

**HOW SUCCESSION PLANNING BUILDS  
ORGANIZATIONAL SUSTAINABILITY  
AND STRENGTHENS STAFF AND BOARD LEADERSHIP**

**PRESENTED BY**



**NSP**

**Nonprofit Support Program**

HARTFORD FOUNDATION FOR PUBLIC GIVING

# SUCCESSION PLANNING

## WELCOME & INTRODUCTIONS



# SUCCESSION PLANNING



**Frank Abdale** is the Founder and Chief Consultant of Abdale Consulting. With 20+ years nonprofit sector, Frank is a proven strategist, facilitator, teacher, leader and author. As a consultant, Frank has helped a wide range of nonprofits develop successful strategies for sustainability through strategic planning, succession planning and board development.

Frank is a BoardSource™ Certified Governance Trainer, a Senior Associate Consultant with the Support Center, a member of the Advisory Council at Long Island Crisis Center where he served as vice president of the board, and former chair of the Association of Nonprofit Specialists (ANS), a premier resource for consultants working in the nonprofit sector. As chair of ANS, Frank helped lead a small organization on extended hiatus into new relevancy.

The former executive director of the Association of Nutrition Services Agencies, Frank transformed a small association into a nationally recognized force. He expanded and diversified the agency's funding base, built an effective grassroots and national advocacy program, wrote legislation introduced into the House and Senate and launched an international program focused on nutrition and HIV/AIDS in South Africa and Namibia. His publications include *Practical Abundance: A Comprehensive Guide to Fundraising and Development for Nonprofits* which he used as the text for "Fundraising Concepts and Practices", a course he co-taught at NYU's School of Continuing Education and Professional Studies.

You can learn more about Frank and his team at [www.abdaleconsulting.com](http://www.abdaleconsulting.com).

# SUCCESSION PLANNING

## SESSION PARTICIPATION

- Muting
- Chat
- Q&A
- Slides/recording

# SUCCESSION PLANNING



## COMMUNITY AGREEMENTS

# SUCCESSION PLANNING

- Be present & participate
- Mind your “air-time”
- Avoid “cross-talking”
- Use “I” statements
- Respect differences
- Assume best intentions
- Maintain confidentiality
- Other?

# SUCCESSION PLANNING

## GOALS FOR TODAY

- Explore succession planning in its most expanded meaning.
- Identify components of various succession planning scenarios.
- Discuss succession planning as a board responsibility.
- Discuss succession planning challenges among participants.
- Provide an overview of the critical questions, opportunities and challenges in a successful CEO/ED transition process.
- Tap into collective wisdom.
- Identify resources / next steps.

# SUCCESSION PLANNING



RESOURCES

# SUCCESSION PLANNING

**What brought you here today?  
What would you like to take  
home?**

**Please answer in CHAT**

# SUCCESSION PLANNING

- Best practice – board & staff
- Fosters a culture of continual improvement
- Ensures resilience & sustainability
- Helps manage risk
- Informs development & budgeting processes
- Informs board recruitment & staff development efforts

# SUCCESSION PLANNING

## SUCCESSION PLANNING SCENARIOS

- Emergency
- Executive Transition - Planned or Unplanned
- Leadership Development / Staff
- Leadership Development / Board

# SUCCESSION PLANNING

## POLL #1

**Which of the following scenarios is of most interest to you?**

- Emergency
- Executive Transition - Planned or Unplanned
- Leadership Development / Staff
- Leadership Development / Board

# SUCCESSION PLANNING

## EMERGENCY SUCCESSION PLAN



# SUCCESSION PLANNING

## EMERGENCY PLAN COMPONENTS

- ID circumstances under which the plan is activated
- Clarify board's role in appointing an acting or interim
- Define authority and restrictions of an acting or interim
- ID who will step-up or step-in
- Include outline of a communications plan

# SUCCESSION PLANNING

## EMERGENCY PLAN COMPONENTS

- **Document Location Access** - on-site, off-site, online URL, passwords
- **Key Governance Documents** – AOI, IRS designation, bylaws, board minutes, strategic plan, succession plan, board contact list
- **Financial Information** – EIN, 990s, audited financials, tax exempt certificate, checks, passwords, petty cash, attorney, auditor, bank (account #s, investments, contacts), finance P&P, contracts, retirement plan info

# SUCCESSION PLANNING

## EMERGENCY PLAN COMPONENTS

- **Stakeholder** info – clients, volunteers, major donors, partners, passwords, policies
- **HR** – personnel records, payroll info
- **Facilities** – site locations, lease/deed, building management, landlord, security system, waste
- **Insurance** – general, D&O, health, unemployment, workers' comp, disability, life, etc.
- **Time frame** – how often to revisit / update
- **Signatories** – contact information

# SUCCESSION PLANNING

## POLL #2

Do you have an emergency  
succession plan in place?

YES / NO / MAYBE

# SUCCESSION PLANNING

## SUCCESSION PLANNING FOR THE BOARD

# SUCCESSION PLANNING

## LEADERSHIP DEVELOPMENT / BOARD

- Create a pipeline
  - Strategic Recruitment
  - Committees / Task Forces
  - Co-Chairs / Vice-Chairs
  - Term Limits
  - Ongoing Education

# SUCCESSION PLANNING

## LEADERSHIP DEVELOPMENT / BOARD

- Role of Governance Committee
  - Lead the effort
  - Communicate w/ full board
  - Board development
  - Annual evaluation
  - Prepare slate for officers
  - Monitor terms / term limits
  - Ongoing education
  - Ensure diversity

# SUCCESSION PLANNING

## SUCCESSION PLANNING FOR STAFF



# SUCCESSION PLANNING

## LEADERSHIP DEVELOPMENT / STAFF

- Why?
  - Attracts talent
  - Ensures seamless operations
  - Allows hiring from within
  - Contributes to employee retention
  - Contributes to employee satisfaction & productivity
  - Reassures donors that investment is protected
  - Maintains institutional memory

# SUCCESSION PLANNING

## LEADERSHIP DEVELOPMENT / STAFF

- Pipeline
  - Cross-training
  - Special projects / Task forces
  - Strategic Planning / Implementation
  - Outward facing representation (coalitions, advocacy, boards, professional associations)
  - Board Committees liaison
  - Training / education/ special skills
  - Competitive salaries

# SUCCESSION PLANNING

## LEADERSHIP DEVELOPMENT / STAFF

- Role of Executive Director / CEO
  - Establish culture / Lead by example
  - Share / delegate leadership
  - Advocate value of PD to full board
  - Ensure diversity
  - Hold a bigger vision for talented individuals
  - Require PD in every budget
  - Design annual evaluations to ID potential leaders
  - Provide time and other resources (coaching, mentoring, education, pay dues)
  - Ensure documentation of policies, processes and key staff job description w/ detailed responsibilities (including ED)
  - Make it about the mission

# SUCCESSION PLANNING



# SUCCESSION PLANNING

## EXECUTIVE TRANSITION SCENARIOS

- Emergency
- **Short-Term - Planned**
- Long-term - Planned
- Permanent - Planned or Unplanned

# SUCCESSION PLANNING

## SHORT-TERM PLANNED

- Temporary – up to 3 months
- Family leave
- Sabbatical
- Medical
- Bereavement
- Extended vacation

# SUCCESSION PLANNING

## SHORT-TERM PLANNED

- Staff or board member – acting ED
- Emergency plan guidance
- Overlap / transition
- Acknowledge impact of change
- Relevant policies in place
- Compensation plan
- Communications plan

# SUCCESSION PLANNING

## SUCCESSION PLANNING SCENARIOS

- Emergency
- Short-Term - Planned
- **Longer-term - Planned**
- Permanent - Planned or Unplanned

# SUCCESSION PLANNING

## LONGER-TERM PLANNED

- 3 – 6 months
- Sabbatical
- Medical
- Military

# SUCCESSION PLANNING

## LONGER-TERM PLANNED

- Staff or board – acting ED
- Additional staff support
- Short-term hires
- Emergency plan guidance
- Overlap / transition
- Acknowledge impact of change
- Relevant policies
- Compensation plan
- Communications plan

# SUCCESSION PLANNING

## SUCCESSION PLANNING SCENARIOS

- Emergency
- Short-Term - Planned
- Long-term - Planned
- **Permanent - Planned or Unplanned**

# SUCCESSION PLANNING

## PERMANENT – UNPLANNED

- Go to emergency succession plan
- Alert the board & key staff
- Seek appropriate advice (legal, HR, other)
- Convene / reassure staff
- Form Transition & Search Committee
- No comment until communications strategy in place w/ content, timing and sequence of announcements

# SUCCESSION PLANNING

## PERMANENT – PLANNED

- ED shares intention to leave w/ chair (in writing)
- Determine timeframe for departure
- Form Transition and Search Committee
- Determine process for selecting new ED (in-house / external search/ both)
- Identify key questions to answer before and during process
- Develop communications strategy w/ content, timing, process and sequence of announcements

# SUCCESSION PLANNING



# SUCCESSION PLANNING

## BOARD

- Understand the full scope of the ED's role & responsibilities
- Regularly evaluate
- Articulate future vision & ensure strategic planning
- Onboard new ED

## CURRENT / DEPARTING ED

- Be courageous
- Transition stewardship of key relationships & prepare staff
- Inform search process (not conduct it)

## KEY STAFF

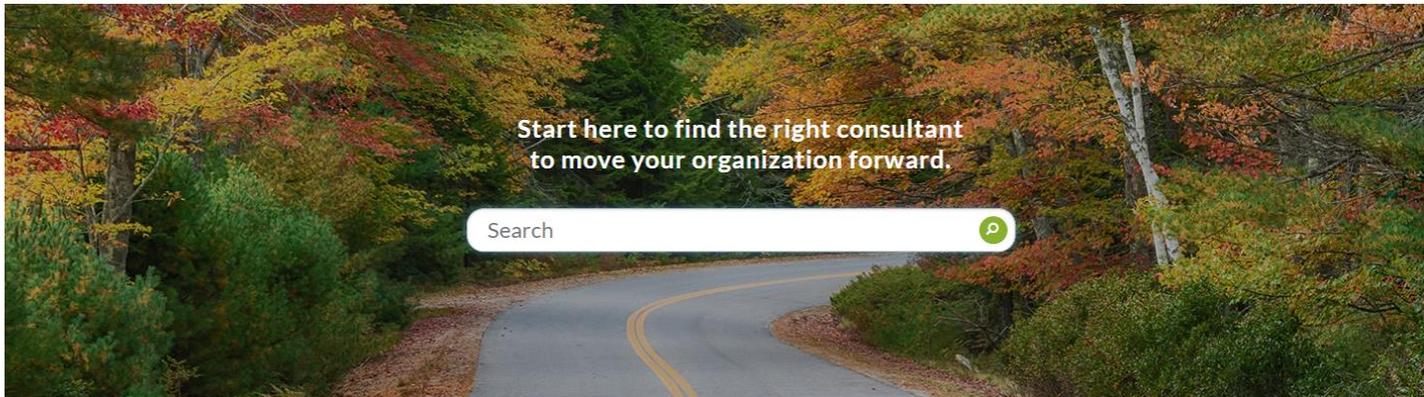
- Step up – keep plates spinning
- Support onboarding of new ED

OTHERS – Interim ED, Consultant, Funder

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<https://www.neconsultant.org/>

NEW ENGLAND  
NONPROFIT CONSULTANT DIRECTORY



## Resources



[Hiring & Managing a Consultant](#)



[View Request for Proposal \(RFP\) Guideline](#)



[View Sample Contract & Work Plan \(.pdf\)](#)



[Create / Edit Your Profile](#)

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# SUCCESSION PLANNING

## WORKING WITH THE ENTRENCHED LEADER

# SUCCESSION PLANNING

## WORKING WITH THE ENTRENCHED LEADER

### Understand & Address Resistance

#### Founder/ED

- Loss of identity
- Loss of status
- Financial hardship
- My baby will fail without me

#### Board

- Built from founder's friends
- Conflict averse
- Fear – we can't replace her/him
- Scarcity

# SUCCESSION PLANNING

Q & A

# SUCCESSION PLANNING

KEY LEARNING

NEXT STEPS

# SUCCESSION PLANNING



# SUCCESSION PLANNING

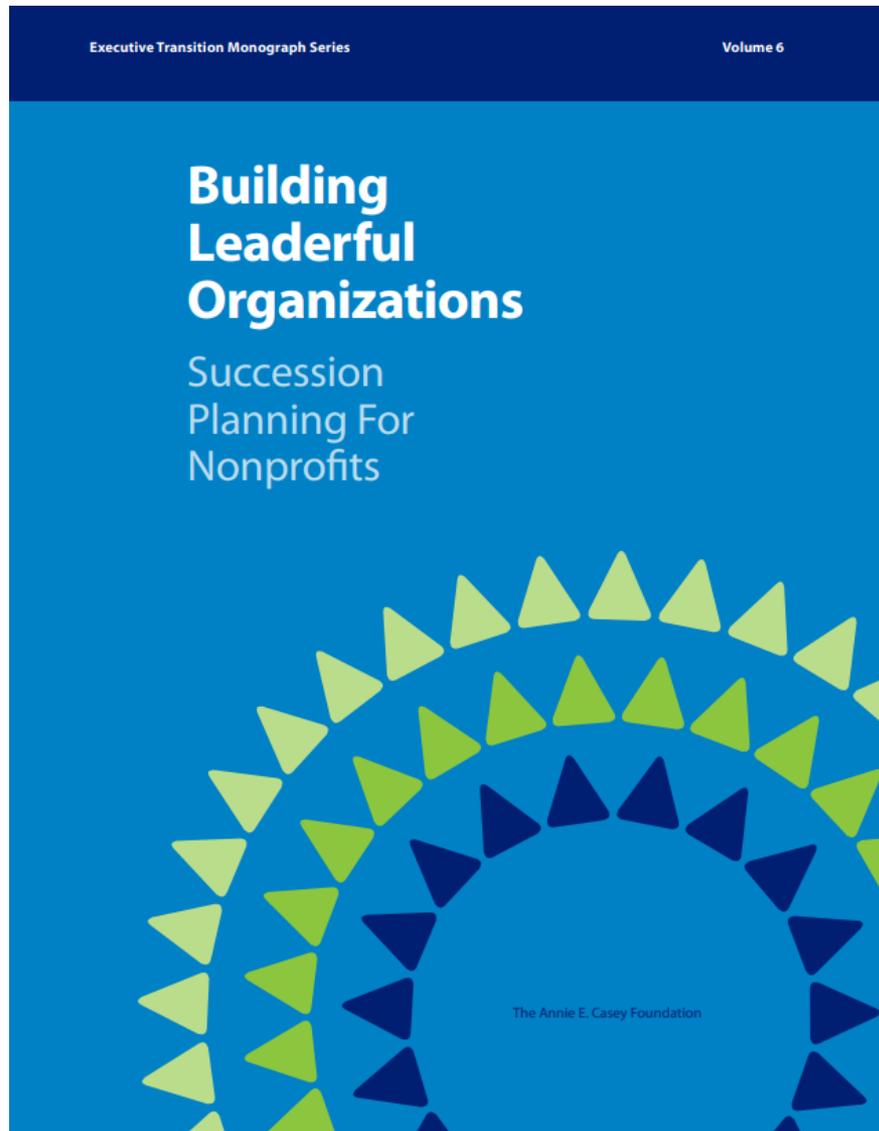


## Nonprofit Executive Succession-Planning Toolkit

FEDERAL RESERVE BANK *of* KANSAS CITY  
DENVER • OKLAHOMA CITY • OMAHA



# SUCCESSION PLANNING



# SUCCESSION PLANNING

BOARD RECRUITMENT MATRIX												
LOGO HERE		Name										
		1	2	3	4	5	6	7	8	9	10	11
Prospects												
Diversity	African American / Black											
	Asian / Pacific Islander											
	Caucasian / White											
	Hispanic / Latino											
	Native American											
	Other											
Qualities / Style	Passionate about the Mission											
	Willingness to work											
	Availability											
	Team oriented / Leadership skills											
	Visionary											
	Strategic Thinker											
Expertise	Good Communicator / Listener											
	Other											
	Administration / Management											
	Communications / Marketing											
	Entrepreneurship											
	Finance											
	Fundraising											
Legal												
	Nonprofit Governance											
	Strategic Planning											
	Other											
	Other											
	Other											
	Other											
Connections	Related-Business Corporate Leaders											
	Media											
	Other											
	Other											
	Other											
Resources	Capacity to give											
	Access to resources											
	Willingness to leverage connections											

# SUCCESSION PLANNING

## Emergency Succession Plan Template (pages 3-4 of 9)

### *Succession Plan in Event of a Permanent Unplanned Change in President/CEO*

A permanent change is one in which it is firmly determined that the President/CEO will not be returning to the position. The procedures and conditions should be the same as for a long-term temporary absence with one addition:

The Board of Directors will appoint a Transition and Search Committee within seven days to plan and carry out a transition to a new permanent President/CEO. The Board will also consider the need for outside consulting assistance depending on the circumstances of the transition and the board's capacity to plan and manage the transition and search. The Transition and Search Committee will also determine the need for an Interim President/CEO, and plan for the recruitment and selection of an Interim President/CEO and/or permanent President/CEO.

### *Checklist for Acceptance of All Types of Emergency Succession Plans*

- Succession plan approval.** This succession plan will be approved by the Executive Committee and forwarded to the full Board of Directors for its vote and approval. This plan should be reviewed annually.
- Signatories.** The Board Chair, the President/CEO, the deputy director or human resources administrator and the Acting President/CEO shall sign this plan, and the appointees designated in this plan.
- Organizational Charts.** Prepare and attach an organizational chart reflecting staffing positions and lines of authority/reporting throughout the organization. Prepare and attach a second organizational chart that reflects how that structure will change within the context of an emergency/unplanned absence of the President/CEO **(IF NEEDED)**
- Important Organizational Information.** Complete the attached *Information and Contact Inventory* and attach it to this document. Also attach a current list of the organization's board of directors.
- Copies.** Copies of this Emergency Succession Plan along with the corresponding documentation shall be maintained by The Board Chair, the President/CEO, the Acting President/CEO Appointee, the human resources department, and the organization's attorney **(OR OTHER DESIGNATED LEADERS)**.

### *Information and Contact Inventory for ORG NAME*

Knowing where your organization's key information is located is critical so that if an emergency succession should occur, your organization would be able to quickly continue work in the most efficient and effective way.

	Onsite Location	Offsite Location	Online URL
<b>Nonprofit Status</b>			
IRS Determination Letter	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
IRS Form 1023	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Bylaws	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Mission Statement	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Board Minutes	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Corporate Seal	<input type="checkbox"/> _____		

### **Financial Information**

Employer Identification Number (EIN) #:	_____		
Current and previous Form 990s	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Current and previous audited financial statements	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Financial Statements (if not part of the computer system and regularly backed-up)	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
State or District Sales-Tax Exemption Certificate	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Blank Checks	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Computer passwords	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Donor Records	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Client Records	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Vendor Records	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____
Volunteer Records*	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____

*Auditor*

Name:

# SUCCESSION PLANNING



## Am I still the leader this agency needs?

*{ questions for self-reflection }*

### 1 - My On-Going Effectiveness

In what ways will this agency be changing over the next five years? What skills will it take to lead those changes? Do I have them?

Are there new things I suspect this agency should be doing for its constituents that I just don't have the energy or interest in taking on?

What level of excitement do I feel most mornings on my way to the office?

What new skills or better ways of doing my job have I developed over the past couple of years? Am I eager to learn and improve my skills?

Do I continue to be effective in building the leadership and management skills of my direct reports? What new duties or responsibilities have they taken on in the past two years?

### 2 - Personal Barriers to Leaving: If it became clear to me that I should consider leaving my job, what personal barriers would I encounter?

Can I conceive of a career move that would potentially excite and re-energize me? Or do I assume I'll be bored and without meaning in my life?

Do I fear I could not get another job because of my age? Do I have the skills for a different kind of job?

Am I financially constrained? Do I not yet have enough set aside to retire or to work fewer hours and at a lower salary?

Are the professional identity and status I have in this job so critically important to me that I don't want to give them up?

Am I concerned about leaving some things undone in the agency?

Do I believe there is no one out there who can do this job as well as I can or could do it even adequately? Would the agency go into decline without my leadership?

### 3 - Organizational Barriers to Leaving

Would staff and board resist my decision to leave? Might they even feel angry or abandoned?

Would I be leaving the agency in less than good shape?

Are some key managers under-skilled and dependent on my close guidance?

Is the management team unable to run the agency for a significant period of time without me?

Is the board up to managing a leadership transition?

Are there funders and major donors whose support I assume is dependent on my presence?

Are there key relationships held by me alone?

Succession Planning for Nonprofits

# SUCCESSION PLANNING

SAMPLE BENCH STRENGTH ASSESSMENT FORM								
Position Title	Incumbent	Position Impact (High, Med, Low)	Retirement Status (A, B, C)	Vacancy Risk (High, Med, Low)	Criticality (1, 2)	# Staff Ready Now	#Staff Ready 1-2 yrs.	Succession Planning Priority (Y/N)
<b>Retirement Status</b> A – Likely within 1 year B – Likely within 3 years C – Likely within 5 years			<b>Vacancy Risk</b> Based on factors such as incumbent’s retirement status or other indicators			<b>Criticality</b> 1 – must “hit the ground running” 2 – Very important – must be fully functional withing 6 months		

Adapted from Christian Brothers Services, Catholic School Management <https://www.cbsservices.org/>

# SUCCESSION PLANNING

## THANK YOU!



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