THE BOARDROOM TOOL: Succession Pay Decision Framework

CORPORATE BOARD MEMBER

FARIENT ADVISORS

A ONE-PAGE GUIDE FOR COMPENSATION COMMITTEES AND BOARDS

When a CEO or C-Suite transition is approaching, a critical executive is at risk of leaving or an internal candidate may be passed over, boards need a repeatable way to decide what action fits the risk. This framework is designed to help directors separate compensation problems from readiness problems, role-design problems and pipeline problems.

BOARD QUESTION	WHAT TO ASSESS	WHAT IT TELLS DIRECTORS
1. What is the role risk?	Is this executive critical to strategy, continuity, transformation or value creation?	Whether the issue is talent loss, operational disruption or both.
2. What is the readiness risk?	Is the executive ready now, ready soon or still missing required experience?	Whether the right intervention is promotion, development, rotation or retention.
3. What is the vulnerability risk?	How likely is the executive to leave if not selected, delayed or under-rewarded?	Whether the board is facing a manageable departure or a potential ripple effect.
4. What is the holding power?	What unvested equity, retirement eligibility, tenure, outside-market appeal and career runway exist?	Whether current pay structures are already doing retention work.
5. What is the best intervention?	Pay action, expanded role, board exposure, development plan, coaching, rotation or planned departure.	Whether compensation is the right lever—or a sign the pipeline needs repair.
6. What are the governance costs?	Internal equity, precedent, disclosure, shareholder reaction and cultural signal.	Whether the action creates more risk than it solves.