

THE RIVER WAY: CEO SUCCESSION

PREPARE. PREPARE. PREPARE.

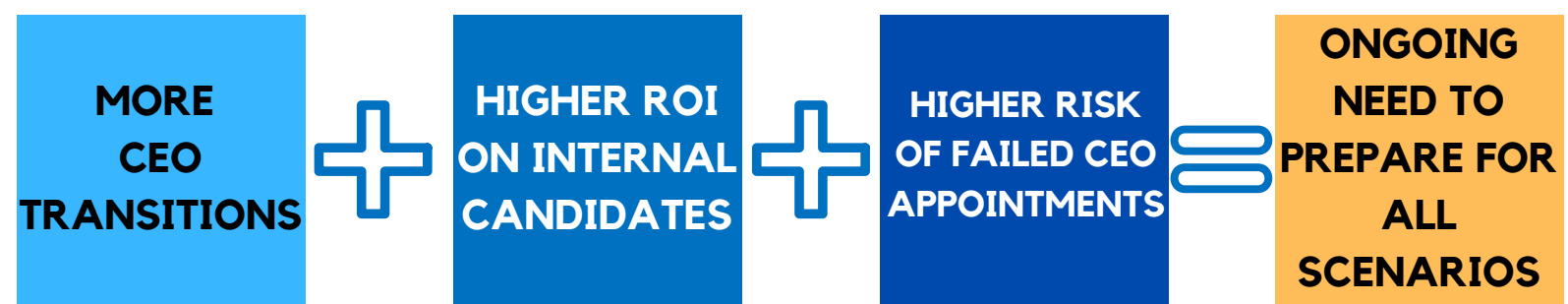
FACTS

4.6 YEARS OF THE AVERAGE CEO TENURE

23.8% CEO DISMISSAL RATE AMONG S&P 500 (2013)

76% PERCENTAGE OF INSIDER CEO APPOINTMENTS AMONG TOP 2,500 GLOBAL PUBLIC COMPANIES. UP FROM 71% (2013)

ECONOMICS OF CEO SUCCESSION



ASK THE RIGHT QUESTIONS

"Who's ready to succeed the incumbent?"

VS

"What does the company need in future CEOs, and do our first-, second- and third-generation internal candidates fit that profile?"

"How long until they are ready?"

VS

"What specific experiences are internal candidates being given to prepare them for a job they've never done before?"

"Which executive search firm would we use if we went outside?"

VS

"Which executives in other companies/industries fit best with our future CEO profile, and how likely would they be to come on board?"

The River Strength Meter: CEO Succession

WEAK		MODERATE		STRONG	
Disaster Recovery	Replacement Planning	Standard Bearing	Bench Building	Good Governance	Gold Standard
Only a "Sudden Loss of Leadership" plan in existence (internal interim identified).	A handful or less of internal candidates deemed ready within 2-3 years.	Clear specification of future CEO to be used in internal assessments.	Intensive development of first and second generation CEO candidates.	Board members with in-depth first-hand knowledge of internal candidates.	Market mapping of potential external candidates, evaluated against internal candidates.