



Executive Director Management & Succession Procedures

Authority: SAME Executive Director Compensation Committee

As of 6 December 2023

I. Executive Director (XD) Performance Management

- A. Concept.** The XD’s performance and compensation are managed in conjunction with the established National Office Performance Management System (see the National Office Employee Handbook) and the Annual budgeting process which is based on the calendar or SAME fiscal year. While this cycle is not in synch with the Society Year (May to May) and change of national presidents, it places a higher priority on serving the priorities of the Society, to which all SAME leaders are committed.

- B. SAME Governance and Management Review.** In accordance with the SAME Governance Cycle, all policies regarding the XD are reviewed annually as part of the SAME Management and Governance Review. The Executive Committee is the proponent for all governance and management policies and procedures. The XD Compensation Committee will provide a summary of all XD performance management actions (objectives, reviews, compensation, etc.) to the Executive Committee at the next meeting after which any action occurred and will entertain any discussion regarding Compensation Committee actions.

- C. XD Compensation Committee (XCOM).** As established in the XD Employment Agreement, the XD’s performance is managed by the XCOM consisting of the national volunteer President, President-Elect and SAME Foundation Chair. The SAME Treasurer provides critical input to the XD evaluation process since the Treasurer is most familiar with the XD’s management of the Society’s finances. The Compensation Committee is free to solicit input from any source they deem appropriate, including independent National Office Leadership Climate assessments and staff surveys.

- D. Cycle.** Since the transition of XD’s is envisioned to take place midyear (best time of the year for transitioning) and the Society’s needs take precedence, a new XD assumes the performance objectives of the outgoing XD regardless of when the transition takes place. The cycle is depicted below.

XD Performance Management Actions

Suspense	Society	XD	National Office Staff	XD Comp Cmte
Dec 23	XC Budget Approval <ul style="list-style-type: none"> • Incl priorities • Bonus • Raise budget for next year 	Bonus Panel		XD Bonus consideration



Jan 31		Annual Review input, draft performance objectives	Annual Review input, draft performance objectives	Evaluate XD, approve new objectives
Mar 31		Salary Raise	Salary Raise Panel	XD raise consideration
Apr 1		Raise effective	Raise effective	XD raise effective
May (JETC)	Annual Meeting	Update objectives		Reset Comp Committee, Review XD objectives

- E. **Performance Appraisal Format.** The XCOM will utilize the established National Office performance appraisal form.

- F. **Compensation.** Since the XD is the highest paid member of the staff, the XD’s compensation must be included in the overall budget (affordability) but managed in a manner that does not reward the XD at the staff’s expense. The National Office budgets each year for a bonus pool and salary increase pool. If a National Office Director reaches a salary cap they can agree to an Executive Bonus consideration as part of their total compensation. That bonus pool is separate from the staff bonus pool and is managed entirely by the XD. Anticipated XD salary increases or bonuses must be determined by the XCOM with the advice and coordination of the Treasurer and the National Office HR consultant. XCOM decisions will be communicated to the National Office Controller for input to the annual budget. Execution of the budget is dependent on performance and the cycle outlined above. The National Office Compensation system is an effective pay for performance system.

- G. **Total Compensation.** All National Office employees are provided a total compensation letter each year with their W2 form. SAME’s benefits are extremely generous and competitive anywhere. The annual cost to SAME for staff is 1.34 times salary.

II. SAME XD Succession Management

- A. **Outcome.** Succession planning for the SAME Executive Director (XD) is an ongoing process that ensures the Society is served continuously by the best possible full time senior executive leadership.

- B. **Definitions.**
 - 1. **XD Contract (“contract”).** The XD is employed by the Society on a three-year renewable contract which is negotiated by the XCOM. The SAME President signs the XD contract on behalf of the Society.



2. **XD Succession Committee:** The XD Succession Committee consists of the National President, President-Elect, Chair of the SAME Foundation, and from the National Office, a Director and Strategic and Stakeholder Relations.
3. **XD Selection Committee.** The XCOM serves as the XD Selection Committee when replacing XDs. The XCOM briefs the Executive Committee (XC) on the top 3 candidates, identifying at a minimum their recommended candidate and the basis for their recommendation.
4. **XD Search Committee.** At the 2-year mark in the XD contract, the XCOM will convene to determine whether or not a new contracted term will be offered to the XD. If not, they will determine next steps. An XD Search Committee may be deemed necessary by the XD Selection Committee. The purpose is to enable an informed decision for the next XD contract. The composition, guidance, and timeline are set by the XD Selection Committee. At a minimum, the XD Search Committee should be comprised of executive-level SAME members with backgrounds in the Army, Navy, Air Force, and Industry, with diversity in mind.

C. Succession Concept.

1. **Phases.** There are four main phases in the life cycle of the XD.
 - a. **Replacement.** This phase begins with the decision to replace the XD and concludes when the Selection Committee has made their selection and the selected candidate accepts the employment offer.
 - b. **Transition.** This phase begins with the hiring of a new XD and concludes with the completion of the XD transition plan. The outgoing XD is responsible for developing the transition plan in coordination with the XCOM if departing voluntarily.
 - c. **Continuous Assessment:** This phase is continuous and consists of two main components: XD performance evaluation and SAME strategic direction review. The XCOM's two primary objectives are: evaluating the extent to which the XD is moving the organization forward and how well the XD is leading the National Office.
 - d. **Cultivation.** While this is a continual process, special consideration is given to cultivating potential XDs towards the end of each three-year contract period. This keeps the possibility of serving in this position in the minds of potential XDs and strengthens the succession planning process for the position.
2. **Phase I: Replacement.**
 - a. **Conditions:** There are four conditions under which the XD will be replaced:
 - i. Unsatisfactory Performance. XCOM decision.
 - ii. Unexpected incapacitation of the XD.
 - iii. Satisfactory Performance. XD decision to step down.
 - iv. Satisfactory Performance. XD and XCOM agree time for change.



operation. The scope of this document is the XD's assessment of potential responses to internal and external factors that influence the future organizational health of SAME.

- d. **Compensation:** The National Office Compensation system is a pay for performance system that also considers fair market rates for the DC-Maryland-Virginia area and affordability. Staff members are considered in March for salary increases (see the Employee Handbook) and in December for competitive bonuses. The XD's compensation should be consistent with this system. The XCOM will consult with the National Office Human Resources Consultant, the Treasurer, and the National Office Controller who will check affordability, market rates and consistency with the National Office employee compensation. The XCOM will provide budgeting guidance for the XD's compensation.

III. Governance. This document will be part of the Annual Governance and Management Review accomplished by the XC each summer. Strategic and Stakeholder Relations will coordinate any changes directed by the XCOM.