Guide to Succession Planning for Nonprofit Organizations

A quick start framework to start and sustain succession planning

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Webinar Objectives

Understand
Understand the guiding principles of succession planning

Know
Know the key strategies to execute and sustain a quality succession plan

Do
Be ready to create a meaningful succession plan using an adaptable framework
Study Background

Doctorate Project
Exploratory Study
Qualitative Interviews with 18 Nonprofit Chief Executives
Summer 2020

The Research tells us...

The transition of the organization’s chief executive officer is one of the most significant transitions for nonprofit organizations.

73% of surveyed nonprofit organizations have NO written succession plan.

Several no-cost tools are available that address elements of a solid succession plan.
Experts shared three principles

- Mission First
- Create Opportunities
- Leadership Team Dynamics
Mission First

Standard Bearer of the Mission
• Transparency with adequate notice

Assure Sustainability during Transition
• Assures systems are in place for critical operational functions

Legacy
• “leave the place better than whence you found it...so it can continue to grow”

Self-Awareness
• Reflect and objective perspective

Create Opportunities

Leader Development
• Cultivate a ‘leadership-legacy’

Project Leadership
• “Project leadership is one of the purest forms of giving people opportunities to demonstrate leadership potential.”

Specialized Training
• ‘Leadership’ skills & financial practices
Team Dynamics

**Shared Leadership**
- Invests energy to develop relationships that expand the problem-solving capacity

**Organizational Sustainability**
- Involve other key organization roles and conduct annual performance evaluations to be mindful of succession planning

**Systems Approach**
- Organizational leadership is a dynamic organism and when one shifts it has an impact on the larger system

Making the Plan Work

Key Tips to Executing a Quality Succession Plan

= Additional resources will be in the Guidebook
Legacy Planning

Provides a record and structure

• CEO’s goals and action plan to leave the organization in a better place
• Annual check-in to assess progress and guard against burn-out
• Opportunity to engage an independent, neutral and objective third party such as an Executive Coach

“Whatever you choose to do, leave tracks. That means don’t do it just for yourself. You will want to leave the world a little better for your having lived.”
Ruth Bader Ginsburg

Communication Plan

Communication is intentional and continuous before, during & after

• Key organizational stakeholders (employees, Board of Directors, key funders)
• Create a plan of the steps that are periodically reviewed and updated
Use of Interim CEO

Internal vs. External
• Allow time for the CEO Search
• Provide short-term operating support
• Prepare for a major change or merger

Board Executive Committee
• Increase frequency to lend support

Search Committee

Committee Members
• Identify members and process

Create Search Framework
• Identify skills and expertise
• Culture disruption vs. maintenance
• Incoming CEO reputation
• Merger option
Employment Agreement

Continuity
• Assure continuity for senior positions

Notice
• Stipulate required notice

Incentives
• Specialized training
• Deferred compensation incentives

Onboarding CEO

More likely to be first time CEO
• Create a plan to introduce the CEO to the internal and external stakeholders
• Identify how the incoming CEO will be supported to develop necessary skills
• Support with an executive coach
CEO Transition

Organization Change
• Suspend major organizational changes

Overlap between CEOs
• Offsite & available to assist with logistics and stakeholders
• 1 to 4 weeks

Technical Assistance
• Departing CEOs on a retainer in an advisory capacity

Minimum Notice

Retirement
• 6 months to 2 years

Resignation
• Minimum of 90 days

Transition
• Departing CEO on a ‘retainer’
Supporting Structures

**Emergency Planning**
- Annual Risk Assessment, Board Policies and Key Lists

**Annual Review**
- Minimize perceived threat by making it a routine review

**Legacy Check-In**
- Routine review with executive coach

Existing Frameworks
A Collection of Publicly Available Tools & Resources

Sample Succession Plan developed by the Association of Baltimore Area Grantmakers

1. Rationale

The executive director position is a nonprofit organization organization's success. Therefore, ensuring that the function understood and even shared among senior staff and volunt the organization against unplanned and unexpected change equally helpful in facilitating a smooth leadership transition

This document outlines a leadership development and exe Association of Baltimore Area Grantmakers. This plan refle and its commitment to sustaining a healthy functioning org insures that the organization’s leadership has adequate inform manage NAG in the event the executive director is unable

2. Plan Implementation

The Board of Directors authorizes the Board Chair to impl succession plan in the event of a planned or unplanned ter

- It is the responsibility of the Executive Director to it planned temporary or short-term absence, and to pl
- It is the responsibility of the Strategic Initiatives Dir Chair of an unplanned temporary or short-term aba
Sample Plan
Table of Contents

- Rationale
- Plan Implementation
- Priority Functions of the Executive Director
- Plan in the event of a temporary, planned or unplanned absence – **SHORT TERM**
- Plan in the event of a temporary, unplanned absence – **LONG TERM**
- Plan in the event of a **PERMANENT** unplanned absence
- Approvals and maintenance of record

Absence Type

- Temporary
- Unplanned
- Short-term
- Long-term
Emergency Planning

Key Planning Strategies

Key Response Strategies

Board’s Role

Standing Appointments

Executive Director

Associate Director

Chief Financial Officer
Temporary Staffing Strategy

<table>
<thead>
<tr>
<th>Key Executive Functions</th>
<th>Temporary Staffing Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership and Vision</td>
<td>Board President with Associate Director – see Appendix C: Administrative Leadership Team Calendar for a schedule of activities that supports a high performing organization. See Appendix A: Planning Document for the list and timeline of planning documents to support organization operations.</td>
</tr>
<tr>
<td>Board Administration and Support</td>
<td>Associate Director – see Appendix B: Board &amp; Board Council Calendars for the schedule of activities including routine reports for risk mitigation, human resources, financial reviews, and budget planning.</td>
</tr>
<tr>
<td>Financial Management</td>
<td>Chief Financial Officer with Board Treasurer</td>
</tr>
<tr>
<td>Human Resources</td>
<td>Chief Financial Officer with Director of Human Resources</td>
</tr>
<tr>
<td>Programs &amp; Services</td>
<td>Associate Director with support of Program Leadership Team</td>
</tr>
<tr>
<td>Community &amp; Public Relations</td>
<td>Director of Development</td>
</tr>
<tr>
<td>Spokesperson</td>
<td>Board President and/or his or her designee</td>
</tr>
<tr>
<td>Community Representative</td>
<td>Associate Director to review Appendix D: Stakeholder Groups to assure representation as needed.</td>
</tr>
</tbody>
</table>

Communications Plan

<table>
<thead>
<tr>
<th>Key Supporters</th>
<th>Communication Responsibility</th>
</tr>
</thead>
</table>
| Employees                           | Board President & Associate Director
Communication Strategies: Weekly Mission Monday Email, Monthly All-Staff Meetings/Check-ins, Monthly Work Anniversary Luncheon, New Employee Orientation |
| Nonprofit Partners                  | Associate Director to generate list                                                        |
| Major Government Funders            | Board President                                                                           |
| Foundations                         | Director of Development to generate list                                                    |
| Major Donors                        | Director of Development to generate list for designated Board Members, to phone call [top 10] followed by a letter to all donors |
| Board Members (Board Alumni)        | Board President
Board President |
| Council on Accreditation             | Associate Director                                                                        |
| Auditor                             | Chief Financial Officer                                                                   |
| Banks, Depository Accounts and Vendors | Chief Financial Officer                                                                 |
Departure Defined

- Interim Executive Director?
- Enact Search Committee
- Revise Job Description
- Recruit
- Update Full Board

Leader Development

- Strategic priorities for leadership development through an equity lens
- Annual Performance Evaluations
- Support high-performing teams
- Cultivate relationships with external stakeholders
- Develop awareness of financial management systems
Annual review to assure the organization maintains regulatory compliance.
Inventory of Planning Documents

<table>
<thead>
<tr>
<th>Name</th>
<th>Frequency of Update</th>
<th>Last Update</th>
<th>Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Annual Plan</td>
<td>Annual</td>
<td>Jan. 2020</td>
<td>Board</td>
</tr>
<tr>
<td>Board Board Assessment</td>
<td>TBD</td>
<td>TBD</td>
<td>Board</td>
</tr>
<tr>
<td>Board Succession Plan</td>
<td>Annual</td>
<td>Sept. 2020</td>
<td>Board</td>
</tr>
<tr>
<td>FIN Agency Budget</td>
<td>Annual</td>
<td>Jan. 2020</td>
<td>CFO</td>
</tr>
<tr>
<td>PQI Performance &amp; Quality Improvement</td>
<td>Annual</td>
<td>April 2020</td>
<td>Executive Director</td>
</tr>
<tr>
<td>RPM Risk Prevention &amp; Management (RPM)</td>
<td>Annual</td>
<td>Jan. 2020</td>
<td>Executive Director</td>
</tr>
<tr>
<td>RPM Emergency Preparedness Plan</td>
<td>Annual</td>
<td>June 2020</td>
<td>Office Manager</td>
</tr>
<tr>
<td>RPM Facility &amp; Safety Management Plan</td>
<td>Annual</td>
<td>June 2020</td>
<td>Office Manager</td>
</tr>
<tr>
<td>HR Workforce Assessment</td>
<td>Annual</td>
<td>Feb. 2020</td>
<td>Director of Human Resources</td>
</tr>
<tr>
<td>HR Human Resource (HR) Internal Audit</td>
<td>Annual</td>
<td>June 2020</td>
<td>Director of Human Resources</td>
</tr>
<tr>
<td>HR Staff Professional Development &amp; Training Plan</td>
<td>Annual</td>
<td>March 2020</td>
<td>Associate Director</td>
</tr>
<tr>
<td>HR Employee Engagement Plan</td>
<td>Annual</td>
<td>August 2020</td>
<td>Director of Human Resources</td>
</tr>
<tr>
<td>DCS Fund Development Plan &amp; Budget</td>
<td>Annual</td>
<td>January 2020</td>
<td>Director of Development</td>
</tr>
<tr>
<td>DEV Communications Plan</td>
<td>Annual</td>
<td>May 2017</td>
<td>Director of Development</td>
</tr>
<tr>
<td>PPS Service Philosophy &amp; Delivery Plan</td>
<td>Annual</td>
<td>Nov. 2016</td>
<td>Associate Director</td>
</tr>
<tr>
<td>PPS Touchpoints Site Plan</td>
<td>Annual</td>
<td>March 2019</td>
<td>VP Trainers</td>
</tr>
<tr>
<td>PPS Family Nurturing Center Plan</td>
<td>Annual</td>
<td>June 2019</td>
<td>NPP Trainer</td>
</tr>
</tbody>
</table>

Conduct an inventory of the key organizational planning documents.

Board Calendar

Key Activities in 2020: Board Self-Evaluation (pended from last year)

<table>
<thead>
<tr>
<th>Meeting Date</th>
<th>Key Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 30, 2020</td>
<td>• 2019 Year End Human Resources (HR) Briefing (including workforce composition and retention 2019 employee engagement survey results)</td>
</tr>
<tr>
<td>March 27, 2020</td>
<td>• 2019 Year End Risk Prevention &amp; Management Plan (RPM) Report</td>
</tr>
<tr>
<td>April 15, 2020</td>
<td>• 2019 Risk Prevention &amp; Management Plan</td>
</tr>
<tr>
<td>May 31, 2020</td>
<td>• Overview of COG administration process</td>
</tr>
<tr>
<td>June 24, 2020</td>
<td>• Review based composition matrix to set listed member recruitment strategy</td>
</tr>
<tr>
<td>Aug 20, 2020</td>
<td>• Q3 2020 HR Briefing (including annual employee satisfaction survey results)</td>
</tr>
<tr>
<td>Sept 27, 2020</td>
<td>• Review draft of sustainability &amp; strategic plan</td>
</tr>
<tr>
<td>Oct 29, 2020</td>
<td>• Review Q3 2020 HR Briefing</td>
</tr>
<tr>
<td>Nov 9, 2020</td>
<td>• Q4 2020 HR Briefing</td>
</tr>
</tbody>
</table>

Calendars are a helpful tool to assure processes stay in place.
Senior Staff Calendar

<table>
<thead>
<tr>
<th>Month</th>
<th>Focus Area</th>
<th>Dates</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>Financial Staff Meetings</td>
<td>15th</td>
<td>15th CFP Meeting, 30th CFP Meeting, 1st Financial Staff Meeting</td>
</tr>
<tr>
<td>February</td>
<td>Quarterly Reviews</td>
<td>4th, 19th</td>
<td>4th Financial Staff Meeting, 18th Financial Staff Meeting, 19th Financial Staff Meeting, 28th Financial Staff Meeting</td>
</tr>
<tr>
<td>March</td>
<td>Monthly Review</td>
<td>3rd</td>
<td>3rd Financial Staff Meeting, 3rd Financial Staff Meeting, 3rd Financial Staff Meeting, 17th Financial Staff Meeting</td>
</tr>
<tr>
<td>April</td>
<td>End-Of-Year Review</td>
<td>25th, 30th</td>
<td>25th Financial Staff Meeting, 30th Financial Staff Meeting</td>
</tr>
<tr>
<td>May</td>
<td>Quarterly Reviews</td>
<td>1st, 16th</td>
<td>1st Financial Staff Meeting, 16th Financial Staff Meeting</td>
</tr>
<tr>
<td>June</td>
<td>Quarterly Reviews</td>
<td>5th, 20th</td>
<td>5th Financial Staff Meeting, 20th Financial Staff Meeting</td>
</tr>
<tr>
<td>July</td>
<td>Quarterly Reviews</td>
<td>3rd, 18th</td>
<td>3rd Financial Staff Meeting, 18th Financial Staff Meeting</td>
</tr>
<tr>
<td>August</td>
<td>Quarterly Reviews</td>
<td>5th, 20th</td>
<td>5th Financial Staff Meeting, 20th Financial Staff Meeting</td>
</tr>
<tr>
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<td>Quarterly Reviews</td>
<td>3rd, 18th</td>
<td>3rd Financial Staff Meeting, 18th Financial Staff Meeting</td>
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<td>5th, 20th</td>
<td>5th Financial Staff Meeting, 20th Financial Staff Meeting</td>
</tr>
<tr>
<td>November</td>
<td>Quarterly Reviews</td>
<td>3rd, 18th</td>
<td>3rd Financial Staff Meeting, 18th Financial Staff Meeting</td>
</tr>
<tr>
<td>December</td>
<td>Quarterly Reviews</td>
<td>5th, 20th</td>
<td>5th Financial Staff Meeting, 20th Financial Staff Meeting</td>
</tr>
</tbody>
</table>

Calendars are a helpful tool to assure processes stay in place.

External Relationships

- Child Abuse Death Review Committee - Hillsborough County:
  - Community partners that focus on ways to reduce preventable child abuse deaths in Hillsborough County by developing a comprehensive approach to address such cases and contributing factors. Monthly meetings attended by Executive Director.
- Children’s Committee:
  - Community members representing the faith community, business owners, diverse cultures, early childhood and current or former family members. Quarterly meetings attended by Executive Director.
- Healthy Families Hillsborough Advisory Committee:
  - Community members representing the faith community, business owners, diverse cultures, early childhood and current or former family members. Quarterly meetings attended by Executive Director.
- Healthy Families Hillsborough Partnership:
  - Community members representing the faith community, business owners, diverse cultures, early childhood and current or former family members. Quarterly meetings attended by Executive Director.
- MEPRC:
  - The Hillsborough County Preventing & Resource Coalition collaboratives to provide resources and education to ensure effective continuum care of life. Monthly meetings attended by case management staff.
- Healthy Start Coalition Hillsborough Partnership:
  - Community members representing the faith community, business owners, diverse cultures, early childhood and current or former family members. Quarterly meetings attended by Executive Director.
- Home Visiting Advisory Board:
  - An advisory board comprised of local and statewide representatives of the locally and able maternal and child health and early childhood home visiting models to develop a high-quality system of coordinated services that provide support, navigation, and multidisciplinary care and services to all children and their families.
- Inpatient Mental Health Steering Committee:
  - Network of services and supports for children and families in a variety of disciplines including information and referral, early care and education, early intervention, child welfare, child abuse prevention and infant mental health. Monthly meetings attended by Executive Director.
- REACH UP Maternal and Child Health Management Team:
  - A mechanism to facilitate collaborative communication among maternal child health partners to further develop effective system of care among various health & family services. Quarterly meetings attended by Executive Director.
- Neighborhood Health Leadership Council:
  - The Leadership Council is comprised of active residents and executive members from service providers and funders. The Leadership Council meets monthly and 2nd and 4th Thursday and serves as the Board of Directors for the Council.
How to Start...

1. Start with a risk prevention and create an emergency plan
   • Board Policy on Delegation of Authority, Document Protocols, Back-Up Signatories

2. Adapt an existing framework to grow leader development

3. Begin regular conversations with organization leadership and begin legacy planning

In Closing...

• Questions
• Follow-up Survey
• Resources
• Guidebook coming...