

*What's your*  
**SUCCESSION  
PLAN?**

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Get started with these essentials.  
But don't worry, we're here to help.

It's no secret that workforce shortages with front-line staff is a top concern for the senior living industry in the long term. In the short term, one of the bigger challenges we hear from boards of directors is the departure of C-suite and executive leadership staff. Succession planning is more critical than ever.



# THESE ARE THE SIX KEY FACTORS THAT WILL HELP YOU PLAN FOR SMOOTH TRANSITIONS BEFORE YOUR CEO EXITS.

## 1. PREPARE FOR THE EXPECTED DEPARTURES

There is a high number of very experienced, tenured CEOs who have helped the senior living industry experience tremendous growth over the past 20 to 30 years. Many of these visionaries have created large, complex organizations. We are fortunate to have worked with many of these industry icons over the years. The challenge is that numerous industry surveys and reports show that 40-50 percent of senior living CEOs in the not-for-profit sector plan to leave their positions in the next three to four years. Few, if any, industries in America will see this rate of leadership turnover in this time span. Senior living organizations will face a significant shortage of individuals who have the experience to step into these large voids.

## 2. UNDERSTAND THE RISKS OF LEADERSHIP GAPS

Maintaining occupancy and efficient operations are keys to the business model for senior living communities. Any lack of focus on these can be disastrous to a senior living organization because industry margins simply aren't large enough to allow for significant dips. A gap in leadership or an unplanned transition can often lead to occupancy shortfalls and cost creep in operations.

## 3. DON'T UNDERESTIMATE STABILITY AND CONSISTENCY IN SENIOR LIVING MANAGEMENT

Leadership gaps and unplanned transitions can create confusion among residents and staff, or if they receive mixed messaging as to who is in charge. Confusion or uncertainty often leads to lower satisfaction levels. We see a lot of senior living organizations partner with Life Care Services®, An LCS® Company, to be a constant at their communities. Reputable senior management companies will provide strategic and succession planning, operating support and efficiencies, and the ability to backfill for key staff at communities in critical or emergency times.

## 4. PLAN AHEAD

For organizations or communities with a CEO planning to retire in the next three years, boards should conduct an objective and thorough evaluation of where your organization stands. It's crucial to make sure your retiring CEO is leaving the organization on sound strategic and financial footing. With the complexity of the industry and competition in the marketplace, boards should objectively evaluate a community's viability and determine if some type of affiliation or senior living management partner would enhance the future success and mitigate the future risk to your organization.

## 5. THINK BEYOND CEOS

Succession planning is much broader than just your CEO. Senior living communities and systems must have a succession plan in effect for executive directors and key department heads. (See #1 about shortage of senior living leaders.) A CEO should drive the succession planning. It's important to create a culture where department heads embrace the process.

## 6. SAVE YOUR TEAM FROM LENGTHY SEARCHES FOR LEADERSHIP

Unplanned leaves in executive roles can result in a long search process. In some cases, six to 12 months to find the ideal replacement. It can cause communities to operate shorthanded or board members to become more involved in daily operations. Our recommendation is to partner with a senior living management company that has a strong industry network and the ability to provide an interim executive director or senior leader who is familiar with systems, policies and procedures. Your senior living management partner also can provide recruiting and leadership development services, and a creative vision in recruitment.



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