



From Campaign Trail to Capitol Hill: How the U.S. Presidential Transition Maps onto Corporate Succession

“You want to make sure that when the new [administration] comes in it has the information it needs to handle the crisis of the day.

— Lisa Brown, co-chair of agency review for the 2008 Obama-Biden transition team

Every four (or eight) years the United States of America (U.S.) facilitates a presidential transition. Imagine CEO succession, but on a national scale. Within the span of two months, an entire administration must be established and prepared to take office. Historically, this process has included everything from assassination attempts to a 25-hour heads up before the incumbent president resigned. How does one facilitate such an urgent and important succession? In this case we'll take a look at the U.S. Presidential Transition and what it can teach us about the corporate succession planning process.

THE PROBLEM

There are several challenges each administration will face while carrying out the presidential transition. Among the greatest are strict time constraints, immense staffing requirements, and a large-scale need for rapid knowledge transfer. Amidst this onboarding process, new presidents are also expected to hit the ground running and begin delivering on their campaign promises. How do they get the job done? What lessons can be applied to the corporate succession planning process?



→ TIME CONSTRAINTS

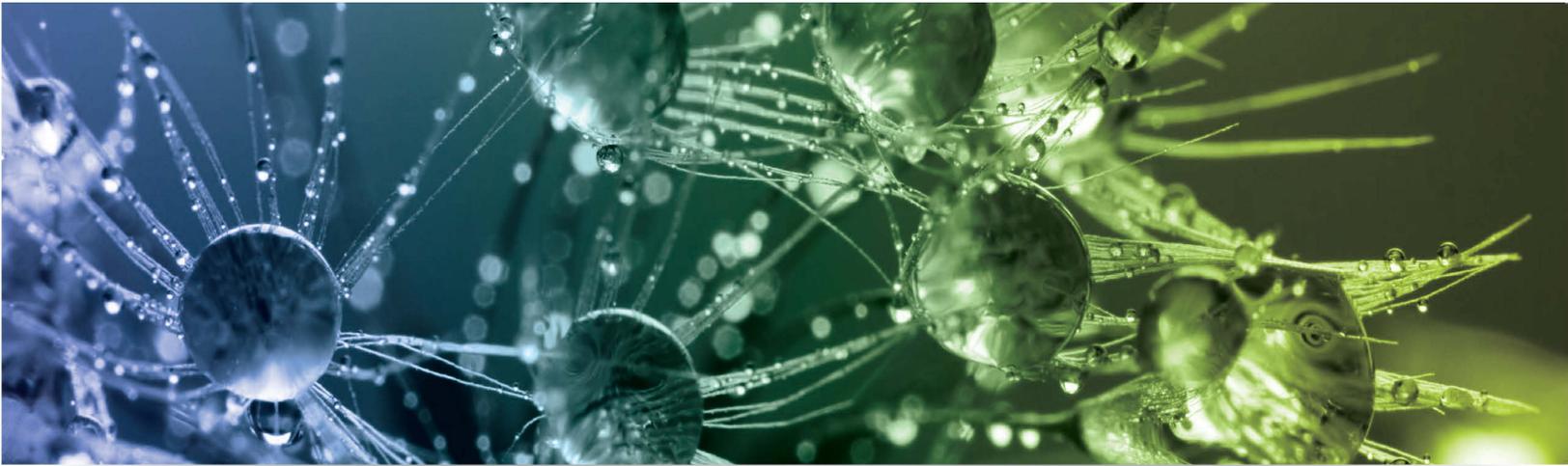
Perhaps the greatest challenge of the presidential transition is the timeline within which it has to occur. For the first 144 years of American independence, there were four months between Election Day and the inauguration of a new president. Originally this was to allow for the fact that travel to Washington, D.C. was arduous and slow. However, the unfortunate result of a four-month transition was that it created a period of limbo for departing chief executives, and an inability for the incoming administration to deal with quickly developing crises like the outbreak of the Civil War in 1861 and the rapidly worsening Great Depression in early 1933. The 20th Amendment to the constitution, ratified in 1933, reduced this transition period by nearly 50%, moving inauguration day from March 4th to January 20th.¹ Now, however, administrations need to prepare their president to take office in the span of just 60 days. How do they do it? By getting started well in advance. Even before elections take place, each party forms their own transition team and begins planning months ahead for their candidate to take office, just in case.

Presidential transition teams themselves are small, consisting of only around 25 paid staff, so they rely heavily on hundreds of volunteers to support the process. These teams begin planning for a potential presidential transition approximately six months in advance, and they hold critical pre- and post-election responsibilities (vetting, selecting, and appointing presidential personnel, coordinating national security briefings and security clearances, and organizing agency review activities).² Presidential transition teams are not unlike Succession Advisory Teams (SATs) in the corporate world. SATs are a collection of people who devise, implement, and manage a company's succession plan. The SAT sets goals for their succession plan and seeks to gain buy-in and engagement from other members of the organization. As with the presidential transition process, corporate SATs are responsible for ensuring progress is made and people are held accountable to their roles. Unlike the presidential transition however, corporate transitions do not occur on such a routine, standardized timeline. In this case, it's the role of the SAT to hold everyone accountable to the timeline and the accomplishment of their goals. In essence, SATs are the "champions" of the succession planning process, and just like transition teams they are a crucial component of strong and timely transitions.

GOVERNMENT SUCCESSION PLANNING

By nature of election, any democratic succession differs from corporate succession as we know it today. In fact, many do not think of succession planning at all when referring to high levels of government. Presidents, prime ministers, and premiers must campaign and be elected. There is no nomination for succession candidates, and little opportunity in the way of onboarding and development. Instead, prospective presidents pursue a lifetime dedicated to governance and policy activities that will make them attractive candidates but should also prepare them for their potential position well.

However, some positions in government do allow for a form of succession planning similar to that found in the corporate world. These are usually lower-level positions, or ones that are not affiliated with a particular party. The US Office of Personnel Management (OPM) recently issued a 46-page 2018 Federal Workforce Priorities Report.⁵ This report stated that "Succession Planning and Knowledge Transfer" was the office's first priority. This priority may be explained by an urgent need for succession planning among the federal workforce. As of 2018, one in seven federal workers was eligible to retire and federal retirement claims had increased nearly 16 percent over the last year.⁶ The OPM therefore stated: "Agencies should maintain a multi-faceted succession plan that is designed to capture the valuable knowledge and insights of current employees, convey captured knowledge to new and retained employees, and create and utilize a multi-generational pipeline."



→ STAFFING REQUIREMENTS

During a president's time in office, they are allowed to make approximately 4,000 political appointments, a quarter of which require Senate confirmation. After his first year as president, Barack Obama had already onboarded 2,177 new staff – a count most presidents only reach after 2 or 3 years. Michael Froman, head of personnel for the 2008 Obama-Biden transition, attributed this success in filling important roles to the fact that he brought transition staff into the White House rather than dissolving the team after inauguration. "It's better to have somebody who is doing personnel during the transition [stay] into at least the first year of the administration," he said. "Continuity is important because filling an administration is a very long-term effort."² The success of the Obama-Biden transition demonstrates how important it is to preserve continuity, even when significant organizational restructuring needs to occur. This may be the case during mergers and acquisitions, when entire departments shift, during rounds of lay-offs, or when new talent is brought on board. Although facilitating such a large-scale change efficiently and effectively will always present challenges, having continuous support from a transition team (or SAT) is a critical component to success.

FROM SUCCESSION TO ELECTION

For nearly three decades prior to 1829, presidential succession consisted of anointing, where each president handed power to his favorite, and the president's party and the Electoral College endorsed the selection. This process occurred much like corporate succession does today. What changed? It was Andrew Jackson's inauguration, the first distinctly hostile takeover of the government. Five years prior, Jackson was denied victory due to an allegedly corrupt bargain that gave John Quincy Adams the presidency and made Henry Clay the heir apparent. Leading up to the next election, Jacksonians accused Adams of being a fraud and an aristocrat, while Adams' supporters called Jackson a closeted Caesar and insulted his wife, Rachel, calling her a bigamist (Rachel died tragically under this strain, understandably magnifying the Jacksonians' anger). After Jackson won a landslide victory, he implemented sweeping changes that marked the birth of Jacksonian democracy. He eliminated civil services as protected officeholders in the executive branch, angering many postmasters and customs collectors who had come to think of their jobs as property, bequeathable to their sons. Jackson argued that no one owned a federal job and that democracy required regular rotation in office. This became a turning point for American democracy as we know it today.⁷

Given how important SATs and transition teams are in the transfer of power, it is critical that the team be constructed carefully. It's important to consider who will be nominated to champion the organization's succession planning efforts. In politics, the president's head of personnel vets, selects, and appoints members of the White House and Cabinet, as well as agency appointees.² They are also responsible for establishing the transition team. Biden, whose team consisted of 75 full-time staff in early November and nearly 300 by Inauguration Day, is now on track to assemble what will be the most diverse cabinet in history.³ In the corporate equivalent, SATs are usually appointed by a combination of executive board members, senior leaders, and HR personnel. Members of the SAT should be future-focused, strategic, organized, and well-connected. The political equivalent of this is seen in how teams are assembled for agency review. Members of these teams are highly experienced professionals with deep backgrounds in policy across areas of the federal government. But teams are also designed to reflect the values and priorities of the incoming administration as well as the diversity of perspectives required for addressing America's most urgent challenges.⁴ In the same way, members of a SAT should represent the functional and demographic diversity of the organization, and have a good understanding of the company's strategic plan and long-term goals.



→ KNOWLEDGE TRANSFER

One of the most important tasks of the presidential transition is to create an agency review team that can inform the new administration about existing federal departments. This is essentially a case of incredibly large-scale knowledge transfer. Agency review teams collect information that enable the president-elect and his senior key advisors to make strategic policy, budgetary, and personnel decisions. Lisa Brown, co-chair of agency review for the 2008 Obama-Biden transition, emphasized the importance of these teams, saying, “You want to make sure that when the new [administration] comes in, it has the information it needs to handle the crisis of the day.”² Agencies up for review include those in the area of Arts and Humanities, Consumer Financial Protection Bureau, Council of Economic Advisors, Council on Environmental Quality, Department of Commerce, Department of Defense, and more.⁴ In the corporate world, the parallel to agency review teams would be setting aside protected time and resources to ensure knowledge transfer occurs before incoming leaders are left to their own devices. All new staff should be properly trained, and existing staff should be given the responsibility and resources to support this onboarding process.

→ HITTING THE GROUND RUNNING

After inauguration, the new president is immediately expected to begin delivering on campaign promises. This puts a lot of pressure on new administrations to hit the ground running, and it’s why many presidential candidates publicize an action plan during their campaign to convince voters of their ability to succeed. In 2016, for example, Trump made a “first-100-days-pledge” and Clinton publicized her “100-day priorities.”¹ These statements are a joint effort with the transition team, who catalogues their respective candidates’ campaign promises and confers with the candidate to decide which to implement first. What can be learned from these 100-day action plans is that in any succession, it’s important for business to go on. Stakeholders have little patience for the issues and inefficiencies that will accompany unplanned succession. This emphasizes the importance of having a systematic, robust planning process that can be scaled out across positions in an organization and facilitate transitions with ease.

→ KEY TAKEAWAYS

- 1. YOU NEED A TEAM** The importance of the presidential transition team, agency review team, and transition panels highlight the need for a succession advisory team. SATs will champion succession, set timelines, and hold everyone accountable to ensure the process is carried out smoothly. SATs should include subject matter experts, but they should also be representative of the functional and demographic diversity of your organization.
- 2. KNOWLEDGE TRANSFER MATTERS** Agency review is one of the most important steps in the presidential transition, and it highlights the importance of proper knowledge transfer. Ensure new staff are trained and existing staff are given the resources and responsibility to assist in the onboarding process.
- 3. PREPARE TO HIT THE GROUND RUNNING** Succession will inevitably be accompanied by a few bumps in the road, but it is important for business to go on. Having a robust planning process will allow you to facilitate this transition in a smooth and standardized manner, ensuring your leaders have everything they need to begin working and accomplishing their most urgent priorities.

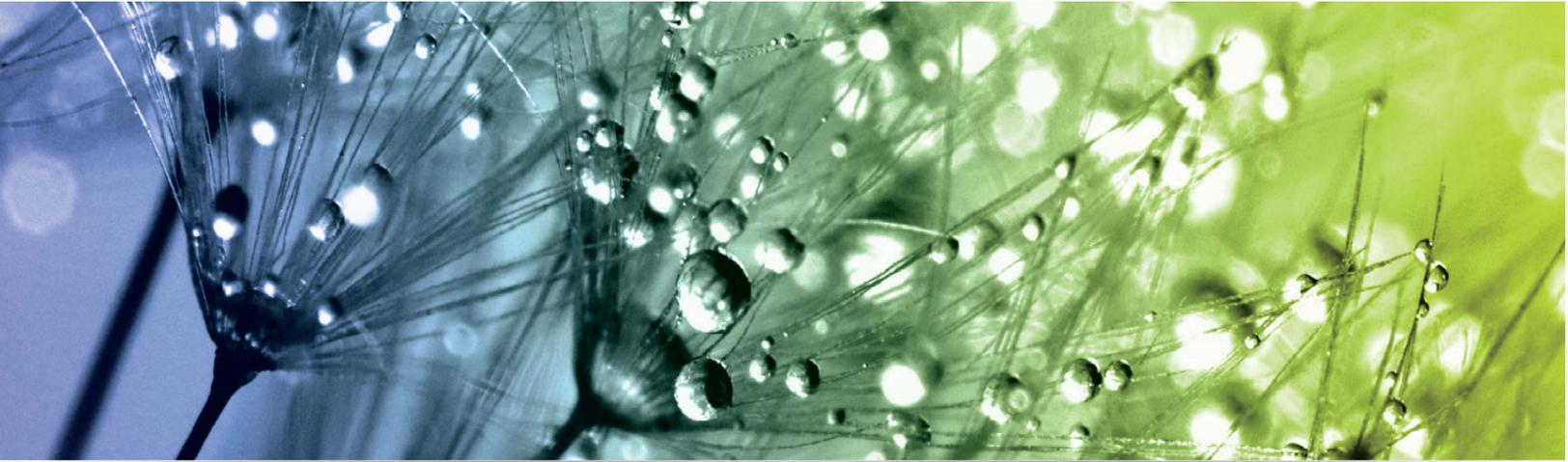


NOTEWORTHY TRANSITIONS

1. Perhaps the most dangerous presidential transition was the 1861 transition from James Buchanan and Abraham Lincoln. Between Lincoln's election and his inauguration, seven Southern states seceded from the United States and formed a new government, the Confederate States of America. As Lincoln prepared to take office, eight other slave states debated whether they would join the Confederacy, and the Civil War began only weeks into the new President's term.⁸
2. Franklin D. Roosevelt survived the first assassination attempt to occur during a U.S. presidential transition. The attempt occurred during a short public appearance while Roosevelt was vacationing in Florida. While Roosevelt survived, the mayor of Chicago was hit and killed instead and a woman in the crowd was injured.⁹
3. The Nixon-Ford transition was the shortest in American history, following the Watergate Scandal and the President's impeachment. Nixon informed Ford of his decision to resign at 11 a.m. on August 8, leaving his successor only 25 hours to prepare to assume office.⁹
4. Of course, the most recent presidential transition has been noteworthy in more ways than one. Kamala Harris became the first female, first Black, and first South Asian vice president. The election itself took place in the midst of a global pandemic and world-wide recession, and the outgoing commander-in-chief was impeached over a deadly riot at the U.S. Capitol. And – fun fact – the date of inauguration day is a palindrome that won't happen again for another thousand years.¹⁰

HOW SIGMA CAN HELP

If you're looking for support on establishing and maintaining a strong SAT and succession plan, SIGMA is here to help! Our [Succession Planning Launch Series](#) will guide your team in completing six months of work in just 2 half-day sessions. Want to start small? No problem! You can also register for one of SIGMA's open-enrollment [Succession Planning Certification Workshops](#). In these workshops we'll introduce our six-step succession planning process and train you on how to scale it across your organization. For more tools and templates, check out our [resources](#), download our Succession Planning Guide, or [contact us](#) today. ■



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