

Is your Board future ready?

Succession planning in Botswana: the process, challenges and opportunities

Board succession planning is about building future-ready boards with the leadership, skills, and diversity needed to ensure strong governance and long-term success.

Have you asked yourself these questions?

- If your Chairperson resigned tomorrow, who would succeed them?
- What critical board skills will you require in three to five years to lead your entity into the future successfully?
- Have you reviewed board composition within the last 12 months?
- Are you developing the next generation of board leaders?

What is board succession planning?

Board succession planning is a fundamental element of good corporate governance. Effective succession planning ensures that boards maintain the right mix of skills, experience, independence and diversity needed to guide organisations through changing business, regulatory and economic environments. It is particularly important for listed companies, regulated entities, state-owned enterprises, family businesses and non-profit organisations, where board effectiveness has a direct impact on organizational sustainability.

Board succession planning is the continuous process of identifying, assessing and preparing future board members and board leaders (including the Chairperson and committee chairs) to ensure smooth transitions without disrupting governance or organisational performance.

Rather than reacting when a director retires or resigns, succession planning anticipates future vacancies and ensures the board has access to qualified candidates aligned with the organisation's long-term strategy.

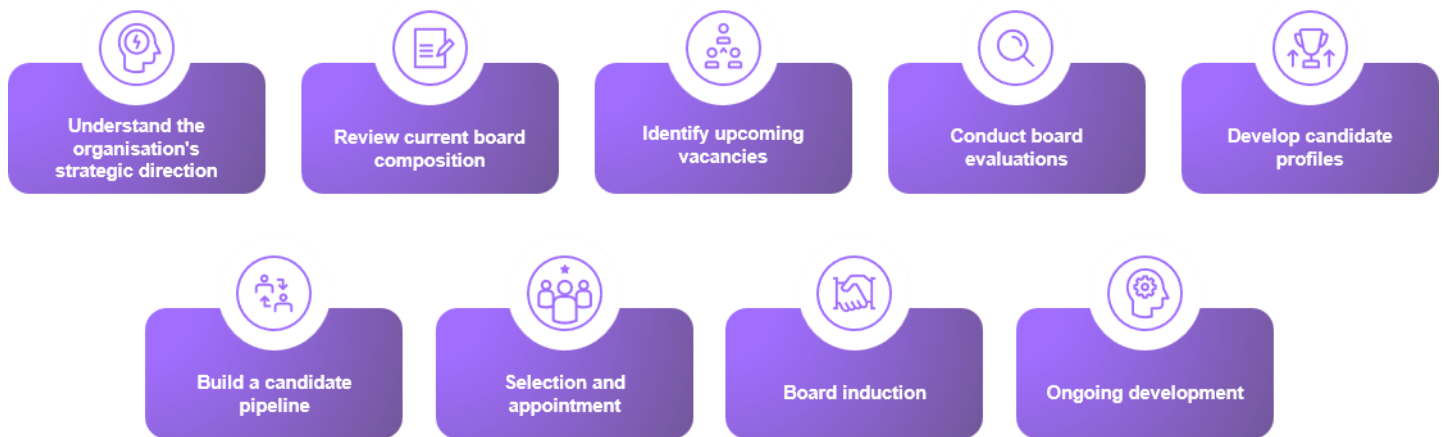
Why board succession planning matters

Board succession planning is an ongoing governance process that supports board continuity, effectiveness, and long-term value creation by ensuring:

- Board continuity through the preservation of institutional knowledge and leadership stability.
- Board effectiveness by maintaining the right mix of skills, experience, and expertise.
- Appropriate board composition aligned with current and future strategic priorities.
- Leadership continuity through planned succession for the Chairperson and Committee Chairs.
- Strong strategic oversight to guide the organisation through change and emerging challenges.
- Sustainable governance by ensuring the board remains effective and fit for purpose over the long term.



The board succession planning process



Understand the organisation's strategic direction

Succession planning should begin with the organisation's future strategy rather than its current board composition.

Questions to consider include:

- Where will the organisation be in 5–10 years?
- What governance challenges are expected?
- What new skills will be required?
- What regulatory developments may affect the organisation? For example: Digital transformation, Data Protection and Cybersecurity, ESG and sustainability, Artificial Intelligence, International expansion, Risk management, Capital raising

Review current board composition

The board should conduct a structured assessment of its existing members in terms of skills, experience, industry knowledge, independence, tenure, diversity, committee representation and leadership capability.

Identify upcoming vacancies

The board should map expected changes over the next three to five years to avoid last-minute recruitment. Consideration should be given to retirement plans, expiry of terms, planned resignations, mandatory rotation, independence requirements and Committee / Chair succession.

Conduct board evaluations

Annual board evaluations should be conducted to identify competency gaps, assess director and committee performance, evaluate leadership effectiveness, and highlight areas for renewal, with the results directly informing succession planning.

Develop candidate profiles

The ideal board candidate should be defined based on the skills, experience, and attributes needed by the board, including technical expertise, industry and governance knowledge, leadership, strategic thinking, ethical judgement, independence, and cultural fit,

rather than focusing solely on professional qualifications.

Build a candidate pipeline

An ongoing pool of diverse and qualified board candidates should be maintained from sources such as senior executives, industry leaders, academia, professional bodies, emerging leaders, and former regulators, rather than recruiting only when vacancies arise.

Selection and appointment

The nomination committee should manage the selection process by conducting candidate screening, due diligence, interviews, independence and conflict of interest assessments, and making recommendations for appointment where required.

Board induction

New directors should receive comprehensive induction.

Ongoing development

Succession planning does not end with appointment. Boards should invest in continuous development through:

- Director training
- Governance updates
- Strategy workshops
- Industry seminars
- Regulatory briefings
- Board retreats

Botswana statistics



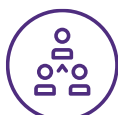
45%

Only 45% of surveyed family-owned businesses in Botswana had a documented succession plan, while 55% had no succession plan at all.



80%

80% of those businesses reported they did not regularly review or update their succession plans.



10%

Only 10% of boards in the study included non-family directors, highlighting the limited diversity of thought and governance in many privately owned businesses.

Governance framework in Botswana

Although Botswana legislation does not prescribe a detailed board succession planning process for all entities, succession planning guides improved alignment with governance expectations under:

The Botswana Companies Act

King Code of Corporate Governance (where adopted)

Sector-specific regulatory requirements (e.g., financial institutions, pension funds, insurers)

Governance frameworks applicable to state-owned enterprises and public entities

Good succession planning also supports directors' fiduciary duties by promoting effective oversight, continuity and sound decision-making.

Challenges of board succession planning in Botswana

Limited Talent Pool

Botswana has a relatively small population and a relatively small talent pool that can make it challenging to find directors with specialised expertise such as cybersecurity, Artificial Intelligence, ESG, International finance and digital transformation. Boards can address this by broadening their search to include regional and internationally based professionals, emerging leaders, and candidates with cross-industry experience.

Overboarding

Experienced directors serving on multiple boards may face reduced availability, conflicts of interest, fatigue, and diminished effectiveness. Boards can mitigate this by developing a pipeline of new directors through mentoring and governance education.

Although Bank of Botswana (BoB) places restrictions on this aspect (only to financial services), generally Botswana does not currently appear to impose a general statutory maximum number of directorships that an individual may hold across companies. Similarly, the BSE and BAOA governance framework does not prescribe a universal numerical cap applicable to all directors.

Organisations could consider adopting an internal Board Overboarding Policy that establishes clear parameters for the acceptance of additional mandates and requiring directors to obtain prior approval before accepting appointments that may materially affect their capacity

Lack of diversity

Some boards continue to have limited diversity in terms of gender, age, professional background, industry experience, ethnicity, and skills which can restrict board effectiveness.

Increasing diversity enhances decision-making, innovation, risk oversight, and stakeholder confidence. Boards should refine and broaden their search criteria based on the organisation's specific circumstances, strategy and future needs.

Board induction should not take place only when a director joins the board, it should evolve as the director, organisation and regulatory environment evolve.

Reactive recruitment

Many organisations only begin recruiting directors after vacancies arise which can result in rushed appointments, limited candidate options, and governance disruption.

Maintaining an ongoing succession pipeline and regularly reviewing future board needs supports smoother and more effective board renewal.

Resistance to board renewal

Long-serving directors may resist board refreshment which can reduce independence, discourage independent thinking, and leave boards with outdated skills.

Implementing tenure policies, regular board evaluations, and structured renewal plans helps maintain board effectiveness and independence.

Skills mismatch

Boards often recruit based on historical expertise rather than future strategic needs which can leave boards without the expertise needed for emerging challenges. For example, organisations undergoing digital transformation may lack directors with technology or innovation experience.

Using strategic workforce planning and skills matrices helps ensure boards have the capabilities required for future success.

Limited succession for board leadership

The absence of identified successors for the Chairperson and committee chairs can disrupt governance when unexpected departures occur.

Developing future leaders through mentoring, committee leadership roles, and increased leadership exposure helps ensure a smooth transition.

Challenges for outsourced company secretaries / current directors / shareholders and key stakeholders in board succession planning

Governance and succession planning can present particular challenges. Some common challenges include:

Limited Board influence	Succession planning may not be prioritised until vacancies arise.
Resistance to change	Long-serving directors may resist renewal and new perspectives. .
Limited evaluation and planning	Infrequent board reviews make it difficult to identify succession needs.
Confidentiality and stakeholder management	Sensitive discussions require diplomacy and careful handling.
Capacity constraints	For outsourced company secretaries, managing multiple clients can limit proactive succession support.
Regulatory alignment	Ensuring succession plans meet governance and legal expectations requires ongoing attention.

Key opportunities for outsourced company secretaries

- Support board evaluations, skills reviews, and succession planning.

- Build director pipelines and promote board diversity.
- Advise on governance, leadership transitions, and director development.

By taking a proactive advisory role, outsourced company secretaries can help clients move from **reactive board replacement** to **strategic board succession planning**, ultimately strengthening governance, board effectiveness, and organisational resilience.

Future-ready governance

For organisations in Botswana, board succession planning is no longer simply about replacing directors when vacancies occur. It is a strategic governance process that ensures boards remain capable, independent and aligned with the organisation's future direction. While challenges such as a limited talent pool, overboarding and resistance to renewal persist, these also create opportunities to diversify boards, cultivate new governance talent and strengthen leadership continuity. Organisations that embed succession planning into their governance framework are better positioned to navigate change, meet stakeholder expectations and achieve sustainable long-term success.

How we can help

To support you in this process, our team can provide practical guidance and implementation support, including:

- Director competency profiling and role specifications
- Chairperson and Committee Chair succession planning
- Identification of future Board leadership requirements
- Board composition and renewal planning
- Director nomination and selection support
- Independent candidate search and evaluation support
- Development of Board succession policies and procedures
- Board skills matrix assessment and gap analysis
- Board diversity, independence and tenure reviews
- Board, Committee, Chairperson and individual directors' effectiveness evaluations
- Corporate governance advisory aligned with King III, IV, V and regulatory requirements
- Conducting board induction / director training sessions

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