Succession Planning & Executive Transitions

Helping your nonprofit organization thrive

Co-sponsored by Hartford Public Library and The Hartford Foundation for Public Giving

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For Today’s Webinar

- Please keep your camera on if possible!
- Mute your screen unless speaking
- Ask questions in the chat (or raise a hand)
- Share your perspectives and wisdom
- Respect confidentiality
Our Goals for this Session

Today we’ll explore:

- How a succession plan can strengthen your Nonprofit
- The three types of succession planning
- What you need to have a great Executive Transition
What Makes a Strong Nonprofit?
A Strong Nonprofit

- Knows its current capacity
- Works to ensure resilience
- Has effective leadership in place
- Values its employees’ needs
- Ensures a good partnership between Board & Executive Director
Effective Leadership is Essential

As a first step, please take five minutes to consider:

Who fills the most critical leadership positions in your organization?
Can anyone Share their list with us?
As a second step, please take five minutes to think about:

- What are the risks of a lapse or vacancy in those critical leadership positions?
Bench Strength

- What does it mean to have Bench Strength?
- Do you have reasonable Bench Strength?
- If not, how do you get Bench Strength?
Think About a Team Sport

- It’s half-time...

- The strongest players on the field are exhausted, winded, sweaty, tired of pushing themselves so hard...

- The coach brings in players from the sidelines. They’re strong, energetic, and very ready to move into action.

- That’s Bench Strength.
Steps to Leadership Development

- In a nonprofit organization, Bench Strength is called Leadership Development

- Result? An organization with a shared leadership model
How do you develop leaders in your organization?

- Identify the key positions in your organization
- Identify individuals who can assume these positions in a time of need
- Be sure they are knowledgeable and are prepared (or can be) to take over
- Make sure everyone in the organization knows about the plan
- This allows time for a search if necessary
What are some Obstacles to Leadership Development?

▪ Having a very small staff
▪ A budget that limits professional development
▪ Board members who don’t recognize its value
▪ An ED who finds it threatening
Are these problems familiar?

- Let’s hear from anyone in the Zoom room who’s experienced one of them:

  - How did you handle it?
  - Or, how might you handle it if it were to happen to you?
Succession Planning and Executive Transitions: Are they connected?

**Succession:**
- The order or conditions under which one person after another succeeds to a position of leadership or responsibility.

**Executive Transition:**
- A planned or unplanned change in organizational leadership usually brought about by the resignation, retirement, or sudden departure of a senior executive.
- When you have a plan for leadership succession, you reduce the uncertainty.
Preparing for an Executive Transition

- Your organization’s succession planning efforts — AND its “bench strength”— pave the way for a successful Executive Transition, whether planned or unplanned.
Most Nonprofits are Hierarchical (top-down)

- ED is responsible for organization’s success
- Senior staff are stretched thin - but may be underutilized
- Most nonprofits value *community empowerment*
- Empowering *staff* as *shared leaders* aligns with their social justice values
- *An organization can move from being authoritarian to being inclusive*
How is Succession Planning Related to an Executive Transition?

Five Minute Exercise:

- If your Executive Director suddenly left, how would the staff feel or react?
- How might the Board react?
- List 3-4 likely results for the organization
Three Phases of Succession Planning

I. Strategic Leader Development
II. Emergency Succession Planning
III. Departure-defined Succession Planning
I. Strategic Leader Development

- To align staff talent with a strategic vision, ask:
  - How do you see your organization’s best future?
  - What skills and experience are needed to get there?
  - Identify staff with the potential to develop these skills
  - The answers can help you create a plan that develops shared leadership
II. Emergency Succession Planning

- What if you have an unplanned ED departure?

- By anticipating this, you can:
  - Identify immediate needs
  - Decide who will manage them, and
  - Create a more “leaderful” organization in the process.
Important Areas in an Emergency Transition Plan

- If your Executive Director resigned abruptly, became ill, or was unable to lead, the staff and Board would need to maintain stability and continue daily tasks.

- Ten Minute Exercise:
  - List the four areas or functions of greatest importance to maintaining your organization’s stability
III. Departure defined
Succession Planning

- When you know an ED will be leaving you can plan ahead to ensure the organization’s sustainability.

- Prepare and engage stakeholders
- Address areas of vulnerability
- Recruit and support a successor who meets future needs
Steps to Prepare for an Executive Search

- Questions to ask:
  - Who will be Acting or Interim ED?
  - Who will keep staff well informed?
  - Who will the Board empower as a Search Committee?

*An Executive Transition can take 4 to 9 months!*
What’s an Executive Transition Like?

- A pivotal, vulnerable time
- Can be traumatic but gives Board & staff opportunity for introspection and growth
- If well managed - helps organization to thrive
- If *mismanaged* - can weaken the organization
Three Phases of an Executive Transition

▪ Prepare
▪ Search
▪ Thrive
The Prepare Phase

- A perfect time for soul-searching!

- Should you hire an outside interim leader?
- Do you need an organizational review/assessment?
- Does your position profile name key strengths needed in your next ED?
- What are the search parameters? How will you let the world know about the position?
The Search Phase

- Search Committee is selected
- Outreach Plan: how you’ll attract best candidate pool
- Ensure focus on DEI, anti-bias hiring process
- Search Committee screens/interviews candidates, selects finalists
- Departing ED, staff, and board interview finalists
- Reference checking conducted for finalists
- Offer is extended to top candidate
The Thrive Phase

- How can one best help a new ED succeed?

- *Five Minute Exercise:*

  - *Come up with 3 or 4 ways an organization can support a new ED in their first 1-2 months on the job.*
How Can Things go Wrong?

- Candidate pool is weak
- First choice finalist takes another offer
- Salary is unacceptable to 1st choice candidate
- Board & Search Committee favor different finalists
- New ED begins work but finds it’s not a good match
How do we prevent or handle These Obstacles?

- Weak candidate pool
- Finalist takes another offer
- Salary is unacceptable to finalist
- Board and Search Committee prefer different finalists
- New ED begins work but not a good match
Where from Here?

- Who are the best advocates for Succession Planning in your organization?
- Who can introduce the ideas of **bench strength** and **shared leadership**?
- When strategic planning or annual planning takes place, who might incorporate succession planning?
- Consider a staff/board retreat to share these ideas across the organization
How to Create an Emergency Succession Plan

1. Board and ED: evaluate internal competencies (communications, financial management, executive search)

2. Executive Director: (or Communications Director) creates Emergency Communications plan; decides who will implement it

3. Board and ED: identify internal functions that need skilled oversight - and the staff or Board members who can fill those roles (Fundraising, HR, Development, etc.)

4. Board: considers outside interim leader if needed

5. If Executive Search is needed, Board interviews outside search consultants
These articles offer more perspectives on Succession Planning:

- https://blog.boardsource.org/blog/proactive-planning-succeeding-with-succession
- https://blog.boardsource.org/blog/2013/09/24/succession-planning-sustainability/

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Questions?