Unraveling the Mysteries: Succession Planning with your Board

with Bryan Orander
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Outline of our Time

- Introductions
- Why are we thinking about this topic?
- Boards and Succession Planning
- Making CEO role more doable
- Emergency Succession Planning
What is the conversation about succession like in your organization? What are common concerns?
Succession Planning is:

- An effort to protect the organization’s capacity to perform key functions, sustain important relationships, and fulfill its commitments during a leadership transition.
Leadership Transition is..

The departure process of a key leader that encompasses the period before, during, and after they leave the organization.
Executive Transition is a...

- Time of High Risk
  - Possible Interruption of Services
  - Potential Disruption of Key Relationships

- Time of Great Opportunity
  - Organizational Re-Assessment
  - Reviewing Mission and Strategic Direction
  - Increasing Board & Community Engagement
  - Establishing an effective leadership team
  - Building capable leadership over time
Elements of a Positive Transition

- Notice of at least 90 days
- Good relationships between departing leader, board, and staff
- Recently updated strategic plan
- Engaged board
- Capable staff leader(s) beyond the Exec Dir
- Leadership decision to use an interim and do an organization assessment prior to launching search for new Executive
Thoughtful succession planning prepares an agency for leadership transitions, expected or unexpected.

A successful leadership transition for a long-term ED requires a lot more up-front effort and time than the search that takes 4 months.

Lack of succession planning can result in a post-transition meltdown.
Benefits of Succession Planning

- Aligns staff development with strategic vision
- Builds leadership capacity of staff
- Develops pool of potential management successors
- Opportunity to diversify agency leadership
- Makes ED job more “doable”
Succession Planning can also be:

- An effort to develop staff and volunteers (board) for future leadership needs and opportunities

- Look at your “Quick Sheet”
  - Briefly note the position titles or names of people who play really critical roles in your organization – staff and volunteer?
How Does Your Organization Work?

A

Board

Executive Director

B

Board

Executive Director

C

Board

Executive Director
The shortcoming of Succession Planning is that it treats the departure and replacement of a leader as an event.
Recognizing the difference between an event and a transition

- Buying new furniture is an event
- Moving to a new home is a transition

Events produce specific outcomes (Truck delivers new furniture)

Transitions are slower and may defy the definition of their completion (Kids make new friends)
William Bridges - Transitions

**The Ending:**
Loss, Letting Go...
Relinquishing Old Way,
Old Identity

**The Neutral Zone:**
Confusion, Direction Finding,
Re-patterning

**The New Beginning:**
Commitment, Rebirth, New
Energy, New Sense of Purpose
Types of Succession Plans

- Emergency
- Staff Development
- Departure-defined
**Emergency Succession Planning**

- **Definition:** Preparing for an *unplanned* ED departure
- Best place to start the conversation
- A risk-management best practice
- Creates a more “leaderful” agency
- If your CEO/ED left tomorrow, what would be your major vulnerabilities?
Drafting your CEO Emergency Succession Plan

- Who fills in for your ED/CEO when they go on vacation? Can they truly be “out of touch”?
- What would suffer first if your ED/CEO was unavailable for 30 days? 60 days?
- Who maintains your list of key organization contacts?
- Who could help cover and/or serve as a resource?
- Who would the board leadership convene?
- How will you ensure programs and reputation are maintained?
Types of Succession Plans

- Emergency
- Staff Development
- Departure-defined

How many of you think of staff development as a succession planning strategy? Why?
What are the handful of really critical roles in your organization – staff and volunteer?

If your CEO/ED or other key staff left your agency tomorrow, what would be your major vulnerabilities? What strategies can reduce those risks – potentially while also developing future leaders?
Types of Succession Plans

- Emergency
- Staff Development
- Departure-defined
Leadership Transition Overview

**PREPARE**
"Get Ready"
- Organize
- Strategic Review
- Leadership Agenda

**PIVOT**
"Search & Select"
- Recruit
- Screen
- Select
- Address Constraints
- Facilitate Transition
- Hand Off

**THRIVE**
"Launch & Support"
- Launch
- Support
- Evaluate

- Stabilize (if needed)

- 3-8 Weeks
- 3-4 Months
- 3-6 Months
Quick Case Studies
Questions - Case Studies

- What issues and opportunities stand out?
- What are the first 2-3 things you would do if you were the Board Chair?
Community Foundation in mid-sized community/county of 75,000
- 3 staff, $47 mil in assets
- Founding Exec Dir retiring after 15 years
- One year notice of departure
- Wants to remain involved with the organization, maybe on the board
- Ran $20K operating deficit the past year.
Organization B

- Small private foundation
- Staff of 2
- Operating budget of just over $100K
- Exec Dir/CE of three years has just been fired by the board for financial irregularities
- Foundation has great reputation in the community
- Mostly new board members
Where do Interim CEOs fit?
Benefits of Using an Interim

- Reduce day-to-day involvement of board
- Don’t rush the search – take time to define needs and to find the right person/fit
- Board can lay a stronger foundation - address important issues or opportunities before hiring
- Allow current staff to remain in their roles and be part of a search process if they are interested in the position.
- Stabilize organization that is experiencing significant difficulties to make the position attractive to ideal candidates
Internal vs. External Interims

- **Advantages of Internal**
  - Know the organization and people
  - Lower outlay of funds

- **Advantages of External**
  - Objectivity
  - Specialized skills not possessed by staff
  - No expectations with current staff about succession
  - Board sees benefits of having a “seasoned” leader

- **Suggestions:**
  - Interims should not be candidates for the position.
  - A board member who serves as interim should resign
Challenges with Interims

- Takes some time and energy to identify
- Finding a leader with right skill set
- Finding a leader that both board and staff have confidence in
- Clear expectations – often part-time, different than full-time role
- Avoiding potential CEO candidates/conflicts
- Minimizing organizational politics
- Compensation
Wrapping Up
Keep In Mind

- Take people’s fear and concerns seriously and address them head-on with openness, listening, and information (as it is available)
- Pay special attention to founders and long-term Executive Director transitions
- Be very intentional about working with staff that aspire to the position but are not viable candidates. Don’t lose your whole management team because you are only thinking of the Executive Director/CEO
- Look for ways to build capacity and strengthen infrastructure through the transition
Planning for Board Succession

- Back to your Quick Sheet
- Are there 1-2 board members who really hold things together or keep things moving or??
- What steps should your board be taking to prepare for their eventual departure?

See “Sustaining Board Leadership”
Retiring Exec Challenges

- Committing to the transition
- Ensuring organization is on solid footing
  - Admin operation, Personnel, Programs, Funding
- Letting Go .. of power and relationships
- Finding comfort in legacy
- Finding “next opportunity” (job, retirement)
- Ensuring personal financial picture is sound
- Cultivating support systems outside the organization
Stepping up to the full responsibilities of role
- Monitoring operations & deviations from budget/plan
- Getting/Keeping informed of key organizational issues
- Ensuring key commitments and responsibilities are met
- Having a strategic plan and keeping it current and in use
- Maintaining high engagement of board and committees
- Members not creating own problems

Supporting the outgoing leader
- Defining the transition process and committee
- Communicating the transition
- Developing an appropriate compensation package
- Retaining outside assistance, as available and desired
Shifting gears without disengaging
Maintaining energy
Adjusting to new Exec Leadership Style
Building/supporting the new relationship
Avoiding “savior” thinking
Ensuring that legacy issues and thinking ruts don’t derail the work
What’s Your Plan?

- At your table, share two things you want to do as a result of the session and conversations today
Resources

- **Daring to Lead 2011** - CompassPoint and Meyer Foundation
  [www.DaringtoLead.org](http://www.DaringtoLead.org)

- **Building Leaderful Organizations** - Tim Wolford and Annie E Casey Foundation
  [www.CompassPoint.org](http://www.CompassPoint.org)

- **Executive Transition Management Series** – Tom Adams, Tim Wolford and Anne E Casey Foundation
  [www.aecf.org](http://www.aecf.org)
Q & A and Takeaways

Thank you for your time and attention

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Additional Resources at www.CharitableAdvisors.com
Extra slides as time allows
Board Leadership Bridges the Transition
Using an Interim

Departing Executive

Interim Executive

Board

 Incoming Executive
New Exec Early Challenges

- Understanding everything about the organization and people – RIGHT NOW
- Building solid working relationships
- Setting good priorities with limited knowledge
- Building support for likely changes
- Building rapport, trust, and buy-in with former execs staff and board teams
- Dealing with personal/organizational transitions
- Maintaining personal balance and well-being
Four Quick Tools for Senior Staff and Executive Committee

- Quick Sheet
- Emergency Succession Template
- Staff Coverage and Succession Worksheet in Board Conversation packet
- Thinking About Board Succession