Business Plan – Succession Plan

Section A: Charter Holder – Board of Directors

To strengthen the Corporate Board, the number of Directors will expand to four members by the end of 2010. The President and Secretary will serve as the nominating committee and the newly elected members will be added by a unanimous vote. Members will be considered based on their professional experience and alignment with the mission of Heritage Academy.

The two new members will serve as a First Vice Chairman and Second Vice Chairman. In the case of a departure by the President, the first vice chairman will serve as the president of a three-person nominating committee. The nominating committee will identify candidates who may replace the President. After discussions and interviews with the candidates, the top candidates will be referred to the remaining Board of Directors for an election. The President will be elected by a majority of the remaining Board members.

Where other members of the Board of Directors depart, the President of the Board will serve as the Chairman of the nominating committee. The nominating committee will identify candidates and present the top candidates to the Board for discussion and election. The new member of the Board will be elected by a majority of the remaining Board members.

Section B: Instructional Leadership

Heritage regularly receives valuable feedback on the quality of the instructors. Many ways to improve exist, but Heritage is grateful for the many kind words expressed about the teachers. Finding master teachers continues to be the greatest task and also the most strategic competitive advantage.

> "I would like to take a moment to express my appreciation to you and all the faculty of Heritage Academy for the caring influence you have had on our son, John's [name changed] life.... I have heard other students express that they felt like a valued human being at Heritage, not just a number. Keep up the good work...."
>
> *Actual parent feedback*

Career development

Heritage believes in promoting from within. Priority for department chair positions is given to existing instructors. At the same time, we continuously monitor the competition and private industry for individuals who would make qualified and motivating instructors. Essential to this success are new ideas and innovation. Talented individuals from outside also strengthen the quality of instruction.

Although administrative positions are often filled by teachers, most teachers chose to grow within the discipline rather than into administrative positions.

Incentive plans

Heritage employs full-time and part-time teachers and provides a few incentives to encourage growth and promote a healthy work-life balance.

To allow for flexibility, some teachers will be full time in a particular year, but move to part time the next year and back to full time the following year.

As a benefit, Heritage pays 100 percent of the cost of a top-rated Health Savings Account Plan for its employees. Family plans are also extended with the employee paying for additional family members.

Money from Proposition 301 goes directly to teacher salaries as intended. Additionally, money left over at the end of the year is divided equally between the faculty as a bonus payout.

Professional development

Each employee develops his or her own ongoing development plan. This plan will be reviewed with the Principal before the end of the school year for the upcoming school year.

Heritage Academy will provide funding for the implementation of the employee's plan, up to $500 per employee per year, as agreed upon between principal and staff member. Teachers have used these funds to attend conferences, update certifications, or other continuing education activities.

Standards for hiring qualified personnel

Heritage complies with all local, state and federal employment laws including the standards set forth in No Child Left Behind. As such, highly qualified teachers are diligently recruited. With very low turnover and a reputation as an employer of choice, many qualified teachers submit resumes and request interviews.

The most important standard for teaching at Heritage is the enthusiasm and capability to deliver on the mission statement. Indispensible to success as an instructor at Heritage is personal integrity. Additional standards and qualities include, but are not limited to, responsiveness to parent and student concerns, enforcement of the discipline code, enthusiasm for helping young people grow, and a desire to personally improve as a professional teacher.

Resources and processes for bringing in new personnel

Succession plans for the instructional team is based on a talent review process. This process is modeled after talent acquisition processes used at Fortune 500 companies such as Motorola, Honeywell, and General Electric. Below is a summary of this process.

1. Annual Talent Reviews: As part of a regular business review process, the administration reviews each instructor and discusses how to help them grow and develop.
2. Identify Flight Risks: Two main risks are identified in this process. First, highly-recruited master teachers are identified within each department. Master teachers receive additional support and recognition to mitigate the risk of departure. Second, individuals which may consider leaving

due to retirement, health, or furthering education are also identified. An open dialogue is initiated to gain factual information and communicate support.

3. Build Bench Strength: On an ongoing basis, discussions are held with potential educators from the professional or educational industries. Many come through the doors while others are proactively searched out. An assessment of their interest and readiness to teach at Heritage is determined. Individuals who are a good match receive invitations to apply when teaching positions open.

Through this process all of the teachers are given ongoing feedback from the administration, mentoring by more senior teachers & the department chair, and competitive compensation to ensure quality instruction in the classroom.

Although final hiring decisions are made by the Principal, input from teachers and administration are vital. The Business Manager offers professional expertise and dedicated time to ensure the talent acquisition and development processes succeed in hiring top talent.

Over the years, Heritage has enjoyed very little turnover and high retention rates. Further, high employee engagement levels exist within the faculty. Departures have not typically been for negative reasons such as poor performance or termination. Although many opportunities for improvement exist, these processes have produced a robust formula for a quality education in the classroom.