

# San Juan Rural Philanthropy Days

## Strategies for the Nimble Nonprofit: Succession Planning

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Montrose & Gunnison, CO

Presented by:



### Introductions

Name

Organization

Position / Time Involved

When you think about succession planning, what comes to mind?

## Today You Will Learn



Difference between succession planning and executive transition



Three approaches to leadership succession planning



How to create a plan and conduct succession planning

## Training Content Sources

*Leading with Intent: National Index of Nonprofit Board Practices*, BoardSource, 2017.

*Succession Planning for the Nonprofit Board Chair*, Social Venture Partners Boulder County, 2012.

*Building Leaderful Organizations: Succession Planning for Nonprofits*, Tom Wolfred, The Annie E. Casey Foundation, 2008.

*The Evolution of Executive Transition and Allied Practices: A Call for Service Integration*, Tom Adams, Raffa and CompassPoint, 2017.

*Nonprofit Executive Succession Planning Toolkit*, Federal Reserve Bank of Kansas City.

*Succession Planning for Nonprofits of All Sizes*, Jan Masaoka and Tim Wolfred, Board Café, 2009.

## Leading with Intent 2017

- 46% of executive directors report they are extremely satisfied in their position.
- 50% of executive directors intend to leave their positions within the next five years.
- Only 27% of nonprofits have a written succession plan for the executive director.
- 36% of executive directors and 52% of board chairs report it is difficult or very difficult to find board members.

## Succession Planning

Leadership succession planning is an ongoing practice focused on defining an organization's strategic vision, identifying the leadership and managerial skills necessary to carry out that vision, and recruiting, developing and retaining talented individuals who have or who can develop those skills.



## Executive Transition

A set of distinct phases, each building on the other, that occur when an organization's executive director leaves their position:

**Prepare** - Board clarity and alignment about the factors critical to the search and transition

**Search** - An exceptional executive is selected who fits the organization's current and future leadership needs

**Onboard** - Board-ED alignment on priorities, roles, expectations, and performance measures



## Board Leadership Succession Planning

The process of identifying and developing new leaders who can replace current leaders when their terms expire or when they leave the board for other reasons.



## Where Do You Start?




How do you begin board leadership succession planning if your board has traditionally recruited new officers on an “as needed” basis?

## Five Steps

1. Recruit the best people to the board.
2. Revisit the responsibility of succession planning with the board and ED.
3. Form a governance committee.
4. Define the role of the board chair.
5. Develop strategic process for recruiting and retaining board leaders.





A high-angle photograph of a group of business professionals sitting around a large wooden conference table. They are dressed in business attire, and some are writing on papers. The image is partially obscured by a semi-transparent circular overlay containing text.


## Governance Committee

1. Board Roles and Responsibilities
2. Board Composition
3. Board Knowledge
4. Board Effectiveness
5. Board Leadership

A stylized illustration on a light blue background showing various business professionals in motion. Some are walking, some are running, and one woman on the right is holding a large orange flag. The figures are in various poses, suggesting a sense of activity and movement.

## Role of the Board Chair

- Strong knowledge of principles, practices and ethics of successful organizations
- Excellent verbal communication, interpersonal and relationship-building skills
- Ability to effectively manage the board
- Willingness to work with a diverse set of stakeholders
- Comfort in presenting and motivating individuals and groups about the mission and vision
- Maturity and experience in handling confidentiality and conflict
- Set example for others to follow



## Partnership

The Executive Director reports to the board, and the Chair is the leader of the board, but this doesn't mean the Executive Director is in a subordinate role to the Chair. In successful organizations, they are partners, each performing different and yet equally important functions.



## Board Leader Recruitment

- Rethink your officer positions, consider Chair, Chair-Elect, Past Chair, Treasurer and Secretary
- Establish term limits
- Develop guidelines for board succession
- Build pipeline of potential prospects
- Provide training and mentoring for board leadership prospects



## Success

Board leadership is critical to the success of an organization. We must think consciously about the nature of leadership that is desired by our organizations and how to cultivate and develop board leaders. The more intentional we are in recruiting, growing and inspiring leadership is directly proportional to the effectiveness of our boards.





# Are you Ready?

## Succession Planning

- Prepare in advance of transition
- Sound risk management practice
- Take steps early to increase readiness and success <sup>1</sup>

## Executive Transition

- Begins with ED's decision to depart or board's decision to force a change
- Period of vulnerability as well as opportunity
- Concludes after new ED has settled into position <sup>2</sup>



## Three Approaches

1. Emergency Leadership Plan and Succession Policy
2. Leader and Talent Development
3. Departure-defined Succession Planning

## 1. Emergency Leadership Plan and Succession Policy

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- Prepares organization for unplanned departures
- Goes beyond filling in the blanks on a template
- Supports continuous development of leaders throughout organization
- Formalizes organization's commitment to succession planning <sup>3-6 & 7-8</sup>



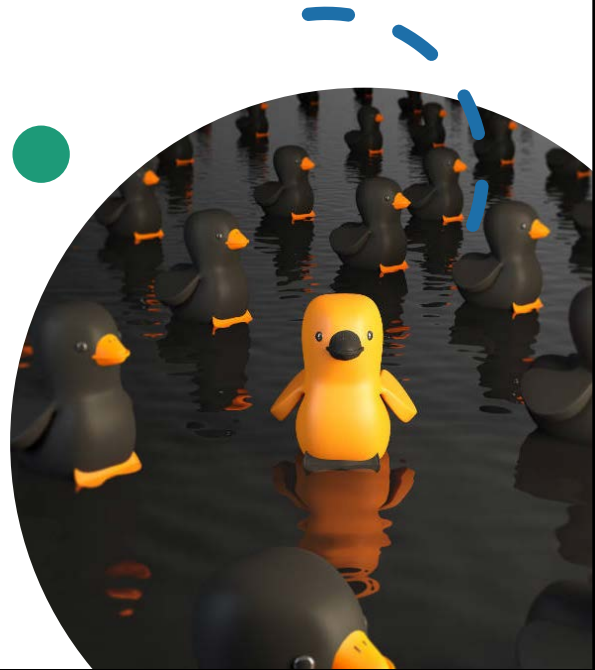
## 2. Leader and Talent Development

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- Expand pool of capable leadership – build “bench strength”
  - Training
  - Stretch assignments
  - Peer networking
- Define organization's strategic vision and goals
- Identify leadership and managerial skills necessary to carry out vision and achieve goals
- Recruit and maintain talented individuals who have or who can develop those skills

### 3. Departure-defined Succession Planning

The purpose of departure-defined succession planning is to build leadership strength in an organization so that it can reduce its dependency upon the skills, charisma, and relationships of their incumbent ED and stand strong without his or her presence and lay the groundwork for a successful search.



### 3. Departure-defined Succession Planning, cont'd.

- Answer self-reflection questions <sup>9</sup>
- Identify high-risk situations (e.g., ED performing more than one job)
- Form succession planning committee and create a plan <sup>10-17</sup>
- Survey the staff <sup>18-20</sup>
- Address barriers such as Founder's Syndrome, lack of cross training, labor market challenges, etc.
- Develop a legacy statement (situational) <sup>21-22</sup>



## Succession Planning Resources

BoardSource – [boardsource.org](https://boardsource.org)

CompassPoint – [compasspoint.org/tools-and-resources#ExecutiveTransitions](https://compasspoint.org/tools-and-resources#ExecutiveTransitions)

National Council of Nonprofits – [councilofnonprofits.org](https://councilofnonprofits.org)

Nonprofit Quarterly – [nonprofitquarterly.org](https://nonprofitquarterly.org)

Raffa – [raffa.com](https://raffa.com)



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