



Insights: Perspectives

6 Key Takeaways | Succession Planning in the Current Banking Environment

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6 KEY TAKEAWAYS

Succession Planning in the Current Banking Environment

Ed Olifer and Suzanne Walker recently presented on "Succession Planning in the Current Banking Environment: Preparing a Game Plan for Unexpected Changes, Retirement, Retention and Regulator" at the Massachusetts Bankers Association 2023 Annual Conference.

The key takeaways from their presentation include:

1

What is a Succession Plan?

A plan to: ensure continued strong leadership in key positions of management; retain and develop talent; minimize the adverse effects of management changes; and promote employee growth and development. Critical to an institution's risk management profile.

Who is Covered Under a Succession Plan?

Institutions should develop both Executive and Director level Succession Plans.

Executive Plans should include all C-Suite Officers.

2

3

How is the Current Banking Environment Impacting Succession Planning?

Causing resignations/burnout and highlighting the existence of skill gaps and retention issues.

Creating enhanced regulatory scrutiny.

Enhancing focus on governance practices that ensure smooth management transition and institutional integrity through proper staffing.

What are the Obstacles to Succession Planning?

Aversion to changing key customer relationship managers.

Internal talent pipeline or local workforce limits. More pressing issues to address.

4

5

Who is in Charge of the Process?

Board of Directors (part of core function).

Compensation/Nominating/Governance Committees.

Ad hoc Succession Planning Committee.

Chief Executive Officer.

Succession Plan Best Practices.

Include emergency, interim and long-term plans.

Coordinate Succession and Strategic Planning

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Continuous plan review.

Understand retirement horizons, bench strength and development needs.

Tailored communication strategy for all stakeholders.

6

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