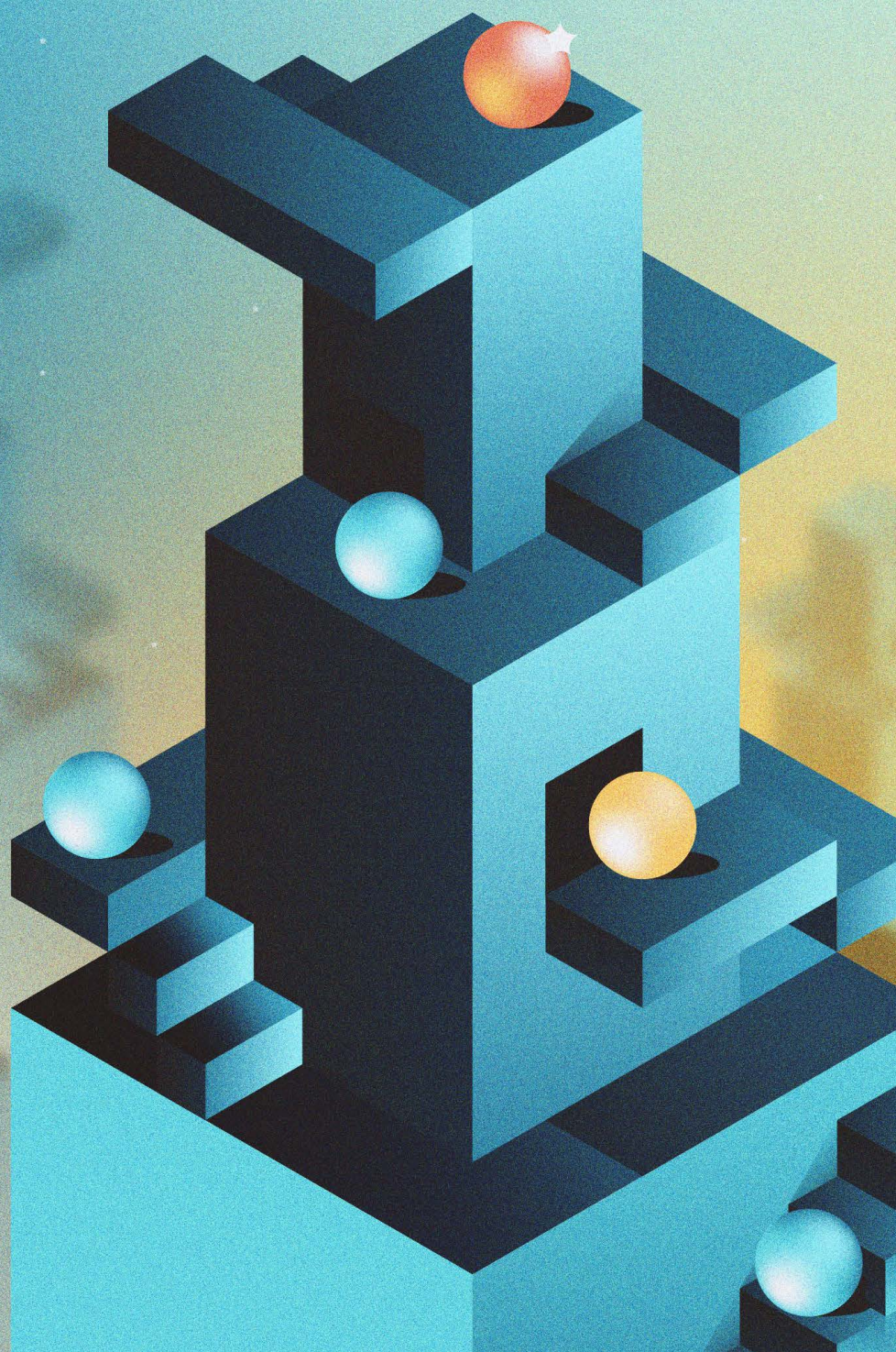


# Route to the Top 2025

## The Ascent Redefined: Charting More Effective Routes to the Summit





**When Warren Buffett formally announced he would be retiring as CEO of Berkshire Hathaway at the end of 2025, it marked the end of one of the most iconic tenures in American business. But the story that deserves just as much attention is the process that made the ending so seamless.**

At the May 1, 2021, shareholders' meeting, Buffett remarked, "The most significant risk factor a company faces is selecting the wrong CEO."

While his comment was focused on the market broadly, that simple truth has guided Berkshire Hathaway's own succession planning process—which proceeded quietly, deliberately, and with a level of discipline few companies have ever matched. Many corporations treat CEO succession as an episodic event—often triggered by crisis, board turnover, or activist pressure, despite protestations of its importance. What emerged from Buffett's statement was a blueprint for leadership transitions that are not only intentional but also directly tied to long-term value creation—underscoring the fact that leadership risks are increasingly material risks as well as opportunities—for organizations.

For more than a decade, Buffett and former vice chairman Charlie Munger had telegraphed their thinking about potential successors, giving the board and shareholders confidence that the process was both under control and evolving in real time.

Their chosen successor, Greg Abel, had been in plain sight for years, running Berkshire Hathaway Energy with a combination of operational rigor and capital discipline that reflected the Berkshire ethos. That ethos also shaped the CEO succession planning process. There was no rush, no last-minute scramble, and no external-search-firm fanfare. The process was internally led, low-friction, and highly efficient. In a business world where CEO succession can become an expensive, high-wire production, Berkshire's approach was notably cost-effective and focused, and created high-impact results during the process as well as in the choice of CEO. Without golden handcuffs or overengineered executive retention schemes, Abel and other potential successors like Ajit Jain—who could have commanded vastly higher pay packages elsewhere—stayed not because of short-term incentives but because they were committed to something larger than personal gain: the long arc of value creation and the opportunity to steward a values-driven enterprise.

Berkshire's CEO succession process is not only a study in good governance—it is a strategic asset that has contributed materially to the company's stability and value. In a time when CEO transitions often spark volatility or uncertainty, Berkshire's process delivered confidence, continuity, and clarity to the market.

Buffett may be stepping down, but his final succession act affirms what he always believed: Picking the right CEO is not a risk to be managed once but a responsibility to be embedded into the culture and cadence of leadership itself. It is not succession as theater; it is succession as stewardship.

A growing number of boards are adopting the better mapped, supported, and planned path observed at Berkshire Hathaway. But our research and experience highlight just how many boards don't, despite the long-held belief in the governance and investment communities that it is perhaps the most important responsibility of the board. This report reviews the current state of succession planning globally, why more boards aren't moving more intentionally, the shoots of change we are seeing, and some observations about the possible future of CEO succession planning.

A growing number of boards are adopting the better mapped, supported, and planned path [for CEO succession]...but our research and experience highlight just how many boards don't.

# Three mindsets about CEO succession planning

CEO succession planning continues to *not* be a priority that boards act on. Our work has long shown us that this has been the case, but we were still surprised at how few CEOs and board members said in a 2024 survey that it is a top priority and treated as such—only 28%.<sup>1</sup> Our new survey found the same:

Only 26% of respondents overall report that CEO succession is among their top priorities and treated as such. These leaders tend to see CEO succession as an individual and collective responsibility. They often think that both the current CEO and stakeholders demand it. And more than half say it is continuously on their agenda.


A third of CEOs and board members say CEO succession planning is a top priority but is often overlooked given other priorities. Most often, these boards expect the current CEO to manage their succession in the background, while the board deals with other matters; some add that the board lacks motivation to address it. They also often say that their stakeholders are less interested in CEO succession than other topics.


More detail on the boards in this category can be found [here](#).

Forty percent say CEO succession planning isn't a priority at all. Most often, these directors just see a current CEO in place and look toward other, more pressing concerns—either because they don't expect their CEO to leave anytime soon or because the CEO is new to the role. A quarter say that CEO succession isn't important for the board given their ownership structure.

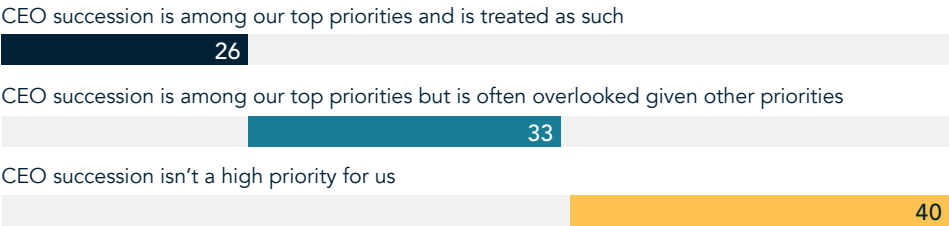
More detail on the boards in this category can be found [here](#).

Our *Route to the Top* content series also includes an interactive dashboard with data on sitting CEOs at the largest companies in 27 markets around the world, along with data on new appointments and trends.



Explore the data 

## Priority of CEO succession planning (%)



Note: Numbers may not total 100% due to rounding.  
Source: Heidrick & Struggles' survey of CEOs and board members, April 2025, n=1,027

<sup>1</sup> See Jeremy Hanson, "CEO and board confidence monitor: Beating the succession planning paradox," Heidrick & Struggles, October 30, 2024, [heidrick.com](#).

Starting with these three levels of priority, and knowing that 63% of current CEOs were appointed internally,<sup>2</sup> we asked how boards think about the internal executive pipeline in the context of CEO succession planning. This helped us define three fundamental approaches, each reflecting a different mindset about the importance of enterprise-wide leadership readiness.

## CEO succession: The mindset of the board

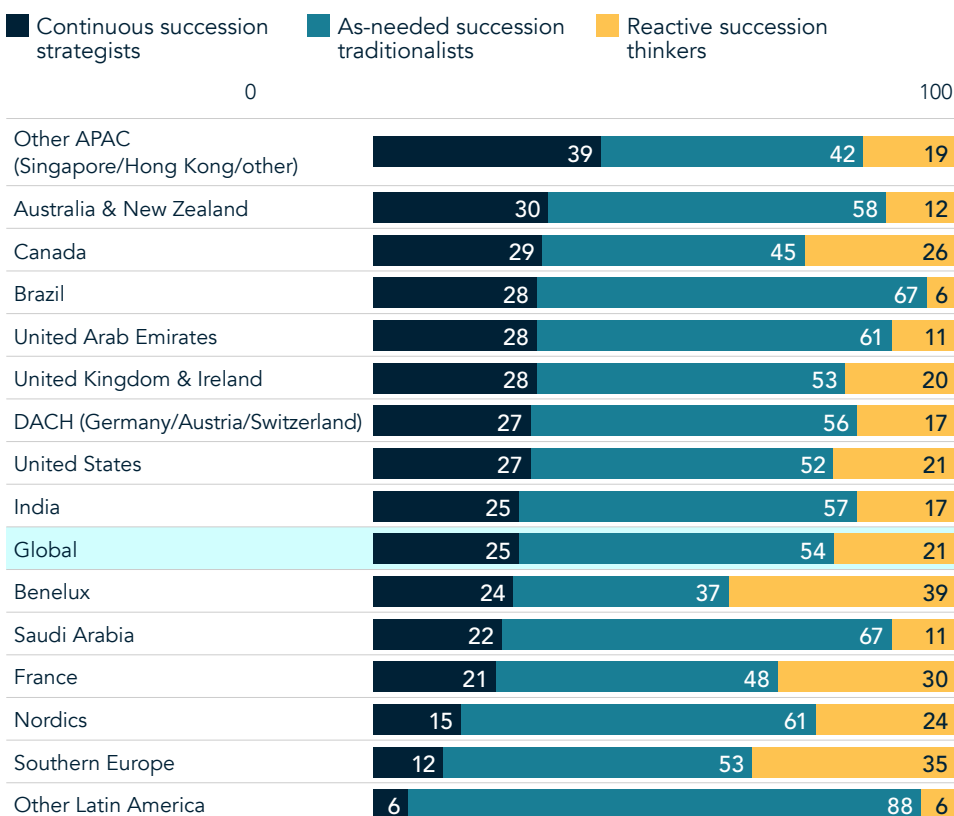
### Profiles

	Continuous succession strategists	As-needed succession traditionalists	Reactive succession thinkers
<b>Defining mindset</b>	CEO succession planning is treated as a top priority. Succession is an ongoing strategic discipline.	CEO succession planning is a priority but only treated as one when there's a need. Succession is a role-based process, activated when required.	CEO succession planning isn't a priority and happens in response to an emergency or crisis.
<b>Planning characteristics</b>	Regularly and continuously assess full executive pipeline, assign KPIs, integrate with strategy	High focus on top few leaders and consider the executive pipeline only when looking for internal CEO candidates	Minimal planning, triggered only by unexpected departures; executive pipeline considered only in emergency situations

Just over half of boards fall into the middle group; a quarter are continuous succession strategists; and 21% are reactive.

Context, of course, affects mindset, and there are some marked differences by market, type of ownership and company size (between which there is significant overlap), and industry. That said, companies of all types appear in each group.

### Mindset of the board demographics, by market and region (%)

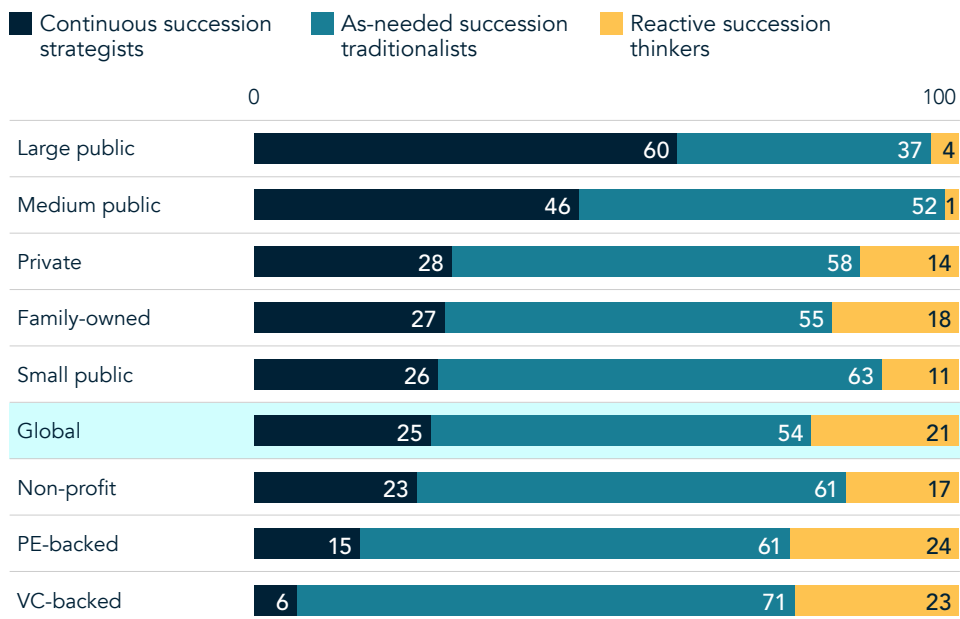


Note: Numbers may not total 100% due to rounding.

Source: Heidrick & Struggles' survey of CEOs and board members, April 2025, n=1,027

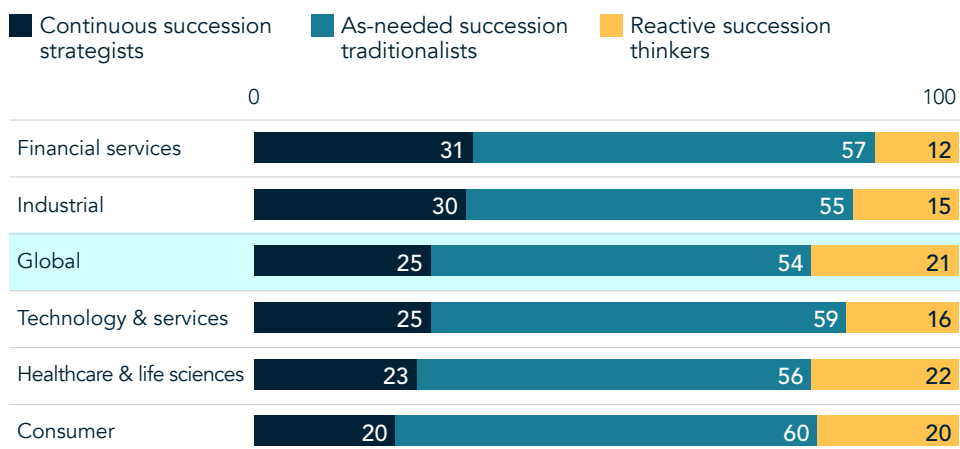
2 "Route to the Top 2025: Explore global CEO backgrounds and trends," Heidrick & Struggles, April 23, 2025, [heidrick.com](https://heidrick.com).

Just over half of boards fall into the middle group—as-needed succession traditionalists; a quarter are continuous succession strategists; and 21% are reactive.

**Mindset of the board demographics, by company ownership and size (%)**

Note: Numbers may not total 100% due to rounding.

Source: Heidrick & Struggles' survey of CEOs and board members, April 2025, n=1,027

**Mindset of the board demographics, by industry (%)**

Note: Numbers may not total 100% due to rounding.

Source: Heidrick & Struggles' survey of CEOs and board members, April 2025, n=1,027

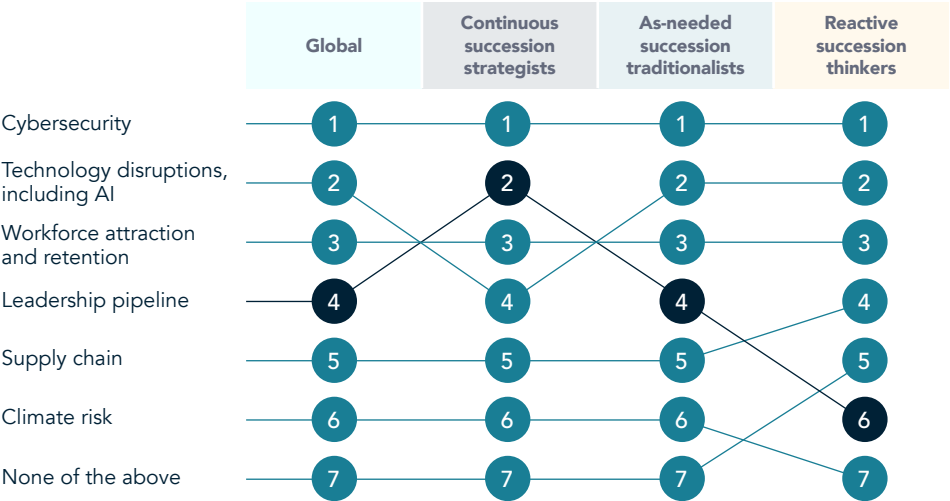
## Treating leadership as material to performance

Leaders who are continuous succession strategists differ from leaders at other companies in other ways as well. Taken together, these findings underscore that, fundamentally, they see leadership as material to performance and are actively focused on making sure their organization will have the leaders it needs for today and tomorrow.

First, they see leadership as material to the company: far more often than others, they seek the same rigor of information about their leadership pipeline as they do about financial reporting and strategic risk.

**Areas of operation and risk in which the board seeks rigor of information**  
(Rank order)

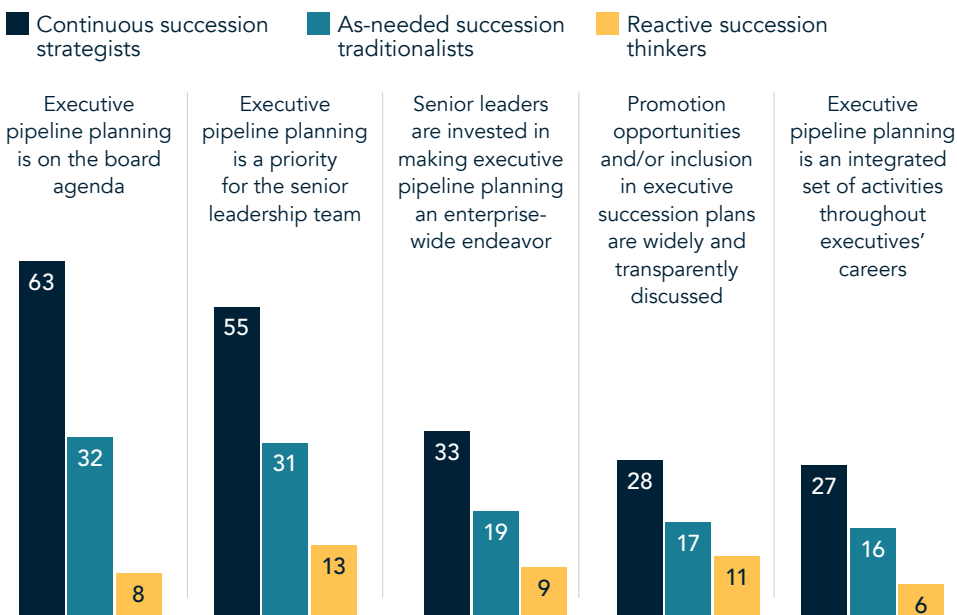
Fundamentally, continuous succession strategists see leadership as material to performance.



Source: Heidrick & Struggles' survey of CEOs and board members, April 2025, n=643

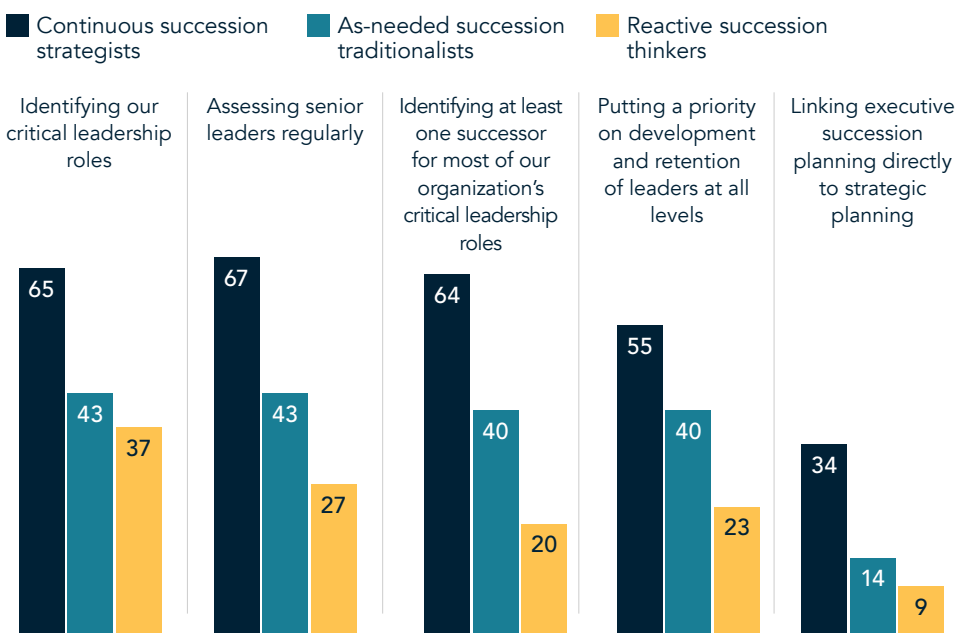
Second, these companies take a very different approach to executive pipeline planning, with both the board and senior leaders paying much more attention to it and treating it as an enterprise-wide endeavor, rather than as a series of efforts that are not particularly connected to each other or to business strategy.<sup>3</sup>

**Top 5 areas with biggest difference between continuous and reactive succession planners: The organization's overall approach to succession planning (%)**



Source: Heidrick & Struggles' survey of CEOs and board members, April 2025, n=777

**Top 5 areas with biggest difference between continuous and reactive succession planners: Activities organizations undertake as part of executive pipeline planning (%)**



Source: Heidrick & Struggles' survey of CEOs and board members, April 2025, n=770

3 For more on how companies are making these changes, see "Treating your leadership pipeline as a strategic asset," Heidrick & Struggles, [heidrick.com](https://heidrick.com).

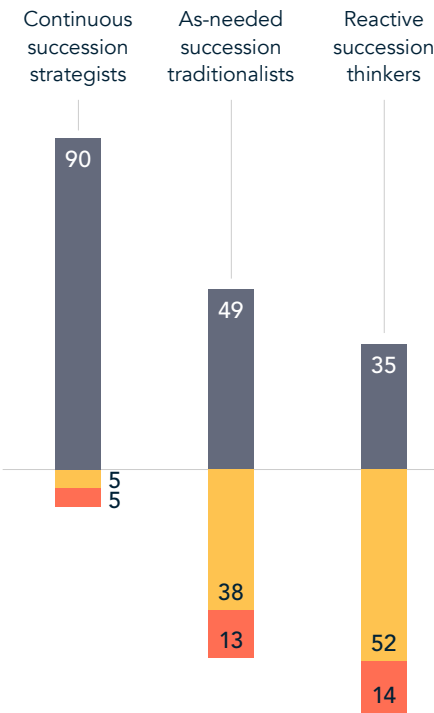
## The good results

Finally, we see that leaders who approach CEO succession planning in a continuous, strategic way have greater confidence that both their CEO succession strategies and their executive pipeline management strategies are positioning the organization well for the future.

### Positioning the organization for the future (%)

Does your board’s approach to CEO succession planning position your organization well for the future?

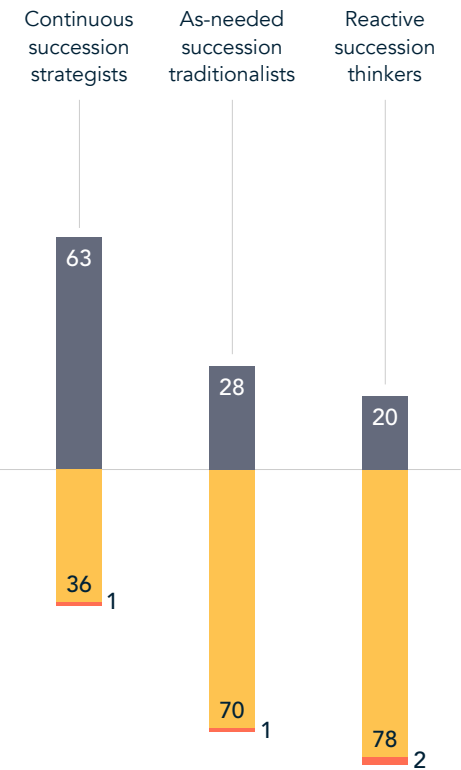
- Yes
- No
- Don’t know/prefer not to answer



Note: Numbers may not total 100% due to rounding.  
Source: Heidrick & Struggles’ survey of CEOs and board members, April 2025, n=1,016

How confident are you that your organization’s executive attraction, development, and retention strategy is positioning your organization well for the future?

- Very or entirely confident
- Not confident
- Don’t know/prefer not to answer



Note: Numbers may not total 100% due to rounding.  
Source: Heidrick & Struggles’ survey of CEOs and board members, April 2025, n=771

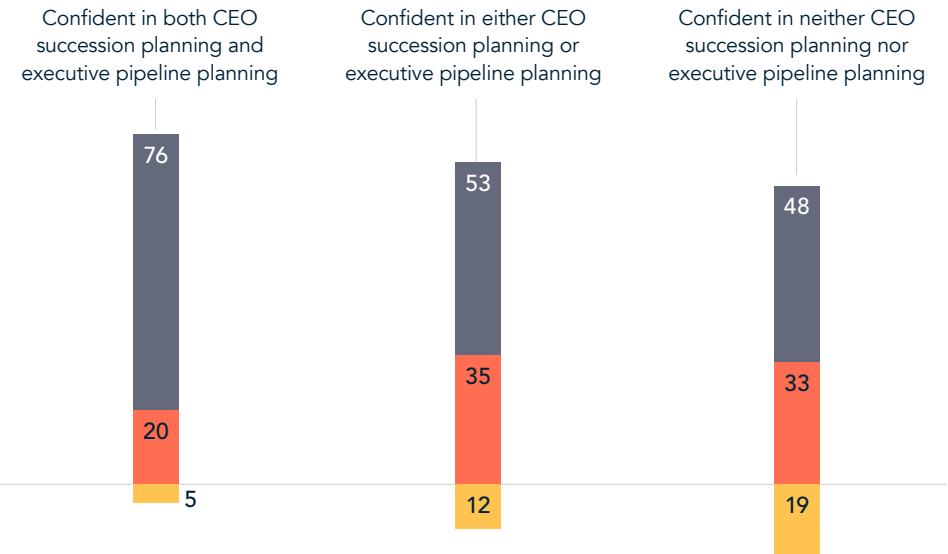


Those confident in their CEO succession and executive pipeline planning also report more often that their organizations have higher financial performance than their peers. Correlating confidence in leadership with financial performance underscores how material these leaders think leadership is.

**The connection between confidence in leadership planning and relative financial performance (%)**

Perceived financial performance:

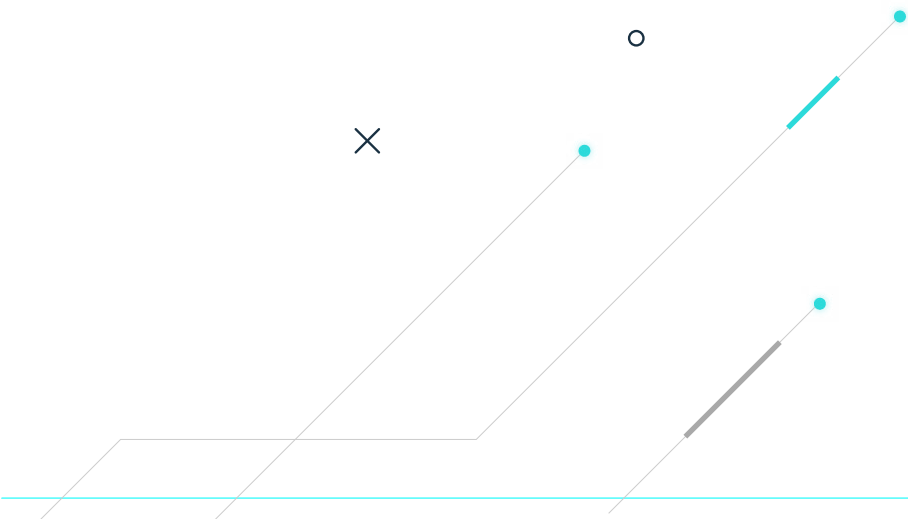
■ Better ■ About the same ■ Worse



Leaders who are confident in their CEO succession planning and broader executive talent strategy are nearly **60%** more likely to rate their financial performance as stronger than their peers, compared to those who are confident in neither.

Note: Numbers may not total 100% due to rounding.  
Source: Heidrick & Struggles' survey of CEOs and board members, April 2025, n=713

Fundamentally, we found that leaders who believe that CEO succession is important and act on it at the enterprise level see a range of additional concrete benefits to their business, while leaders who say it's important but don't act on it are no more effective than those who don't prioritize it at all. There are clear differences between larger public companies and smaller, often private, companies, which likely reflect the greater scrutiny larger companies face and the greater resources they have to spend on planning, among other factors.



# Considerations to improve your confidence in CEO succession planning

Almost all companies are now under greater pressure to sustain performance and under greater scrutiny regarding how they do so. Indeed, many leaders expect more stakeholder scrutiny, more influence on valuation, and more regulation of their CEO succession practices.

## Expectations for changes related to CEO succession planning (%)



Source: Heidrick & Struggles’ survey of CEOs and board members, April 2025, n=547

In summary, leadership is ever more material. Yet for many boards, CEO succession planning has been—and continues to be—a low priority, for reasons we have explained above.

The companies breaking away from this succession complacency are doing so for many reasons, including, as we have noted, current scrutiny, expected regulatory pressure, and regional and sector expectations. But another compelling factor is that they see the direct positive effect on results and value.

## Changes that would make the most difference

How can boards, wherever they stand today, boost their own confidence that their CEO succession practices can ensure their leadership and governance conditions—and give them the best chance at business success—for the long term?

Among the CEOs and directors who aren’t confident today, the single most common suggestion for improvement is making planning more continuous.

## For those not confident in CEO succession, what changes to your CEO succession process would make the most difference? (%)

Top 5 responses shown

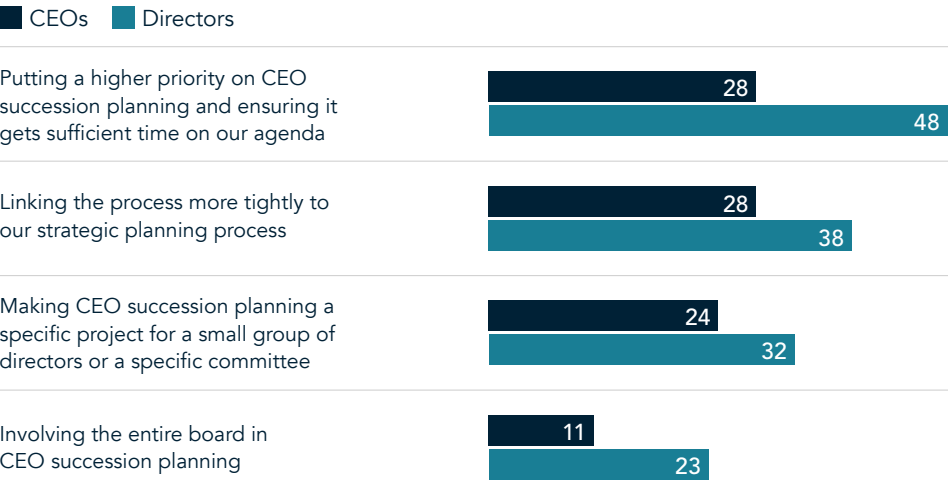


Source: Heidrick & Struggles’ survey of CEOs and board members, April 2025, n=280

Beyond that, however, their priorities differ:

- Directors advocate for more board involvement: A statistically significantly higher share of directors say that CEO succession planning should be a higher priority and that more of the board should be involved more often.

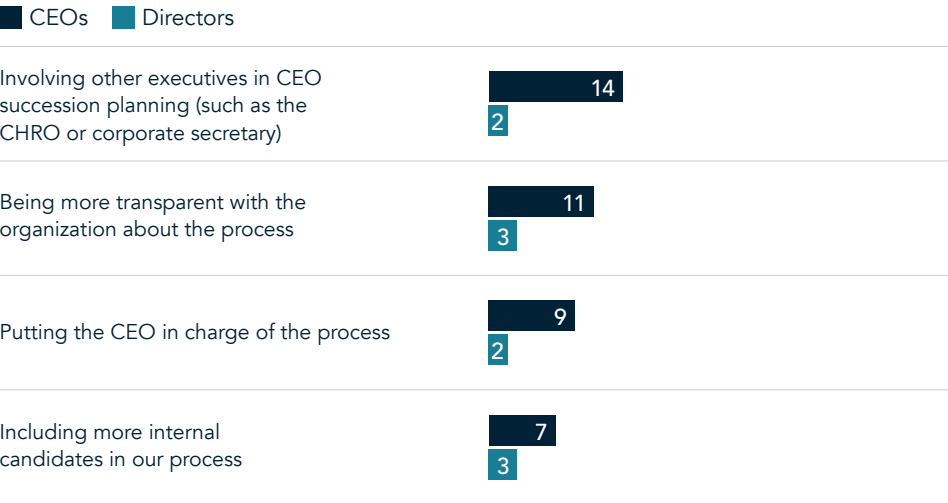
**Changes to the CEO succession process that would make the most difference: Areas directors prioritize more highly than CEOs (%)**



Source: Heidrick & Struggles’ survey of CEOs and board members, April 2025, n=280

- CEOs push for more executive involvement: While CEOs agree there should be more input from the board, they also more often say there should be increased executive involvement in the CEO succession planning process.

**Changes to the CEO succession process that would make the most difference: Areas CEOs prioritize more highly than directors (%)**



Source: Heidrick & Struggles’ survey of CEOs and board members, April 2025, n=280



But no matter the data, each board is in a unique situation. So we suggest you start by asking one simple question: Are our CEO succession planning practices positioning our organization well for the future?

If your answer is “no,” consider the following recommendations:

- 1 **Be more planful.** Move CEO succession from an episodic project to a continuous discipline.
- 2 **Integrate.** Align CEO succession with strategy and risk planning. Ask your internal and external partners to work together to develop and deliver a sound approach. Lean on your chief people officer to drive planning and integration for CEO and executive succession planning.
- 3 **Don't fear complexity.** “Planful and integrated” does not equal complex, time-consuming, or expensive. In fact, done well, this approach to CEO succession requires less of your time, provides peace of mind, avoids overspending in emergencies, and creates more value.
- 4 **Link to performance.** Challenge yourselves and your providers: Is our CEO succession approach a box we check? Or is it driving competitive advantage and long-term value?

# CEO & Board of Directors Practice

Heidrick & Struggles’ CEO & Board of Directors Practice has been built on our ability to execute top-level assignments and counsel CEOs and board members on the complex issues directly affecting their businesses.

We pride ourselves on being our clients’ most trusted advisor and offer an integrated suite of services to help manage these challenges and their leadership assets. This ranges from the acquisition of talent through executive search to providing counsel in areas that include succession planning, executive and board assessment, and board effectiveness reviews.

Our CEO & Board of Directors Practice leverages our most accomplished search and leadership consulting professionals globally who understand the ever-transforming nature of leadership. This expertise, combined with in-depth industry, sector, and regional knowledge; differentiated research capabilities; and intellectual capital, enables us to provide sound global coverage for our clients.

## Leaders of Heidrick & Struggles’ CEO & Board of Directors Practice

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