



Strategic Solutions for Nonprofits and Foundations

Succession Planning and Executive Transition HPCA 2008

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Message Sent

“After a tremendous amount of reflection and discussion with my spouse and family, I have made the decision to leave my position as Executive Director of Wayland Children Services. It has been truly an incredible journey that has lasted 17 years. Together we have built a strong organization that has always been on the cutting edge of creative programs and services that have met the needs of thousands of children and their families. I will not abandon the organization; my plan is to work with the board to ensure a smooth and seamless transition. The timing and process of the search, as well as of my role both during and after the search, will be negotiated with the board of directors. It has been a privilege working with such talented and dedicated people.”

Key Questions

- When is it appropriate to start planning the transition?
- What are the most important elements of the process?
- What is the right level of staff engagement in the process?

Key Questions

- What is the appropriate role of the departing executive?
- How is the incoming executive integrated into the life/culture of the organization?
- Where can we go wrong?

Why Is This Important?

- For the individual
- For the organization

For the Individual

- While your organization owns your job - you own your career
- Need to know indicators of when you are getting stale
- Create an awareness of your own transient nature in the role
- Learning and longevity: creating your plan for professional development

For the Individual

- You make the choice to be there
- Create an atmosphere that “no one is irreplaceable”
- Reduce hubris

For the Organization

- “Grow their own” future executives rather than externally recruiting
- Manage diversity through the systematic development of traditionally under-represented groups
- Shorten the learning curve for future managers to meet a changing environment

For the Organization

- Increase commitment and loyalty
- Shift from job progression to job expansion
- Creates a strategic mindset around talent and organizational needs

Elements of a Succession Plan

- Clear support of the board and senior management
- Identification of internal competencies
- Identification of evolving and projected competencies

Elements of a Succession Plan *(contd.)*

- Integration with strategic goals of the organization
- Determination of future managerial position requirements
- Performance management and planning systems that include goals for professional development

Elements of a Succession Plan

- A system for identification, nomination, and selection of successors
- Determination of training, development, and experience needs of candidates
- Creating the right cultural context for strategic thinking

The Board's Role in the Process

From Nancy Axelrod :

- Understanding the job of the nonprofit executive
- Developing an emergency leadership transition plan
- Agreeing upon mutual expectations of both the board and the executive

The Board's Role in the Process *(contd.)*

From Nancy Axelrod:

- Performance management and planning systems that include goals for professional development
- A system for identification, nomination and selection of successors
- Determination of training, development and experience needs of candidates

The Board's Role in the Process

From Nancy Axelrod:

- Creating the right cultural context for strategic thinking
- Developing a process of evaluating the Board's and the executives performance
- Using institutional assessment as a tool for clarifying the vision of the organization and the leadership skills and core competencies needed by the executive

The Staff's Role in the Process

- Two mistakes: staff run it or they are excluded
- Find the balance
- Framing the role of the staff

The Staff's Role in the Process

- It is the board's decision
- Participation = Investment
- Opportunity to build board/staff relations

Questions and Considerations

Some questions and considerations when dealing with executive transition:

- What were the challenges when the incumbent became the leader?
- Where was the organization in its life-cycle at the time? Where is it now?

Questions and Considerations

- What would the incumbent list as his or her most significant accomplishments?
- What legacy would the incumbent like to leave?
- How has the organization dealt with transitions in the past?

Questions and Considerations

- What happens to people who leave the organization?
- What are some peculiarities about the organization that you should be aware of as part of your preparation for a transition to new leadership?
- What is the current relationship between the board and the executive director, and how might it affect this transition?

Questions and Considerations

- What might the timing look like for both the organization and the incumbent?
- What skills, competencies, and capacities might the new leader need?
- What errors could the board, the incumbent, or the new leader make in the transition?

Phase I: Organizational Analysis

- Providing guidance on the key accomplishments and issues of the organization
- Assessing organizational needs and evolving leadership competencies, as well as organizational challenges
- Review of mission, vision, strategic position, and competitive advantages

Phase I: Organizational Analysis

- Consultation with board, staff, and constituencies on organizational issues and challenges
- Developing profile of the ideal candidate and ranking core, secondary, and tertiary requirements and competencies
- Facilitating retreat for the board/key staff on executive transition and finding alignment on the appropriate set of competencies for the next executive

Phase I: Organizational Analysis

- Developing of comprehensive executive profile
- Planning the overall transition process
- Identifying appropriate roles for the board and staff in the process
- Appreciating and celebrating the organization's, as well as the departing executive's, accomplishments and legacy

Phase II: Executive Search

- Developing the process and identification of key stakeholders
- Development of search mechanisms and distribution outlets
- Development of competency “screens”

Phase II: Executive Search

- Identification and “tapping” of key candidates
- Sorting and screening candidates
- Communication and connection between candidates and the board

Phase II: Executive Search

- Identify and define appropriate role of staff in the process
- Supervise the interview process
- Facilitate the selection process

Phase II: Executive Search

- Assisting with compensation negotiation
- Providing resources for the offer letter

Phase III: Transition Management

Elements of the third phase include:

- Facilitating introduction of new chief executive
- Defining mutual expectations for a successful relationship
- Dealing with knowledge transfer/relationship transfer

Phase III: Transition Management

- Identifying potential obstacles to success
- Assisting with the development of preliminary work plan
- Developing specific goals/metrics for the new chief executive

Phase III: Transition Management

- Facilitating the development and basics of board chair/chief executive working relationship
- Providing organizational consulting to the new chief executive and the board
- Closing and evaluating the process

The Role of the Consultant

- The most effective organizations are the ones with the most effective leaders.
- They often make that choice with limited time and assistance. It is no wonder so many errors occur in this process.
- Recruitment is just part of this.

The Role of the Consultant

- Facilitating, synthesizing, analyzing, and communicating with a variety of communities and stakeholders.
- Unlike the public or private sectors, nonprofit executive transition can get you the right person with the wrong process and not set the new leader up for success.
- The consequence of error, and the tremendous amount of time and energy it takes, is a perilous journey to try and take without an intentional, well-planned process.

Emergency Planning: Thinking the Unthinkable

The creation of an emergency succession plan is a requirement not only for the chief executive, but other critical roles within an organization. It is considered a “best practice” in nonprofits.

Emergency Planning: Thinking the Unthinkable

The “Emergency Succession Plan” (from the Center for Nonprofit Advancement)

The checklist includes the following:

- Succession plan approval
- Signatories
- Organizational charts
- Important organizational information
- Copies

Questions

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Intermission

MORNING BREAK

NEXT UP:

**STRATEGIC GROWTH
AND PLANNING**

