and I know we have participants who are all over the United States with us today, is I've often noticed that there's not an effective enough process in place for board chair succession, which is probably why you're joining us today and we appreciate that.

Kimberly McNally ([00:09:19](#)):

We'll talk a little bit about some of the elements of board chair succession. I think I'd like to start by just saying selecting the right chair is really as important as selecting the right CEO but that relationship between the board chair and CEO is really pivotal and critical to the board's success and therefore that transition, I mean, that relationship between board chair and CEO really influences everybody else in the health center. I think about the board chair succession planning for that really is part of an overall board development plan. It's one element of that. Emily has mentioned that. Previously there was a webinar on board succession planning. This is a piece of that.

Kimberly McNally ([00:10:08](#)):

One of the critical pieces of having a succession plan for the board chair is to really think about what are the leadership qualities that we need for our center, both now and in the future, develop some of those selection criteria so it can be a very intentional, thoughtful process. Then, when you think about the board leadership role, it's important to think about well what's the job that we really want that person to do and others have used this term that the board chair is the chief volunteer officer and of course, as working with the chief executive officer. Very importantly is the role model for the rest of the board is the person through the way in which he or she leaves, sets the tone for an effective governance team, helps the board work cohesively together as a unit and really add the critical elements of governance to the center.

Kimberly McNally ([00:11:06](#)):

Then, the vice chair is the person who fills in when the chair is not able to carry out duty as a person. May be out of town either planned or unplanned but as someone who could jump in if necessary. Just like you to leave on this slide really thinking about that board chair is critical role, key interface between the board and the CEO and the rest of the team, and often can be the key determiner of overall board success.

Kimberly McNally ([00:11:37](#)):

When we think about determining qualities for an ideal board chair, you want to be thinking about the future. I'm guessing that many of you have been doing some strategic planning or revisiting your strategic plan with all of the external changes that are occurring in the health center environment and what may have been very successful in the past for a board chair to possess in terms of leadership qualities, it may or may not be what you need in the future.

Kimberly McNally ([00:12:09](#)):

Having very much a strategic or future-oriented perspective when you think about what are the qualities or characteristics that we need in our future board chairs. You can think about your strategic pillars, you can think about upcoming projects and things you're trying to develop, partnerships that you're trying to bring forward as you serve your communities.

Kimberly McNally ([00:12:30](#)):

Ideally, a board makes an annual commitment to have conversation about identifying and developing potential new board officers and you want to do that way ahead of the vacancies. Often very helpful to have on an annual board calendar that you're thinking about how it is that you're preparing for those upcoming vacancies.

Kimberly McNally ([00:12:52](#)):

I want to just review a couple of things that I think are important when we talk about board leadership and in my experience, when we're guided by a set of principles versus personality, for board leadership, it makes a big difference in the outcomes. What I mean by that, which I'm sure that you know, is a board has ultimate accountability for the center. The board chair is accountable to the board. The board chair is the facilitator of governance to ensure that the governance is conducted using best practices and really engaging everybody to participate. The CEO reports to the board. The board appoints the chairs if you have committees and members of the executive committee. Then, if you have an executive committee, that committee is accountable to the board. I just wanted to review those kind of key principles.

Kimberly McNally ([00:13:52](#)):

When we think about effective board chair succession planning, I there's three sort of buckets of work, if you will. First, really defining the roles, as I mentioned, for both the board chair and members. Oftentimes health centers will have a kind of a set of qualities or characteristics or even a code of conduct that applies to all of the members but a best practice is to have a written job description for the board chair, just like you have a written job description for the CEO. That's something to be looking out for.

Kimberly McNally ([00:14:27](#)):

Then, secondly, it's important to have an effective performance evaluation process that really being that people have opportunity to get feedback about how they're doing and how they can continue to grow in their leadership. One way of doing that is thinking about having a process where you're thinking about well, who might be potential successors to that board chair and maybe it's someone who's currently leading one of the other committees in committee chair roll or somebody who has demonstrated particular leadership interest in skills.

Kimberly McNally ([00:15:00](#)):

Then, it's important that the board, oftentimes, this is well taken care of through our governance committee, but to really understand the difference between the current set of competencies that the board as a whole and board members possess and then the competencies that are intended to be important for the future and for someone to really credibly be able to step up to that chair position.

Kimberly McNally ([00:15:28](#)):

Then, to do that, we really have to have a plan, a development plan so people can begin to just like we would have a plan for anything else that we were building in terms of a program so that there's a good structure within the board and it can happen in a consistent way.

Kimberly McNally ([00:15:47](#)):

The next two slides or actually one slide, I'm sorry, it really just some questions. I want you to think about these questions as I mentioned them and see if an answer comes to you. If it doesn't, it's probably something worth thinking about having some conversation. It's not a static list but important to think about how might the board chair position change in light of both internal and external risks? Thinking about what are the skills? What are the attributes that you need in future chairs?

Kimberly McNally ([00:16:23](#)):

It's great just to do some brainstorming around this, thinking about what are the strategic or market forces or new technology or regulatory shifts that your health center anticipates in the next three to five years, the kinds of things that you may have considered when you were doing your strategic planning. You think about the SWOT analysis, for example, strengths, weaknesses, opportunities and threats. When we think about leadership through that lens, it may give you some ideas about what will be needed in the future.

Kimberly McNally ([00:16:58](#)):

Then, when you think about it in light of those potential changes or shift, what are the skills and attributes that the board really needs to oversee the health center's response to their shift? For example, one of the things that I hear more frequently is a desire to have the board chair or people preparing for that role to have really good change management skills and competencies because as, I'm sure you're living every day, there's a tremendous amount of change in the health center world and someone really understanding the both technical and interpersonal skills that are part of being a good change agent.

Kimberly McNally ([00:17:35](#)):

It's also important to think about are there any executive leadership transitions, for example, is the CEO planning to retire in a couple of years? Are you anticipating that? If you've done some good executive leadership succession, you'll know that. Then, you could think, well, does our board composition need to be adjusted in any way to complement the capabilities of the next generation of leadership? Just a set of questions to mull over, to think about, maybe you've had these conversations already and it helped lead you to being clear about future needs. If you haven't had a chance to even address the questions, if they're just some good questions to use to frame this discussion.

Kimberly McNally ([00:18:22](#)):

I wanted to offer some thoughts about, at least in my experience, with the knowledge, skills and abilities of a board chair ideally are and of course, we're not saying that everybody has to be possessing each and every one of these but it is important to take a look at them in total and think about ideally, someone who has a good number of these to be able to take on the leadership role that's required now and in the future.

Kimberly McNally ([00:18:53](#)):

At the top of my list is integrity. It's that person who does what they say they're going to do, it's a person who has a good sense of honesty and good judgment and how they conduct themselves but the way in which they role model that quality of integrity can really set such an important tone for a board. Related to that, it's someone who can manage confidential information or communication because it is likely when they're having conversation with the CEO, maybe planning agendas, there'll be some confidential communication certainly in board meetings, but someone who can really manage that and be very careful with confidential information that they have demonstrated.

Kimberly McNally ([00:19:42](#)):

They're good at building relationships. They are people who have a good awareness of the interpersonal needs of fellow board members. They can look around the board table and see where there might be questions that need to be asked. They can sense people's experience through the meeting. They have that ability to sense what's happening in the group so they can facilitate the meeting agenda well.

Kimberly McNally ([00:20:10](#)):

Of course, we think it's important that they have a good knowledge of the health center world. That's a big body of knowledge for all of us but they do understand the history and background of the health center world. They understand some of the compliance aspects of being in a health center. They understand the importance of the populations that are served, but they have a good sense of what they are governing, what they're overseeing governing.

Kimberly McNally ([00:20:42](#)):

Hopefully, they're passionate about the very unique and important mission of health centers because that passion is so important as they are influencing others. As I mentioned, the ability to partner effectively with the CEO, that dyad between the board chair and CEO, is really, really important because it does set the tone for everybody else. It's the ability to partner, to work well with others, to be able to listen and understand what their partner's preferences or priorities might be in terms of how best to work together.

Kimberly McNally ([00:21:22](#)):

The board chair also needs to have the ability to lead the CEO evaluation process. Although others will likely be involved with that, it's the ability to ensure that it happens and to set the tone and expectations and ensure that there's a timely process that happens. Just like the CEO evaluation process, it's important that the board chair can really lead the board self-assessment process. That's usually done annually or every other year a process by which the board takes a look at itself and really determines if there are opportunities for improvement both around the board table, but also in external facing interactions in that role as board chair that could be with legislators, it could be with community partners with others, and ability to work with diverse stakeholders. People who have a stake in the health center and the work that it does and people who might be different in a variety of different ways from the board chair but that ability to work with and really appreciate diverse stakeholders is an important ability I have found.

Kimberly McNally ([00:22:37](#)):

In addition to feeling passionate about the mission, it's also someone who can really champion and steward and protect the mission and keeps everybody's focus on the mission and then how the various plans and programs are very much in alignment with executing on that mission. It's that person who just really keeps a clear focus on the mission why the health center exists.

Kimberly McNally ([00:23:05](#)):

Then, of course, it's also important that that person can role model any norms or ground rules of an effective board culture. One of the best practices is to have some kind of a code of conduct or rules of the road or norms how we all want to be as board members what are some of the behaviors that help create an effective culture, organizational culture so the board can do its work and it's really important that the board chair role models those positive norms of effective culture.

Kimberly McNally ([00:23:39](#)):

Of course, we know that there also have a very important role of facilitating the board meeting agenda and that happens on a monthly basis. The board chair is involved with developing really robust and relevant and meaningful agenda with the CEO and then once at the meeting, really focuses on, of

course, guiding the meeting to get the work done that's allocated on the agenda, but also really attending to be sure that all voices around the table are heard and has that ability to sense who has had a chance to speak and who hasn't. They have to have really excellent attention skills and facilitation skills to be sure that everybody feels like their contribution has been meaningful.

Kimberly McNally ([00:24:30](#)):

I'm sure that you understand the importance about conflict of interest. We're not going to talk in depth about that today but you most likely have a conflict of interest policy at your center and the board chair is responsible for ensuring that members do not participate in voting or discussions related to any such conflicts and that if a board member needs to recuse him or herself from the conversation that happens in a smooth way.

Kimberly McNally ([00:25:01](#)):

Very often the board chair is also working hand in hand with the CEO to plan the goals for an annual retreat, if you do an annual retreat or every other year, but it's often a longer period of time where the board gets together to review the strategic plans and has deep dive conversations about things that are really important to the center.

Kimberly McNally ([00:25:24](#)):

Board chair may be asked by the CEO or others to represent the health center both to the general public, to outside events. They are often serving as an ambassador and need to be able to speak knowledgeably about the health center. Then, also see that that board chair has an important role in kind of setting the tone and the plans for succession planning overall, but also mentoring future board leaders.

Kimberly McNally ([00:25:56](#)):

One of the roles I've enjoyed very much I've been aboard before and having the opportunity to be the past board chair, you sort of serve as a mentor role and help other people because you really understand what that board chair role is about. That can be a very gratifying experience.

Kimberly McNally ([00:26:14](#)):

Something that's not on your slide, but I was thinking about might be important to consider is also the board chair really understands and commits to the time requirements for being in the role because there are some additional requirements and sort of background homework, if you will, and some additional meetings, the board chair is likely to need to have to fulfill all the responsibilities that we've been talking about. It's someone who really does understand what that time commitment is like.

Kimberly McNally ([00:26:44](#)):

One of the things I want to talk about today is this notion of term limits. I'll spend a little more time talking about what term limits are in the event that you don't have and then I'll ask Emily to unmute the lines to see if people have questions, comments, would like to share any experience with this and the reason why I'm talking about term limits related to board chair succession is that they're very much linked. We know that when you look at the governance best practices, both at health centers but more broadly in nonprofit governance, is it term limits or setting the amount of time that any board member or board chair can serve is actually a best practice, meaning something that is a desirable activity that

contributes to effective governance because one of the risks when there are not term limits spelled out in governance bylaws is you do run the risk of prolonged ineffective leadership that can be personality-driven.

Kimberly McNally ([00:28:00](#)):

Now, that's not to say that if you don't have term limits and you have a board chair, you might even be on the phone with us today that that person isn't doing an excellent job but there is a greater risk when there aren't term limits that are clear and very specific about the term of any position both board member as well as board chair that that can be a risk that you can run.

Kimberly McNally ([00:28:26](#)):

High performing boards are continually thinking about do we have the right composition in our board and the right composition that actually reflects the priorities of the health center and diversity of stakeholders.

Kimberly McNally ([00:28:41](#)):

Now, of course, one of the wonderful things about health centers is your commitment to have consumer-based governance model and that adds so much to the work that's done at health centers. Always thinking about do we have the right people around the table for current work for the board but most importantly for the future. One of the ways you can really ensure that optimum composition that's very tied to the future is to do that with term limits. What we know from a national study is that about 72% of nonprofit boards have term limits, which means that certainly some do not but about three quarters of boards have term limits.

Kimberly McNally ([00:29:34](#)):

In my own experience, being board chair and board member, I know that having new members, new voices, a renewal of the board is just healthy and has nothing to do with people having long term commitment and really caring about the center but new perspectives, new talents, fresh eyes, different ways of thinking, always adds to the level of conversation and dialogue and planning. There's just some things about how new people to a board will see something or experience some something that can really help move you in the right direction.

Kimberly McNally ([00:30:13](#)):

There is the danger without that regular renewal that the organization and the governance structure, the board can be stale, same conversations over and over, same people talking could be a little out of touch even that's relevant with some of the changes and then ultimately running the risk of being less effective.

Kimberly McNally ([00:30:36](#)):

What we know is that it's not just turnover in term limits just for the sake of doing that but it's the sort of an optimal zone that you want to be sure that there's some level of board turnover happening regularly. I certainly wouldn't want your whole board should be turning over at the same time but having some level of people coming and going to really provide that renewal is what we mean by term limits.

Kimberly McNally ([00:31:10](#)):

I think it also helps board members to recharge their batteries. Being a board member takes a big commitment of time and energy and even if it's something we care deeply about, it's good to have a natural conclusion to our board service to recharge our batteries and potentially get involved with something else.

Kimberly McNally ([00:31:30](#)):

The other great thing is that when you have term limits and you have people who have termed off the board, they may still have a role of some sort in terms of advocating on behalf of the center. I mean, they've been very close to the action and the more people that you can have actually involved in advocating on behalf of the health center is always a good idea.

Kimberly McNally ([00:31:54](#)):

The other thing I have found is that when you have term limits, it actually allows other people to grow and exercise their leadership skills. If you have a board chair who has served with good intent for many years and has been making a wonderful contribution, it does create a limit for other people to also practice and exercise their leadership skills.

Kimberly McNally ([00:32:19](#)):

Then, lastly, the idea of having a term limit can also be helpful should you be in the situation of needing to have a conversation when a board member is not performing, is not meeting the characteristics and attributes that you have of board members or maybe isn't attending meetings as expected but when you have a term limit provision your bylaws, that lets you naturally remove people who might not be fully participating.

Kimberly McNally ([00:32:54](#)):

The only thing I have found particularly with board chair succession planning is that when you have term limits, it actually can make the people thinking about the commitment to step up to that extra leadership a little more acceptable if they know that there's a clear beginning and end. That can be helpful.

Kimberly McNally ([00:33:14](#)):

A couple of other thoughts about term limits, in some situations, sometimes if you have a prolonged period of time with a board chair has served, it actually can create sort of an undue concentration of power. That can be problematic because you really need to be functioning as a total group as you're serving as a board not having that power vested in one person.

Kimberly McNally ([00:33:45](#)):

Related to having that difficult conversation if someone on the board is not performing as expected, then the term limits really allow you to have some new appointments without those difficult conversations that some of us may have shied away from having and that's what creates some difficulty for boards.

Kimberly McNally ([00:34:07](#)):

I want to just, before I open it up to the audience, is we know the term limits are best practices of high performing boards. We know about three quarters of nonprofit boards use term limits and they're spelled out in bylaws. Hopefully, I've given you some ideas about the benefits and the impacts and effects of term limits and you'll see some variation with this but generally, you'll find that the bylaws will speak to a three-year term with one reappointment for board members. Sometimes you'll see some different numbers in that but that's kind of a ballpark for you to think about a three-year term that has one reappointment is typical.

Kimberly McNally ([00:35:02](#)):

Before, actually, we move on to the next slide, Emily, would you please unmute the line and see if anybody has questions or they'd like to just say them out loud to the group and I'll try to respond or if you're curious about something I said or you'd like to chat, that's another way that I'll know you have something on your mind. I'll just wait a minute or two to see if anybody, see if I said anything that provokes them some thought or questions or just for a second.

Emily Heard ([00:35:38](#)):

Thank you, Kimberly. The lines are now unmuted and folks can also feel free to submit their questions by chat. Kimberly, as the folks think through their questions, I have talked to a number of board chairs over the last couple of months who are long serving board chairs and really ready engage their boards in this conversation but their boards are resisting. What advice would you have for individuals in that position where they have exercised tremendous leadership, they see that there's really a need for succession but their own boards are sort of resistant to making the change.

Kimberly McNally ([00:36:21](#)):

Yeah, that's such a great question. I have observed that. Well, first of all, thank you to those board chairs for sure because that is an incredible commitment to be leading health centers particularly during this time.

Kimberly McNally ([00:36:36](#)):

One of the great opportunities a board chair has is that group is usually probably prepared for the board chair stimulating new conversations, either through the agenda design or charging, for example, a governance committee to think about this conversation.

Kimberly McNally ([00:36:58](#)):

The good news is they're in absolutely the right seat to be able to stimulate new conversations. I often find it's helpful to say something like, "Gee, I was attending a NACHC webinar the other day. I found that there were some helpful thoughts. Maybe we should, if other people didn't have a chance to listen to it, maybe other people could listen to it and then we could have some conversation about really thinking about the implications for our center. There might be some articles that sort of things."

Kimberly McNally ([00:37:28](#)):

I always like to start with helping people understand what's happening outside of their immediate environment and why consideration of new ideas might be helpful. Then, trying to figure out where is the right place to have the conversation either at the full board or delegating it to a committee for at least some initial work. I think ultimately, it's the question to ask, "Well, what would be the risk to our

center if we don't have the right leaders for the future based on this really sort of uncertain challenging time in health centers."

Kimberly McNally ([00:38:06](#)):

Those are a couple of things that I think about, Emily, kind of preparing the ground, if you will. Of course, long standing board chair knows the rhythm and different personalities on the boards and the best way to approach a new conversation. Part of some of that resistance might also be people not thinking that they have what it takes to be a board chair. It can be important to think about what are the some of the development opportunities that the board could put in place for people to be ready for next level leadership when it's needed.

Emily Heard ([00:38:48](#)):

Thank you, Kimberly. Does anybody else have a question that they'd like to ask?

Kimberly McNally ([00:38:52](#)):

I don't see anything on the chat? I don't see anything. Do you?

Emily Heard ([00:38:59](#)):

Not right now. What we'll do is we'll put lines back on mute and we'll unmute once again for questions and take a few questions as we get a little bit closer to the top of the hour.

Kimberly McNally ([00:39:09](#)):

Great. Thank you, Emily. Okay, one of the things I just said, but I wanted to just highlight it is who guides this board leadership succession discussion? Certainly, the board chair is in an excellent position to do so.

Kimberly McNally ([00:39:29](#)):

I find that when health centers and other nonprofit organizations have a governance committee, so really excellent place for this conversation to happen so that just like with a finance committee or a quality committee, every committee has a charter and holds some specific work on behalf of the board's oversight work and if there is a governance committee, which will often include the function of nominations, but other board development matters as well, that that can be an important group to lead this conversation. If for some reason that doesn't make sense to have a governance committee, then the executive committee ultimately will be charged with that kind of conversation.

Kimberly McNally ([00:40:17](#)):

Of course, because the board and the board chair work very closely with the CEO, I think there's some very specific elements to the role of the CEO and the board leadership succession planning conversation. In my experience, certainly the CEO is involved in those conversations about potential future board needs, what does he or she see from their vantage point, what do they see coming down the pike, ideas they have about that leadership partner, that is so important.

Kimberly McNally ([00:40:51](#)):

Generally, I find that the CEO is involved in some screening interviews with potential candidates because certainly the success of that board chair-CEO relationship is critical for all. You want to be sure the CEO

has very intentional involvement in that process. The board ultimately is responsible for choosing that board chair but in my experience, practically, it's very important to have the CEO involved.

Kimberly McNally ([00:41:18](#)):

I also find that the CEO in his or her role is involved with supporting the structures and processes for a new board chair orientation to go well. It doesn't mean they'll be doing all of that orientation necessarily, but they ensure that it's occurring so that the new board chair is really set up for success, a couple of different points there to consider.

Kimberly McNally ([00:41:45](#)):

I mentioned a couple of times the importance about set of knowledge and skills and abilities and having a policy and process. I wanted to suggest to you what ideally would be in writing and then you can think about this in light of what's currently happening at your center.

Kimberly McNally ([00:42:05](#)):

I would suggest that bylaws do address term limits because I think it makes a big difference in terms of that renewal and new ideas and planning for the future. Then, very specifically in the bylaws address how chairs are selected and what the term limit of the chair is. I think that's very useful to have. Of course, we review our bylaws on a regular basis. That could be something to be considering the next time you do that bylaws review.

Kimberly McNally ([00:42:37](#)):

I think it's important to have a policy on leadership succession planning, both for CEOs and I think that's probably more likely to be in place, but less likely that there's a policy on board succession planning and particularly board chair succession planning.

Kimberly McNally ([00:42:55](#)):

The value of a policy is that it's really setting the framework and the guidance for consistency, which can be important of course. Having a job description for the chair, I mentioned that a best practice is to have a board member job description. It's also and of course, the board chair is a board member, but also to have a second job description that specifically addresses the unique knowledge, skill, qualifications, competencies, accountabilities of the board chair, and I think it's something that's important just like with anybody's job description to update it regularly, to be sure that it's always current and relevant.

Kimberly McNally ([00:43:38](#)):

Then, to identify the process of board succession in some meaningful way in a strategic plan, because what we know is if it's in the strategic plan and leadership is certainly a strategic issue, both at the executive level and the board level, then it will tend to get some of the focus that it needs.

Kimberly McNally ([00:44:01](#)):

When you think about, if I've done my job today in terms of suggesting some or offering some reasons why being intentional and deliberate with the board chair selection process and having a way to do that in a meaningful and pragmatic way, let me suggest some things that might be part of your development process for future board leadership.

Kimberly McNally ([00:44:28](#)):

First of all, thinking about it is important and thinking about it as you're recruiting new members. If you currently have a board vacancy and you're talking to different potential board members, then, really be thinking about does that board member have the potential to be a board chair, a board officer at some point, because ideally, the people that you bring onto the board once they have been well oriented and have participated and demonstrated good board behavior, they would eventually be in the position to be considered for a board chair position. Be thinking about it right from the get go when you're doing your recruitment.

Kimberly McNally ([00:45:14](#)):

Certainly, the board needs to be active and thinking about leaders and investing in leaders. For example, participating on this webinar today is an example of you investing in board development, attending conferences, learning together in different ways. Those are all ways that boards invest as future leaders.

Kimberly McNally ([00:45:36](#)):

The goal with succession planning is really not so much to identify a single leader early on, but to have several board members in what we call a leadership pipeline. That could be, just as an example, the people who are your current committee chairs, several of those people might be excellent next leaders but that also just gives you more flexibility by having several people ready at any given time.

Kimberly McNally ([00:46:08](#)):

As we've talked about, it's important to review your current bylaws regarding term limits, see what they currently say, for board members and officers, amend them, if need be, so that you really have a good framework to have that organizational renewal and new perspectives and new thinking for your health center. Then, it's helpful to just kind of make a chart, if you will, put the names of board members down one side of your chart, how long they've currently served. If you do have term limits, of course, you want to understand when they are going to be expiring. You always understand where there might be future vacancies and if they've held any committee or officer positions. By having that snapshot of your board composition, that can be really helpful in being proactive in fulfilling upcoming vacancies and thinking about your future needs.

Kimberly McNally ([00:47:06](#)):

In this slide, this is just a visual of what I was talking about a board planning succession grid and it just helps you think through where are you currently at tracking the board leadership roles and then who potentially might be a good candidate for the future.

Kimberly McNally ([00:47:24](#)):

Again, this is something that often is owned by a governance committee or the executive committee but a very specific activity of understanding who is the board, where are they and in terms of overall composition, what you need to be planning for.

Kimberly McNally ([00:47:41](#)):

The other thing we know is really important is board self-evaluation because that is the best practice and when board self-evaluation is done well and debriefed and in boards really think about what they

want to do next to improve them, very often thinking about board leadership and board succession will come up. Those two things often will go hand in hand.

Kimberly McNally ([00:48:08](#)):

You want to think and in my job today is not to tell you that there's only one way of doing this, but to get you thinking about the process and plan for your center that will make most sense but it is important to have some specific way, in a consistent way to determine how you'll select board leaders or board chair, the full board votes to select a board chair. Even if a governance committee is developing and identifying a slate of candidates and interviewing and vetting people and making a recommendation to the full board, it is the full board that is taking that vote to select the board chair.

Kimberly McNally ([00:48:51](#)):

Then, of course, we always want to be sure we're setting people up for success and that they've had sort of a running start for that new role and hopefully they've had some leadership development before taking the board chair but then because the role is unique and so critical, it's important to have a really effective onboarding process. In order for them to fully step into that board chair role, what do they need?

Kimberly McNally ([00:49:17](#)):

Emily, I think this was part of the question you were asking me earlier was how to start the conversation. This is something I didn't say, but I would reiterate the importance of it is for the board chair to be thinking about the relationship between succession planning and fulfilling the mission. That's a great place to start to just begin to open up the conversation, kind of cede the ground. Then, to ask some follow up questions like what risks do we face if we don't have the conversation? If we don't take some action in at least starting the conversation, what could be the risks for our center?

Kimberly McNally ([00:49:56](#)):

Then, I think if we believe that boards are responsible for rolling modeling effective leadership and we want the CEO to model effective succession planning in his or her role, then it's important that the board set that tone.

Kimberly McNally ([00:50:16](#)):

Couple things I would like to highlight on this slide in terms of setting the stage, like with any change, it's important to gain the commitment of others and to manage the transition intentionally. Sometimes it can take a period of time to start the conversation before you actually move to a plan but I think understanding a timeline, identifying some of the needs, drawing on best practices.

Kimberly McNally ([00:50:44](#)):

The good news is that we don't have to make up the best practices for high performing boards. We already know them and NACHC is a great resource for sharing those with you. I also think it's important to think about where does succession planning as a process of the boards fit in best to the board's annual calendar. That's why I was suggesting that sometimes the board evaluation process is a good place to tie that together but there may be other places on your board calendar that it just seems like a natural time.

Kimberly McNally ([00:51:17](#)):

As I mentioned, certainly implementing leadership development and advance of the transition. If people can have the opportunity to get really good and proficient in their committee chair responsibilities, then oftentimes, they've got much of what they need to move into that board chair role.

Kimberly McNally ([00:51:38](#)):

We've talked about the CEO and board assessment process, assigning the responsibility to board committee and I again, would just sort of really recommend a governance committee approach if you're thinking about this, and then when you're doing your planning, focus more on the how and what we need to do for board chair selection and succession planning versus the actual who. Sometimes boards get ahead of themselves and they just assume that there's a person who's already sort of in the lineup, if you will, but I think if sometimes we don't always make the best decisions if we're too quick to just identify a who a person, but really having a good process and a plan that identifies what we want to do and how we want to do that.

Kimberly McNally ([00:52:28](#)):

Then, of course, if the governance committee or the executive committee has been charged with moving this work forward, they're responsible for keeping the full board apprised, periodically giving updates about where things are.

Kimberly McNally ([00:52:40](#)):

What you see on this particular slide is just a sample of board chair selection. Doesn't mean that this would necessarily work for your center, but it might be a place to springboard from some qualifications or criteria that would be important to consider.

Kimberly McNally ([00:53:07](#)):

Just like it's important to be thinking in advance of what makes sense to select your board chair and to have good term limits and turnover, it's also important on the backend to have some evaluation. I recommend that there is some formal and consistent way of giving the board chair some feedback based on the job description for the role and doing that after, at least, the first year in office because all of us benefit from getting good, actionable, respectful feedback, you'll need to think about who is best to deliver that feedback. In terms of your center, sometimes the past board chair is a good person to do that.

Kimberly McNally ([00:53:52](#)):

Let me wrap up with a couple of final points and then Emily, I'll ask you to open the line again so we can have additional conversations. I'd love for people on the webinar to be taking away that succession planning is not a nice to do. It really is an essential governance responsibility. It's part of our accountability being a board and being a high-performing board.

Kimberly McNally ([00:54:20](#)):

It's my belief that term limits actually require board members to regularly assess their skills and abilities to look towards the future and to be sure that the board composition really has what it needs to advance the health center's mission and sustain the good work that happens into the future and encourage you to get started with a board chair succession plan. Start wherever you are. If it's just the

beginning conversation, that's great. Begin to see that conversation with other board members if you've started the process, but need to fine tune it or close the loop, go back to your boards and do that as well but my message would be to get started today, because it really is critically important.

Kimberly McNally ([00:55:09](#)):

Keep in mind you want to be clear about the principles and the policies, have really clear expectations about what is important for future leadership and of course, be sure it's realistic and pragmatic and very much reflective of your center in your community but don't leave it to chance. Board leadership succession, board chair succession planning is a priority and too much is at stake. Please be intentional. I will leave it at that Emily. We'll ask people to maybe think about were there one or two takeaways from the webinar? Even if they don't ask a question, hopefully, people will take away one specific action that they can move forward after the webinar.

Emily Heard ([00:55:59](#)):

Thank you so much, Kimberly. I have unmuted the lines if folks want to ask a question verbally. We did have a question come in by chat that I want to pose and that is what health center is considering a chair-elect model. Thinking about electing somebody as the chair-elect, the last year of their board chairs term so they can formally do some onboarding in that manner. What do you think of that model?

Kimberly McNally ([00:56:25](#)):

Yeah, that's a great question. In my experience, I think, it can be an excellent approach, because it really gives that sort of leadership continuity principle that I was talking about, some good legs. I think it's also important to be clear what the job description of that chair elect is but having been a board chair myself and have the opportunity to be chair-elect, it allowed me to observe the board chair role in a little different way. It allowed me to participate in some conversations with the board chair and the CEO that I might not have otherwise had the board I was serving on not have that. I think it can be an excellent way to create a pipeline that we're talking about and to continue to accelerate people's readiness.

Emily Heard ([00:57:29](#)):

Thank you, Kimberly. Does anybody have a question they'd like to ask or even share a takeaway that they plan to implement after today's webinar?

Amanda ([00:57:44](#)):

Hi, this is Amanda. I do have just one, I guess, general question. Just giving an example of if you had a chair who is not the leader that they should be; however, they're so fairly newly elected, what would be your approach to that situation?

Kimberly McNally ([00:58:06](#)):

Well, first of all, Amanda, thank you for asking that question. I greatly appreciate that. If I understand you correctly, you're noting that, although the board chair at your center has not been serving for a really long time, the person may not be as effective as you would hope them to be. Did I understand that correctly?

Amanda ([00:58:27](#)):

Correct.

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Kimberly McNally ([00:58:29](#)):

Do you have term limits?

Amanda ([00:58:31](#)):

We do.

Kimberly McNally ([00:58:32](#)):

Okay, great.

Amanda ([00:58:34](#)):

However, we do have several board members too, specifically, who really like to push those boards term limits.

Kimberly McNally ([00:58:45](#)):

When you say they push it, they're not abiding by the bylaws, is that what you mean?

Amanda ([00:58:50](#)):

The way that we have our term limits set up is to be on the board itself. There are three three-year terms. You can then be brought back onto the board after one board meeting.

Kimberly McNally ([00:59:05](#)):

That's one board meeting.

Amanda ([00:59:07](#)):

Maybe that's ... Yes.

Kimberly McNally ([00:59:19](#)):

What were you saying, Amanda?

Amanda ([00:59:21](#)):

I said so that may be something that we're looking into changing for the future.

Kimberly McNally ([00:59:27](#)):

Yes. I mean, I think that's worth exploring that that term limit setup that you have right now could be contributing to what you're observing. The other thing I would think about is, do you have a job description for the board chair role?

Amanda ([00:59:48](#)):

We currently do. It is under revision at this point. We are fairly new with a CEO who has come in and done an amazing job updating our facilities. Those things are still within the work.

Kimberly McNally ([01:00:04](#)):

Okay, great. Then, do you have any practice on your board of giving each other feedback in any way?

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Amanda ([01:00:16](#)):

The past CEO did not fully accept that. That has not been something that has been used appropriately.

Kimberly McNally ([01:00:29](#)):

Okay.

Amanda ([01:00:30](#)):

So getting those older board members to really jump on board.

Kimberly McNally ([01:00:37](#)):

One as I love your interest and passion and commitment to make your board even better and you may find that bringing in information about best practices could really help moving forward. There's not much you can do about what has happened in the past but it can be very helpful to have an organized feedback process based on the job description, because that's what helps us take very specific feedback people and maybe introduce that as a best practice moving forward. Does that sound reasonable?

Amanda ([01:01:14](#)):

It does for me, of course.

Kimberly McNally ([01:01:16](#)):

Okay, great. You're a board member on the board?

Amanda ([01:01:21](#)):

I am not. I am our executive coordinator.

Kimberly McNally ([01:01:24](#)):

Okay. Okay. Great. Great. You're a really important person in terms of being that liaison between the board and the CEO. You see all of the inner workings of what's happened. Maybe you could use the webinar and other information about board succession planning and treat it as a board training for your center.

Amanda ([01:01:49](#)):

Yes. That was part of the initial idea here.

Kimberly McNally ([01:01:53](#)):

Great. Well, I wish you great luck and you have got some great things in place.

Amanda ([01:01:57](#)):

Thank you.

Kimberly McNally ([01:01:57](#)):

It sounds like just fine tuning and focusing on being sure you have the board leaders for the future.

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Amanda ([01:02:04](#)):

Yes and thank you so much for the webinar. It was a great help.

Kimberly McNally ([01:02:08](#)):

Oh, my pleasure. Thank you. Back to Emily. I think we're at the top of the hour.

Emily Heard ([01:02:12](#)):

We are. Thank you so much, Amanda and Kimberly and all of you for participating today. I do just want to take a minute and remind you that we do have one final webinar in our spring summer webinar series that's focused on the board's role and CEO succession. It's coming up later this week. The recording from today's session as well as the other topics in our webinar series will be featured on MyNACHC.

Emily Heard ([01:02:38](#)):

Then, additionally, I do encourage you to visit the MyNACHC Learning Center. We have a governance workbook that's available in English and Spanish and really addresses governance from soup to nuts. Please also feel free to reach out to me anytime, Emily Heard, the Director of Health and Governance here at NACHC. My email is on the screen any questions you may have about governance or any questions you may have in follow up to today's webinar.

Emily Heard ([01:03:02](#)):

Again, please share your thoughts. The last slide here is a link to a short survey. You'll be directed to that automatically as we close out our time today. Thank you again for your participation and thank you, Kimberly, for joining us today. Take care, everybody.