

Succession Planning in the Boardroom and its impact on Business Continuity

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Introduction

Board succession planning rarely commands the same attention as CEO succession. It does not trigger headlines, activist campaigns, or emergency announcements – until something goes wrong. Yet time and again, moments of corporate stress reveal an uncomfortable truth: business continuity is deeply dependent on whether the Board itself is prepared for change.

In an era defined by volatility – geopolitical shocks, technological disruption, activist scrutiny, and sudden leadership exits – many organizations are discovering that continuity risks do not originate solely from management level but may also originate in the boardroom. A Board that fails to plan for its own evolution exposes the organization to strategic drift, weakened oversight, and leadership paralysis at precisely the wrong moment.

Beyond Compliance: Reframing Board Succession

Principle 1.5 of the Nigerian Code of Corporate Governance (“NCCG”) states that the Board shall ensure the establishment and implementation of a succession plan for the Board and senior management of the company, while **Principle 11.2.5.7 of the NCCG** further stipulates that a succession plan should be in place for the Chairman of the Board, Managing Director/Chief Executive Officer, Executive Directors, Non-Executive Directors and senior management positions to ensure leadership continui-



ty. Provision should be made for succession in emergency situations as well as long-term vacancies.

For many Boards, succession planning is still treated as a compliance obligation or a confidential, last-minute replacement exercise. A director retires. A vacancy emerges. A familiar résumé fills the seat. This approach may satisfy procedural requirements, but it does little to prepare the Board for the future that the organization envisages.

Effective board succession planning requires a shift in mindset – from replacing individuals to renewing capabilities. The central question is no longer “Who can fill this seat?” but “What does this board need to remain effective three, five, and ten years from now?”, bearing in mind the board’s stewardship, long-term

direction, risk oversight, and organizational resilience. A misstep at the board level reverberates across leadership decisions, corporate culture, and stakeholder confidence. That reframing transforms succession planning into a strategic process rather than a reactive one.

The Continuity Connection

Business continuity at the strategic level depends on the Board's ability to function decisively during moments of uncertainty. Leadership gaps or outdated skills set at the board level amplify risk, such as CEO transitions, major acquisitions or reputational crises. In these moments, Boards are expected to provide clarity, challenge assumptions, and guide Management through ambiguity. A Board unprepared for its own succession will struggle to do so.

There is also a delicate balance between institutional memory and strategic stagnation. Long-serving directors carry invaluable context, relationships, and historical perspective. But without deliberate refreshment, Boards risk becoming anchored to past strategies rather than future realities. Continuity does not mean preserving the status quo; it means preserving the organization's capacity to adapt without losing coherence. Boards that plan succession proactively are better positioned to manage this balance – retaining critical knowledge while steadily introducing new perspectives and expertise.

What Effective Board Succession looks like

Modern board succession planning begins with a clear understanding of future needs. This requires rigorous skills and experience mapping aligned with the organization's long-term strategy. Digital transformation, cybersecurity, ESG, regulatory complexity, and geopolitical exposure are no longer "nice to have" competencies; they are central to effective oversight. Planned refreshment is equally critical. High-performing Boards avoid abrupt turnover by sequencing transitions over time, ensuring continuity of leadership and committee expertise, which includes planning for key roles such as the Chairperson, Independent Director, and Committee Chairpersons.

Boards must also distinguish between emergency succession and long-term evolution. While contingency plans for sudden departures are essential, they should not be a substitute for deliberate, forward-looking planning. While emergency readiness addresses risk, long-term succession planning builds resilience. Importantly, effective succession planning should integrate diver-



sity in its fullest sense – age, skills, backgrounds, cognitive styles, and perspectives. Diversity is not a standalone objective; it is a driver of better decision-making and stronger continuity in complex environments.

Ownership of board succession planning typically sits with the Board Chairperson and the Governance or Nomination Committee (Principle 11.2.5 of the NCCG), but its success depends on full-board engagement. Some processes that can aid the succession planning include:

- **Regular board and individual director evaluations** – These are powerful tools when used constructively. When evaluations are linked to future capability needs, rather than past performance alone, they become a forward-looking input into succession planning.
- **Scenario planning** – This also plays an underutilized role. Boards that periodically test how leadership gaps would affect decision-making during crises are better prepared to address vulnerabilities before they become acute.
- **External Advisors** – This can add value by providing market perspective, challenging entrenched assumptions, and expanding candidate pools beyond familiar networks. Used thoughtfully, they support (not replace) the board's stewardship responsibility.

The benefits of an effective board succession plan include:

- Minimizes disruption from planned and unplanned board departures.
- Ensures timely identification of candidates aligned with evolving strategic needs.
- Strengthens governance credibility, enhancing investor confidence.
- Promotes board diversity leading to inclusivity and effective decision making.

Conclusion

Succession planning in the boardroom is not a periodic task to be checked off between crises. It is a continuous act of stewardship – one that requires foresight, discipline, and candor.

Boards that plan their own continuity signal something powerful: that they understand leadership itself must evolve to protect the organization's future. In doing so, they transform departures from a silent risk into a strategic advantage.

The Grey Matter Concept is an initiative of the law firm, Banwo & Ighodalo.

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