
LEADERSHIP TRANSITION AND SUCCESSION

**A TOOLKIT FOR SOCIAL-CHANGE ACTIVISTS
AND NON-PROFIT ORGANISATIONS**

DENISE CHARLTON AND ASSOCIATES
SUPPORTED BY THE SOCIAL CHANGE INITIATIVE

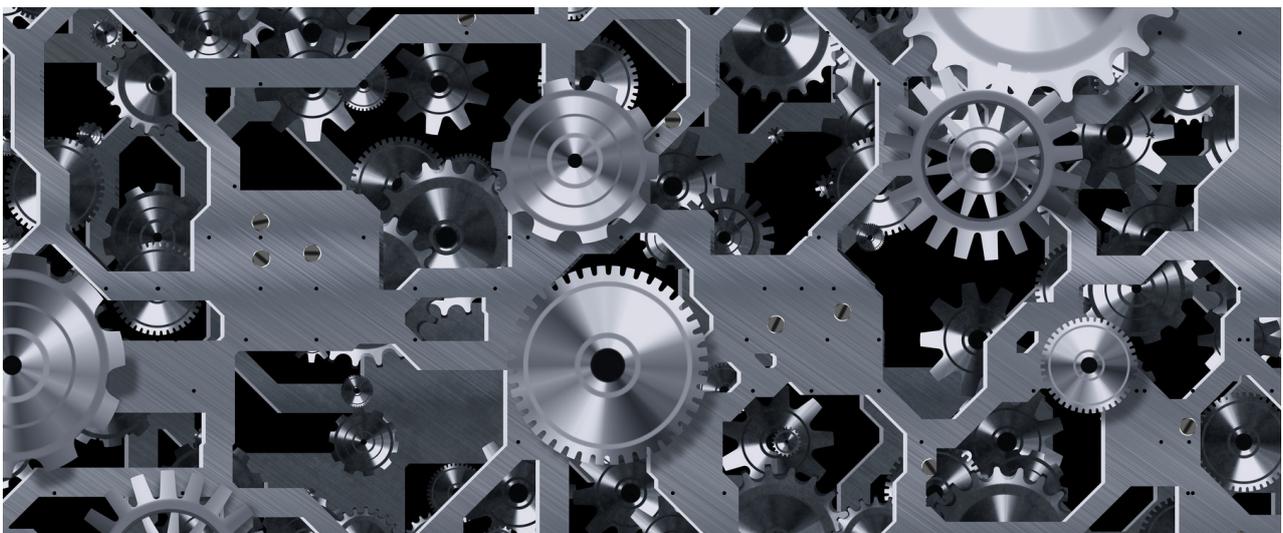
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INTRODUCTION

THIS toolkit is aimed at those who are considering a leadership change, those exiting, those managing transition and succession planning within organisations and those who are replacing a leader as incoming CEO. It is specifically aimed at non-profit organisations.

Through many years of working with leaders and activists in the area of social change, we recognise the challenge of transferring power from one leader to another. Executive transitions and leadership succession can be difficult for all organisations, with specific challenges for non-profits. This guide is informed by the latest literature and theory and the practical experience of 20 non-profit organisations working in the area of social change. In addition to the challenges and the lessons learnt, the guide highlights the opportunities presented when managing transitions at the top.



AUTHOR AND SPONSOR

THIS report was produced by Denise Charlton & Associates, with support from the Social Change Initiative.

Denise Charlton has worked in the area of Social Change for over 25 years. She is a non-executive director, working with organisations on strategic management, organisational development, leadership development and professional/ team coaching. She has vast experience in the areas of leadership, specialising in transitional coaching. She has specialist experience coaching Chief Executives and senior management teams, particularly those transitioning into a new role(s). She works with founders and/or long-term executives in transitioning out of an organisation. With in-depth understanding of the impact of change at a personal and collective level, she has in-depth experience working with groups and individuals in the areas of career transition. She has significant operational experience at senior levels and proven expertise in change leadership and transformation programmes, particularly within social justice and social change areas. She has a keen interest and advises nationally and internationally in the areas of migration and integration, anti-discrimination and diversity, LGBT rights, gender equality, with a specific focus on gender-based violence. She was Co-Founder of Marriage Equality and member of the strategic advisory committee for Yes Equality (Referendum on civil marriage equality for LGBT families), a member of the Strategic Advisory Committee for Together for Yes Campaign (Referendum on Reproductive Rights), CEO of the Immigrant Council of Ireland, CEO of Women's Aid and represented on numerous boards in the non-profit and public sectors, nationally and internationally.

The Social Change Initiative (SCI) was established in 2015 and is an international charity. Based in Belfast (Northern Ireland), it draws together people with deep experience of grassroots activism, peacebuilding, advocacy and strategic philanthropy. The organisation works both globally and locally to secure progressive social change, so that communities become more inclusive, fairer and peaceful. SCI focuses on influencing policy, practice, behaviours and attitudes and believes that social change is most effective and sustainable when those most impacted are involved in defining and securing the change they need. It supports the development of effective and sustainable activism to bring about social change. It also supports maximising the impact of funding to support social change. To this end, it is interested in supporting transition at the top in non-profit organisations involved in social change and activism.



KEY QUESTIONS

WHY LEADERSHIP TRANSITION MATTERS

THERE is an increasing recognition of the importance of quality leadership as a significant factor in an organisation's capacity and effectiveness. With the recognition of the importance of good leadership comes the acceptance of the inevitability of executive transitions and their potential impact on organisations.

Leadership change occurs in different contexts and is inevitable at some stage. Organisations grow through several revolutions requiring different leadership styles at various stages. A long-time leader, or founder, may just be ready to leave. In other cases, some are required to leave. Others leave or intend to leave because of a financial instability, pressure from funders or lack of appropriate support at board level.

There are specific challenges for non-profits including:

- the lack of diversity among non-profit executives and boards
- the bias towards unrealistic leadership expectations
- underperforming or challenged boards
- the ongoing struggle to finance an overburdened sector

Executive transition can present challenges on all levels, for employees, board members, and stakeholders. Poorly managed transitions incur high costs to organisations and communities. Failure to plan for succession can result in poor choice of leader. Transition failure can also levy a cost on the company's reputation externally in the eyes of key stakeholders and internally in ways that affect employee motivation.

However, if managed effectively and actively, leadership transition also offers an opportunity for organisations. Every organisation has the potential to go through a leadership change and emerge with strength.

USEFUL RESOURCES

- Bridges, William, *Managing Transitions: Making the Most of Change*. Perseus Publishing, 1991. www.perseuspublishing.com
- Gilmore, Thomas N., *Making a Leadership Change: How Organizations & Leaders Can Handle Leadership Transitions Successfully*. Center for Applied Research, 2003. www.cfar.com
- Adams, T. *When the Boss Bails, Surviving – and even thriving – after a change in leadership* (PDF). Silver Spring, MD: TransitionGuides 2004.
- *Capturing the Power of Leadership Change: Using Executive Transition Management to Strengthen Organizational Capacity*. Published by the Annie E. Casey Foundation (2004). Available at:
<http://www.aecf.org/MajorInitiatives/LeadershipDevelopment/LdrshpResources.aspx>
- "Managing Executive Transitions: A Handbook for Nonprofit Organizations." Washington, D.C.: Neighbourhood Reinvestment Corporation, 1999.
- www.compasspoint.org/et
- www.transitionguides.com – TransitionGuides provides a newsletter and links to articles on topics related to succession planning and executive transition management. Tools by CompassPoint's succession planning consultants are available at www.compasspoint.org/et.
- Online tools such as Survey Monkey (www.surveymonkey.com) are easy to use and provide an efficient means for distributing surveys and collating responses.



RELEVANCE FOR NON-PROFITS?

NON-PROFIT organisations manage leadership transition and succession planning in varying ways. Many non-profit organisations restrict the focus to the executive change, only seeing it as a recruitment process, often with negative consequences. Others implement a wider strategy including organisational assessment, the involvement of key stakeholders, talent development, a professional executive search and a plan for incoming executives.

Leadership transition requires significant additional time and skills, on top of ordinary duties for boards of organisations, and this can create challenges. Size can be a critical variable, especially for non-profit organisations, where there may be limited management depth or infrastructure and organisations can be extremely vulnerable during a leadership change. Over-dependence on the transitioning leader in relation to the institutional memory or key relationships can leave an organisation exposed. Again, this may be very pertinent for smaller non-profits, where key funder relationships, and preferences, can influence practice.



What is the difference between executive transitions and succession planning? Executive transitions are intermittent events, e.g. the CEO announcing intentions to leave or a more abrupt removal of the executive, or the integration of a new executive. Succession planning is an ongoing process that boards undertake to strengthen the foundation of the executive position, but it can also be at the level of the board, office bearers or senior managers.

KEY ELEMENTS AND OUTCOMES

Key elements:

- A 'risk management' best practice
- Preparation for a successful leadership hand-over
- A leadership development strategy & path to sustainability
- A critical board and executive responsibility

Key outcomes:

- Makes the CEO position more 'doable'
- Retains talented staff
- Engages and reassures the board, staff and volunteers
- Gives confidence to funders

USEFUL RESOURCES

- Preparing for the Inevitable: A Transition and Succession Readiness Checklist:
- https://www.compasspoint.org/sites/default/files/documents/724_successionreadinesscheckl.pdf (see appendices)
- Adams, T. (2010) Sustaining great leadership, succession planning for non-profits. Edited by Vincent Hyman. Revised February 2010
- Charan, R. (2005) Ending the CEO Succession Crisis. Harvard Business Review. February, 83(2), pp. 72-81, 147.
- Exits From the Top by Don Tebbe – <http://exitsfromthetop.com>



PLANNING FRAMEWORKS

THERE are many examples of frameworks that are useful for leadership succession and transition.

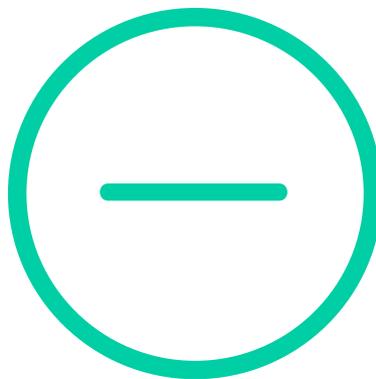
Emergency Succession Planning: to address an unanticipated departure of an executive, usually occurring within a short timeframe. Emergency succession plans ensure the uninterrupted performance of essential executive functions by outlining steps for the temporary management of the organisation (e.g. appointment of temporary CEO and management of key functions). (See appendices for Emergency Succession Plan template).

Strategic Leadership Development: an ongoing process that identifies the core competencies, skills and knowledge needed by the organisation with a plan to develop those competencies in the existing talent, where appropriate to recruit new talent.

Departure Defined Transition Planning: Preparation before, during, and after transition, including communicating the transition to staff and stakeholders, conducting an organisational assessment and sustainability review, building organisational capacity and sustainability, recruiting and hiring a new executive, and the integration of a new leader, plus helping the outgoing executive to leave well. It includes identifying future goals; determining which tools a successor will need to achieve those goals; and devoting attention to building the capacity of the board, managers, and systems to sustain funding and programmes beyond the current executive's tenure. (See appendices for The Nuts and Bolts of Departure Defined Succession Planning template).

USEFUL RESOURCES

- Templates (see appendices): Emergency Succession Plan (Agency Name):
https://www.compasspoint.org/sites/default/files/documents/520_emergency_succession_planmo.pdf. and The Nuts and Bolts of Departure-Defined Succession Planning:
<https://www.aecf.org/m/resourcedoc/AECF-BuildingLeaderfulOrganizations-2008-Full.pdf#page=11>
- Jones, Karen Gaskins, Leader Development & Emergency Succession Planning: An Organizational Planning Workbook. TransitionGuides, 2003. www.transitionguides.com
- Pope, N. (2013). Executive Succession Planning for Not-For-Profits. A Discussion Paper. 2into3's Organisational Capacity papers.
- Michels, S. M. (2011). Organisational continuity: A succession plan for non-profit organisations. USA: Duluth MN.
- Wolfred, T. (2008) Building Leadership Organisations: Succession Planning for Non-profit Organisations. Baltimore, MD: The Annie E. Casey Foundation.



LESSONS SHARED

BELOW are some of the lessons shared from the 20 organisations who participated in the study. Some managed the process successfully and shared the contributing factors. Others had more challenges and faced difficulties that resulted in a failed transition(s) and for some this meant closure. They shared their learning on reflection and highlighted activities that contributed to the failure that might have helped them avoid some of the challenges. We look at the areas of:

- Strategic Planning
- Including Stakeholders
- Development & Investment in Leadership
- Key Roles, Responsibilities & Tasks
- The Role of Communications
- The Use of Values in the Process

STRATEGIC PLANNING

AMONG the research participants, there were mixed views whether a new strategic plan should be developed prior to leader coming on board or as a key task of the new role. Some believed that this was something the new leadership should drive, others believed it was a board function prior to a successor's appointment, with some advocating that this was a role for the exiting CEO.

For some organisations, the completion of a strategic plan prior to succession was seen to be essential to support a successful transition. This was particularly where there was no need for any radical changes by a successor for a number of years.

The strategy influenced and determined the type of leader required.

However, some organisations left the development of a new strategy to a new leader, looking for a new, and creative, innovation to influence the future purpose of the organisation and maximise any new opportunities.

There was no consensus on this issue, with more experienced organisations assessing it in the context of the organisational stage of development, informed by the transitional rationale.

Several incoming leaders suggested that it was also opportune to come into a strategic plan (even if for a minimum timeframe), while facilitating a diagnosis process by the new leadership, informing the future direction. Many felt that a strategic plan facilitated the process of diagnosis, allowing the business to continue while new leadership gathers the relevant data to inform any change in direction.

However, regardless of whether a strategy should be developed before or after recruitment of a CEO, all organisations need to do some reflection before any leadership transition. This was stressed without exception by all the participating organisations. A strategic review process was seen to be essential to establish where the organisation was at and to assess the opportunities and challenges from a leadership perspective and assess those relevant to the transition. Organisations highlighted the need to consider the purpose, financial viability and sustainability, and take the opportunity to prepare a skills audit for any changes that might emerge during the assessment period. It was also considered necessary by some interviewees to do a stakeholder analysis, develop a communications plan, and ensure staff and board are involved.

Others highlighted the importance of an analysis and documenting of all achievements and remaining challenges. All of this was considered advantageous.

For some non-profit organisations, with limited funds and high demands it was tempting to see the process as one of recruitment only. This restricted response led to failed transition and many additional challenges. It was stressed by a number of participants that leadership change could not be restricted to replacement planning. Organisations discussed the need to see leadership change as wider than recruitment and replacement of a CEO.

A strategic review process was deemed to be crucial, prior to any discussions on recruitment. Organisations reflected on challenges that occurred because the organisation did not pause and consider issues such as sustainability, purpose, the skills and capacities of the organisation, and the skills available to manage a transition process. Others attributed the successful transition to the time, focus, expertise and resources that were allocated for reflection and review.

ORGANISATIONAL EXPERIENCE:

One organisation prioritised the development of a strategic plan and a corresponding timeline within its transition strategy. The plan involved exiting and incoming leadership. The exiting CEO began to develop a strategic plan and left a framework plan to be concluded by the successor in the first three months. However, the incoming CEO (with the support of an external coach) persuaded the board to put the strategy development on hold for one year. This provided time for the incoming successor to do an analysis of the organisation's strategy and operational, internal and external environment. It provided an opportunity for the new leader to use the strategy process to engage with key stakeholders. It facilitated a reflection period and then encouraged new and innovative thinking, to inform and shape a new plan. According to the CEO, it provided a timeframe and process that allowed the new and existing team to develop a strategy and implementation plan that was fit for purpose and that they could own. It optimised the skills of the exiting and incoming leadership.

'A coach gave me the chance to be able to take a step back and pick off the problems one by one. The coach encouraged a diagnosis stage, to assess the organisation's needs and to seek support from the chair and board to do this.'
(Research Participant)



USEFUL RESOURCES

- The Importance of Linking Leadership Succession, Strategy, and Governance by Thomas Gilmore
<https://nonprofitquarterly.org/governancevoice/21062-the-importance-of-linking-leadership-succession-strategy-and-governance.html>
- Rothwell, W.J. Effective Succession Planning – Ensuring Leadership Continuity and Building Talent from Within (2016). Chapter 8 (187-252) Assessing the Present and the Future.
- Strategic Management in the Third Sector, by Roger Courtney. Palgrave MacMillan (2013).



INCLUDING KEY STAKEHOLDERS

WHEN a transition is pending, executives must assess the impact on stakeholders. Management and staff are a core group that will contribute to its success or failure.

There is a need for key internal stakeholders to prepare for the transition with management having a role in protecting the day to day operations, preparing others to adapt to new leadership and any resulting change in style and direction. The task may also include supporting new relationships between the wider staff team and the new CEO. By being prepared for the transition, senior managers are able to shape organisation opinion to the benefit of the new leaders.

The role of staff is important in the process. Internal attention to staff as part of succession planning can result in a more adaptable organisation, ready to face any challenges presented, while sharing the responsibilities of an executive, thus building capacity throughout the organisation. Discussions with staff and management should also assume further mobility within the organisation, which can have an impact on smaller non-profits. A change of leadership can result in further staff changes, especially if a staff group has been working with the leadership for an extended period of time. A transitional and succession plan needs to prepare for this.

External stakeholders such as funders can have a role in ensuring time and resources are available for the transitional and succession process. One organisation spoke about the support of a key funder including expertise, flexibility, support for an extensive process and financial input. Other organisations highlighted how external stakeholders were consulted on the achievements, legacy and future purpose of the organisation, engaging them and maintaining ongoing support for the organisation.

ORGANISATIONAL EXPERIENCE:

One organisation commissioned an external consultant to work with them to review and reflect on its mission and what this might look like for the next period of time. This fed into the recruitment strategy for a new leader. It informed strategic staff development and ensured that the internal team (board, management and staff) were involved and had a stake in the transition and succession process.

A former board member (and a senior civil servant with the Department of Health) was commissioned to do the work. He knew the organisation but was no longer involved, so had a degree of independence. The process provided the space to consider what the challenges or the opportunities might be for the organisation. What would the organisation need to do to be fit for the future? What was the moral compass that would guide it?

The process had a number of strands. It included various methodologies such as participatory evaluation. It documented the 50 year history of the organisation, including a timeline. The process revealed who knew what about the organisation and the external world. The facilitator got the teams to imagine and act out what the organisation would be in 10, 20, 50 years and videoed it. The process was deemed to be successful in galvanising people right across the organisation to think about the future, the type of organisation they would want to be. It included a focus on the future structure, the values and the importance of them within the organisation and the work. It provided an opportunity for reflection and review, to consider the external environment for members to input and develop a stake in its future.



ORGANISATIONAL EXPERIENCE

One organisation that experienced a successful transition attributed its success to a core reflection process, engaging all the key internal stakeholders. The members of the organisation were asked to consider the organisational stage of development and how this might inform the future skillset and characteristics needed in a new leader. The facilitators of the process encouraged different viewpoints about what attributes a successful candidate might have and what were essential qualities. A transitional committee spent time with the recruitment firm and the board engaging in these discussions, which resulted in greater consensus about the essential attributes of the new leader and real excitement when a candidate was identified who represented those qualities.

'The outgoing CEO began an internal consultative process, engaging staff, management and board. The process reflected on the stage the organisation was at, what its purpose was and what elements might still be relevant in the future. Staff and management considered the legacy of the exiting CEO and exiting members of the management team, and discussed what might be important to keep, what might be important to add. The analysis and review also reflected on the wider leadership of the board and management team to assess any further needs. The skills of wider staff team were also part of this analysis. This provided great data for the leadership search and a blueprint for talent development internally for the future.'
(Research participant)

USEFUL RESOURCES

- Freeman, E. et al. (2004) Stakeholder Theory and 'The Corporate Objective Revisited'.
<https://pubsonline.informs.org/doi/abs/10.1287/orsc.1040.0066>.
(Accessed 12th July 2018).
- Roswenwald, P et al (2013) When Leaders Leave – A New Perspective on Leadership Change; (Appendix B – Four Stages of Change, p81).

DEVELOPMENT & INVESTMENT IN LEADERSHIP

NON-PROFITS are reliant on the people that lead, work and volunteer for them. Strategic staff development ensures that the organisation maximises the skillset and capability available to it. Its aim is to expand an organisation's pool of capable leadership so that it can steadily follow its long-term vision and mission, undeterred by staff or board member transitions. In small non-profits, there may simply be too few workers to do extensive strategic leadership development. However, all organisations can do skills audit and review, relevant to its vision, and aim to ensure the right skills are available through staff and volunteer input, and resource externally when necessary and appropriate.

Organisations can create development plans for key people within the organisation, inclusive of board, staff and key volunteers. This includes an audit of the core skills required of each position and a skill-building plan to fill any identified gaps in the relevant skillset. This can be part of the monitoring and evaluation process, and embedded into performance appraisals.

Strategic leader development can be closely aligned with the strategic planning process. As the organisation gets a sense of its long-term goals and direction, it then determines the leadership competencies necessary to get there. The organisation then creates development plans to ensure it has the right skillset within the staff and volunteers (board) who can meet the future leadership needs and deliver the organisational mission. There is no consensus on whether a successor should be recruited internally or externally, with many experts advocating both. It will depend on the organisation, its size and capacity to develop an internal talent bank.

For some non-profits, it may not be possible to recruit a successor due to the infrastructure available limiting the choice internally. However, it is good practice to invest in the development of skills internally encouraging the relevant staff to apply when the position is available.

Several participants stressed the need to develop internal capacity as part of the transition process, to develop potential successors, but also to support the transitions and the integration of an incoming CEO.

Some of the participants reflected on the need for investment into the organisation's leadership team. One participant commented that many leaders develop internally and from expertise about an issue rather than the skills required for the role. It was perceived that this could also have an impact on a change of leadership and their ability to lead their part of the process.

Those that felt the transition had been managed well had taken the opportunity to look at the organisation in its entirety, and had grown and developed staff internally. The pending transition was seen to provide opportunities for staff to build new relationships, try new skills and activities and work collectively to prepare for the transitions and integration of a new leadership.



ORGANISATIONAL EXPERIENCE:

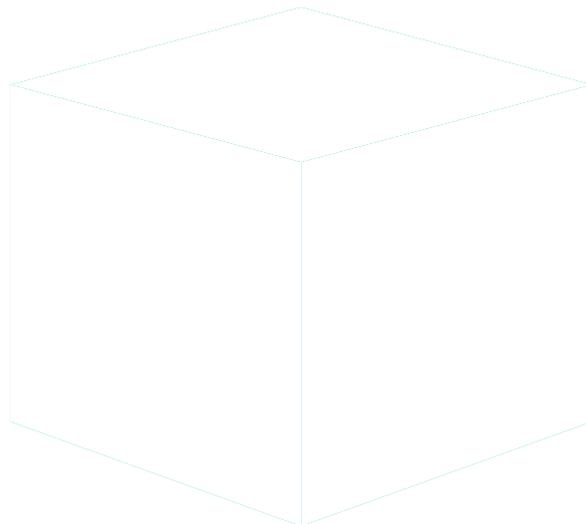
One organisation discussed the need for investment in the CEO and senior leadership team. As an organisation, there was a culture of support and investment in staff. The CEO was supported to join the Chief Officers Forum of the third sector. There were a group of participants from the third sector, facing similar challenges and from this developed a strong set of relationships and opportunities for ongoing training and development. The board further supported the CEO to do an MBA, which provided access to a great cohort of people, as both colleagues and mentors. The CEO then looked outside of Northern Ireland at key people who were working in similar related fields. The board also set up an advisory group to support the CEO in her work. The CEO spoke about the support of her chair (and subsequent chairs); naming what this support would look like. The culture of training and accessing external expertise was extended to the transition process, with the CEO accessing support and training from CO3 (Chief Officers 3rd Sector). The transition process also highlighted and informed a strategic talent development strategy that is now central to the organisation's strategic plan.

Also discussed was how investment in staff development was core to the transition and succession planning. The organisation saw the leadership change as an opportunity to develop internal talent and spent time consulting internally and externally. As the CEO had been in her role for over 30 years, both she and the organisation had grown substantially. The internal process considered the future role of CEO, informed by key stakeholders, ensuring the job description was realistic regarding the stage of the organisation and its future needs. It also ensured that any potential, internal candidates could see that the role was possible and doable. The organisation provided training and support for the senior management team to encourage applicants but also to grow the team's capacity to support the leadership transition and integration of a new CEO, seeing themselves as core to the process and the new leadership.

This process also explored further mobility throughout the organisation and ensured that this was embedded in staff and management appraisals, encouraging staff to consider and discuss career progression, within and external to the organisation. Discussions with board members were conducted and an analysis of skills with the future of the organisation in mind. Succession planning is now set as a key strategic objective.

USEFUL RESOURCES

- Raelin, Joseph A., *Creating Leaderful Organizations: How to Bring Out Leadership in Everyone*. BerrettKoehler, 2006. www.bkconnection.com
- *Up Next: Generation Change and the Leadership of Non-profit Organizations*. Published by the Annie E. Casey Foundation (2005). Available at: <http://www.aecf.org/MajorInitiatives/LeadershipDevelopment/LdrshpResources.aspx>



KEY ROLES, RESPONSIBILITIES & TASKS

IN any leadership transition or succession there are many people with roles to play and they may change depending on the organisation or the circumstances. But there are key roles, responsibilities and tasks common to most if not all circumstances. As examined below, these include the roles of:

- The Board
- The Incumbent CEO
- A Transitional Committee
- An Incoming leader
- Exiting Founders and Executives
- Interim CEO

The Board:

Leadership transition is both a defining responsibility and one of the most critical jobs faced by a board. In non-profit organisations where there is strong founder or long-term executive there can be a challenge to board engagement generally. To then have to deal with transitions (planned, unplanned) can be difficult, especially to implement a transition strategy with all its potential elements. Supporting a founder or exiting CEO to depart well facilitates the board to concentrate on the relationship with the new leader and leaving this to chance heightens the risk of difficulties. The board should manage this part of the process ensuring a good ending with the outgoing executive.

Incumbent CEO:

There are a number of roles for an exiting founder or executive: leading the organisation, preparing the organisation for the transition and preparing personally. This can include directing the design and implementation of the various steps, with a particular emphasis on the pace of the transition, the handover and engagement of the main stakeholders.

It includes ensuring that leadership and transition is part of the overall strategic discussions within the organisation. The CEO can ensure that there is an emphasis on leadership development and succession throughout the organisation during their tenure. Prior to the transition, the exiting CEO can also play a role in assisting the organisation to reflect on what has been achieved and to envisage what is needed for the future.

A transitional committee:

There can be a role for a transitional committee in some non-profits, particularly when they are small and do not have the expertise and/or experience to manage a leadership transition and/or succession planning. A transition committee can involve external expertise, with board and senior staff membership. It can be tasked with developing and managing transitional and succession planning as part of the overall organisational strategy. Within a planned or unplanned leadership change, it can remove the challenge from the day to day work, giving it the necessary focus and intention as well as required skillset to manage the process. Including staff and board members facilitates buy-in throughout the organisation for the work that should be done, preparing an organisation for leadership change.

ORGANISATIONAL EXPERIENCE:

One board spent considerable time considering its role within the leadership transition. It believed that assessing its skillset, identifying the tasks and responsibilities, and ensuring a pro-active focus on the pending leadership transition contributed to its success.

They defined the board's role as critical in the following areas:

- *Strategic review and reflection on the organisation's vision and mission.*
- *A sustainability review (inclusive of full review of the internal leadership and internal capability, finances, systems, communications and stakeholder analysis).*

- *An external review, assessing the external environment, inclusive of a SWOT analysis of the organisation in this context.*
 - *Defining the most important attributes of a new leader and assisting with candidate outreach and assessment (informed by the above).*
 - *Providing clear and concise capacity building and transition planning for board and staff review.*
 - *Raising funds for and facilitating the change process to ensure the possibility of attracting a strong leader and setting them up for success.*
 - *Development of a communications plan for key funders and other stakeholders.*
 - *Organising the orientation of the incoming CEO and supporting them throughout the transition.*



ORGANISATIONAL EXPERIENCE:

The organisation took some time to consider the various roles and levels of engagement for each one (Board, Staff, exiting executive, incoming executive etc). The exiting CEO took an active role, working with the chair and members of the board to design a transition and succession strategy, including establishing a transitional committee. This was supported by external expertise and its implementation was over a 12 month period.

The organisation agreed that the exiting CEO would be involved in the recruitment process and in informing the on-boarding process. She had a defined role in supporting the new leader's integration, agreed by the board and informed by staff.

She prepared a knowledge transfer strategy, a strategic development strategy and ensured that both key stakeholders internally and externally were supportive of any changes required, emerging from the transition and succession process.

Also involved in developing the recruitment process was an external, independent expert and the chair of the board. The organisation agreed what they wanted in a potential new leader. This included the appropriate competencies for a CEO role but also focused on commitment to the organisation's values, the candidate's vision of the future, their drive and enthusiasm for the role. Strong emotional intelligence was seen to be very important.

An on-boarding process was discussed at board level and agreed. This included agreeing the performance and evaluation of the new leader, including key stakeholders in the ongoing assessment, available support at board level and agreed investment to support any identified needs of the new CEO. A process and timeline of six months was agreed, with key objectives and communications mechanism, to be reviewed and extended if necessary. A number of key committees (e.g. finance and audit) were initiated to support the new leader in key areas of work. A communications expert worked with them on the narrative and initial communications plan. The new leader was required to develop a 90-day plan for the board (with support of the chair).

A different committee was selected from the recruitment committee and it oversaw this process, with a key focus on supporting and assessing the performance of the new leader. An external coach was also provided and participation in peer support actively encouraged.

USEFUL RESOURCES

- Axelrod, Nancy R., Chief Executive Succession Planning: The Board's Role in Securing Your Organization's Future. BoardSource, 2002. www.boardsource.org
- Adams, Tom, Stepping Up, Staying Engaged: Succession Planning and Executive Transition Management for Nonprofit Boards of Director – Executive Transitions Monographs published by the Annie E. Casey Foundation. <http://www.aecf.org/KnowledgeCenter.aspx> or www.compasspoint.org/research
- Wolfred, Timothy, "Stepping Up: A Board's Challenge in Leadership Transition." Nonprofit Quarterly, Summer 2005. www.compasspoint.org/articles
- Editors, Planning for Succession: A Toolkit for Board Members and Staff of Nonprofit Arts Organizations. Illinois Arts Alliance, 2004. www.artsalliance.org
- The CO3 Guide to Great Governance by Roger Courtney, 2018, CO3, Cleaver Fulton Rankin and Roger Courtney.
- Succession Planning for Nonprofit Leadership: Steps to Ensuring Your Organization's Future by Terri Theisen, Theisen Consulting, LLC and the Healthcare Georgia Foundation http://www.healthcaregeorgia.org/uploads/publications/succession_planning.pdf



Incoming Leader:

On-boarding is now considered essential to ensuring the integration of a new leader and a successful transition. Diligently moving through a productive closure process with the departing executive director, plus a demanding search and screening can exhaust a board. The temptation is to hand the new hire the keys and leave them to it. This can cause difficulties for the organisation. One way to counter this is through the establishment of a fresh orientation and support committee to succeed the typically exhausted search committee. The committee can deal with induction, knowledge transfer, introduction to key stakeholders, monitoring and evaluation and any additional support needs.

A good on-boarding plan should run anywhere from 18 months to three years and begin during recruitment. A mentor or coach should be assigned to assist and support the new hire and have structured extensive networking opportunities both internally and externally.



As well, an individual plan for growth and performance must be put in place and deliverables jointly defined, within agreed timeframe (e.g. first 100 days). The new executive should be given frequent feedback.

Supporting an incoming leader was deemed to be crucial in the process, especially by those where the transition had failed. For some, the lack of emphasis on evaluation or monitoring had devastating consequences. One board member reflected on the lack of structure and process in her organisation and the difficulties that might have been avoided. The lack of communication between the board and key stakeholders, the staff and key external supporters was considered a contributing factor in a failed transition. It was perceived that by the time issues were surfaced it was too late. One respondent, on reflection, suggested that the organisation should have had a robust evaluation process for the new CEO and staff/board, with a formal feedback process. Another respondent developed key systems to ensure communication with and about a new leader.

Some incoming leaders, new to the position of CEO, talked about the lack of transparency and adequate information necessary for the role, coupled with the lack of experience required for due diligence. For some, it meant coming into an organisation with limited financial sustainability, or indeed a situation of insolvency. This required a different skillset and experience, in their view, and was not what they were recruited for. This, in some cases, was accompanied by other challenges such as further movement from the board or management team, and/or the need for a new strategic direction.

A number of incoming CEOs discussed the lack of strategic review done by boards managing the transition and attributed this to a number of causes. Some felt that the board did not want to be insensitive to the exiting executive or founder in suggesting there might be any issues.

Some had already had a failed transition and still did not comprehensively review the situation. The boards were tired with the additional tasks and, again, hoped with the recruitment of a new CEO that any difficulties could be addressed by them. Some incoming CEOs also believed that the board did not have the capacity, energy or skillset to manage a transition in its wider sense, taking the opportunity to look at the organisation in its entirety before making additional decisions about recruitment.

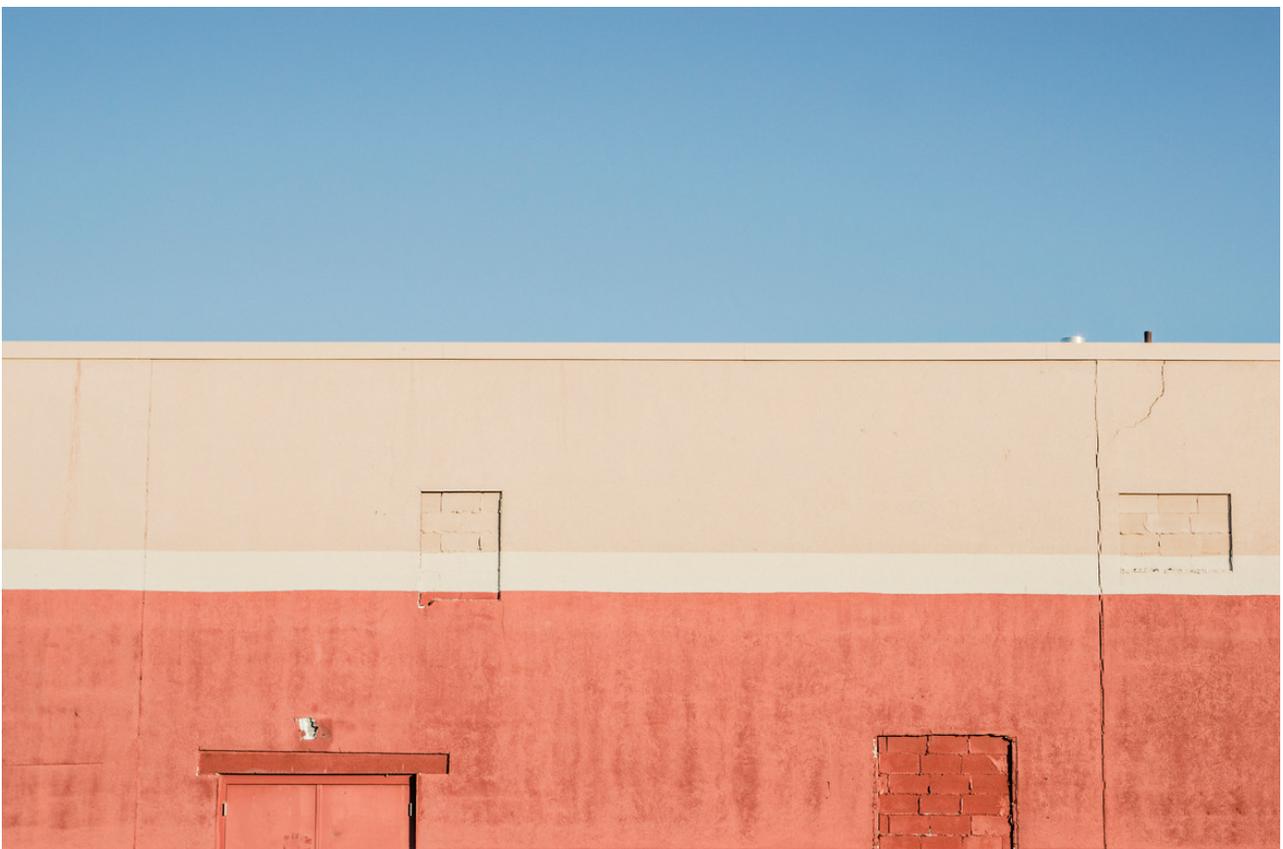
ORGANISATIONAL EXPERIENCE:

One incoming CEO shared some difficulties and supports to overcome them. She communicated some real challenges to be addressed in the early stages, and how the provision of an external coach and a supportive chair made all the difference. It was communicated to her that there was an on-boarding plan in place to be implemented over a 12-month period with constant opportunities for support and review. She expressed how this was hugely reassuring for her and for the board to ensure that both were on the same page. The incoming CEO was offered the opportunity of a mentor or coach, which provided a confidential space and opportunity to problem-solve as she built internal and external relationships. The chair and exiting CEO provided a stakeholder analysis, discussing key relationships and any challenges, priorities. Structured extensive networking opportunities were provided and supported, both internally and externally.

An individual plan for growth and performance was developed with a board member and deliverables were jointly defined for the first period. The Chair and the new CEO met regularly to provide a supportive space, where feedback on the new executive's work was provided.

As the new executive was new to the position of CEO, replacing a seasoned long-term executive, all these supports were deemed hugely effective and appreciated. When she was settled in the role, at a later stage leadership training was also made available, supporting the development of a more strategic lens from the previous operational focus. It was also deemed helpful that the board made clear it was okay to take space and time and support and that they did not expect an immediate transition and a finished article in the first couple of months. It was also deemed helpful that the board supported space and time for reflection and did not expect an immediate successful transition.

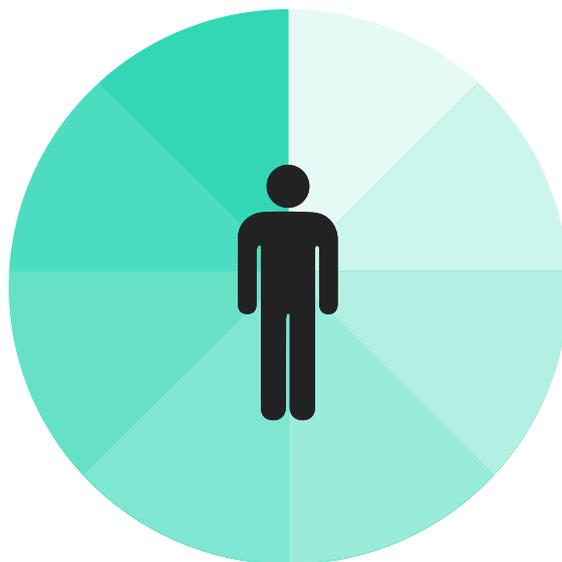
'This gave time and opportunities to put my stamp on the organisation, my own style, my own personality, and to make the role my own, time to build up my reputation and credibility.' (Research Participant).



ORGANISATIONAL EXPERIENCE:

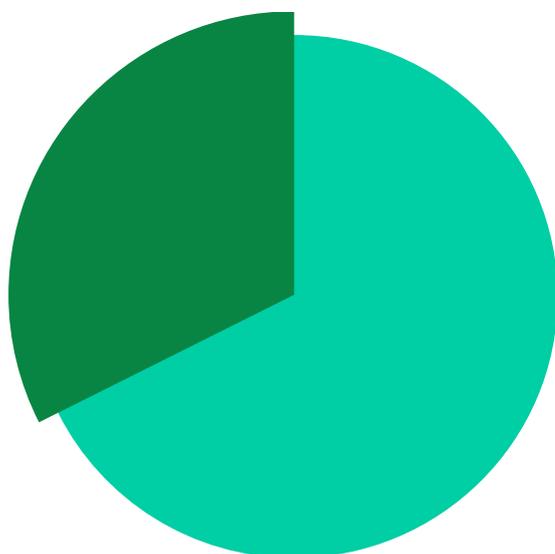
Information provision was highlighted as a key element of support for incoming leaders. One CEO discussed the systematic approach to information provision, where systems were analysed and a document of information prepared as part of the transition and handover process. She attributed the level of information shared as crucial in their integration and assisting a speedy and seamless transition. The transitional strategy handover document included information on financial and planning (annual operating plans), organisational (structure and backgrounds of key people) and reputational (analysis reports, consulting studies) aspects. It included a stakeholder analysis and update, with priority relationships highlighted.

'This allowed me to understand the thinking of the exiting CEO. It provided background information for key areas, with some supported by a working group, that provided further access to the institutional memory. It allowed me to understand where the organisation was at, a brief of the perceived challenges and opportunities and the practical information I needed to get going.' (Research Participant).



USEFUL RESOURCES

- Gilmore, Thomas N., Finding and Retaining Your Next Chief Executive: Making the Transition Work. Governance Series Booklet, BoardSource, '93. www.boardsource.org
- A Guide to Executive Search: Discovering Leaders of the Future. Published by the Alliance for Children and Families (2000).
- Hyman, Vincent (2011) Ten Things Every Board Member Needs to know about Evaluating the Executive – http://www.firstnonprofit.org/wp-content/uploads/2014/04/Evaluating-the-Executive-Director_Your-Role-as-a-Board-Member.pdf
- Ciampa, D. and Dotlich, D. (2015) Transitions at the Top: What Organisations Must Do to Make Sure New Leaders Succeed? John Wiley & Sons, Hoboken, New Jersey.
- Williams, R. (2010) On-boarding increases probability of leaders' success. <https://business.financialpost.com/executive/careers/on-boarding-increases-probability-of-leaders-success> (Accessed 10th July 2018).
- Tebbe, D. (2008). Chief Executives Transitions, how to hire and support a non-profit CEO. Washington DC, Boardsource.
- Watkins, M (2003) The First 90 Days. Harvard Business School Publishing. Boston



Exiting founders and executives

Organisations and exiting executives need time, resources and an exit strategy to ensure a smooth transition. An executive exit requires psychological adjustment and task orientated adjustment by the outgoing executive as well as those staying with the organisation. The board must invest time, expertise and energy to manage the transition. An exit of a founder or long-term leader may mark the first leadership transition in the life of the organisation and is important in terms of future viability. For the leader, the exit often requires a proactive letting go and an engagement in activities that help prepare the way for the transition. Bridges (1991) highlights the difference between change and transition, arguing that the latter must occur for the former to really happen effectively. He concludes that a successful transition starts with an ending and ends with a beginning, supporting the organisation through the change process.

There are a number of issues that are associated with a founder or exiting executive, where passion or personal circumstances were the motivating factor for setting up the organisation. When a founder or long serving executives are exiting there can be issues associated with identity, letting go of position and power, disagreement about the level of change in relation to future direction, over reliance by the board on the individual, over association by funders and financial consideration for the exiting individual. Giving the founders (or exiting executive) a role in building and sustaining the organisation is critical in the non-profit sector. It is important to celebrate the work and invest in recognising and celebrating their legacies. One participant of the research highlighted the importance of documenting the legacy of the exiting leader. The organisation spent several months mapping their assets and challenges, including independent assessments. This prepared the organisation for a new leader and positioned it to attract the right talent.

There are varying views about the ongoing involvement of the exiting founder or long-term executive and each organisation has to assess for itself the benefits or not of any involvement, post transition. Some of the potential negatives included over-involvement, undermining or conflict with the new leader, or inability to recognise the need for a new strategic direction.

Some organisations advocated for ongoing involvement after a leader's exit. The experiences here were varied with many advocating a limited and clearly articulated role. One executive worked on a specific piece of work that was near conclusion, allowing the new CEO to concentrate on other areas. This concluded after a period of time, but the organisation continues to work with the former CEO as an expert in the area. Some former leaders continue as ambassadors for the organisation, advocating for them and supporting them to access funding. Others stayed on in specific roles for elements of the organisation and this was considered useful and appropriate in keeping some of the skills in the organisation, without interfering with the new person's leadership. In some circumstances, the exiting founder carved out a potential role for themselves, without thought or negotiation with the board, resulting in difficulties with the incoming CEO.

ORGANISATIONAL EXPERIENCE:

There are a number of supports for founders and long-time executives in exiting which research participants highlighted as effective in securing a successful transition such as sabbaticals, coaching and financial support. Philanthropists and grant makers might consider this in their grant making.

Coaching:

One of the exiting founders (of 25 years) discussed the need for intention and focus around the exiting leader. He believed that this was necessary from the perspective of the organisation, the exiting leader, the incoming successor and other key stakeholders. He discussed the difficulty of leaving and how this might be affected by the reason for the departure, whether planned or

or unplanned, whether initiated by the founder or the organisation. He emphasised the relevance of whether the founder was leaving to pursue another role or career, or nearing retirement. He talked about how important he believed it was for a founder to know when to leave. He highlighted the need for regular conversations on succession between a board and executive within the regular strategic review process, with an emphasis on the changing skillset needed for an organisation's mission. A number of exiting leaders talked about the importance of endings when a founder is leaving, giving an opportunity for the exiting founder, staff, board, clients and external stakeholders to reflect on achievements and to facilitate a new beginning. The interviewee also discussed strategies for supporting exiting leaders and how coaching was an essential resource. The access to a coach, to support the organisation to prepare for new leadership and to support the exiting executive in their journey of exiting, was considered a useful strategy for both.

'There is a deep fear in all of us that we will become irrelevant. I think founders need a place where we can name, articulate and be very passionate with our own fears and hurt and all that. I think that's where I see the relationship with a coach as being crucial. The coaching relationship gave me an opportunity to be heard.' (Research participant).

Sabbatical:

An organisation discussed the use of sabbaticals. The new leader was an internal candidate. The change was recognition of the need for a younger, more diverse leadership. The organisation invested in the incoming leader and the sabbatical for the exiting leader was part of this process. The sabbatical supported the detaching of members of the organisation from a founding leader of 30 years, to the new, younger and less experienced leadership. The exiting CEO took a position with the UN meaning she was away from the organisation for a three-month period every six months for two years. This facilitated an opportunity for the exiting CEO to reflect on her legacy and plan for a new beginning and the next stage of her life privately and professionally.

USEFUL RESOURCES

- Redington, Emily and Vickers, Donn, Following the Leader: A Guide for Planning Founding Director Transition. The Academy for Leadership & Governance, 2001. www.thejeffersoncenter.org
- Adams, Tom, Founder Transitions: Creating Good Endings and New Beginnings. – Executive Transitions Monographs published by the Annie E. Casey Foundation. <http://www.aecf.org/KnowledgeCenter.aspx> or www.compasspoint.org/research
- Founder Transitions: Creating Good Endings and New Beginnings: A Guide for Executive Directors and Boards. Published by the Annie E. Casey Foundation (2005). Available at: <http://www.aecf.org/MajorInitiatives/LeadershipDevelopment/LdrshpResources.aspx>
- Leach, M. Table for Two – can Founder and Successors Co-Exist so everyone wins? (Management Assistance Group Inc 2009) - <http://leadershipintransition.org/docs/tablefortwo.pdf>
- Freeman, K (2004) The Real CEO Legacy, Harvard Business Review - <https://hbr.org/2004/11/the-ceos-real-legacy>



Interim CEO

An Interim CEO is an individual who is temporarily chosen to act as CEO and fills the gap between a CEO leaving and another being hired. Interim CEOs, by their definition, serve during a period of transition for an organisation. If the outgoing leadership change is unplanned, it may be a time of upheaval. Even with a well-thought-out succession plan in place, the organisation will likely need managerial leadership to bridge the old and new CEO's tenure. In the non-profit sector, where Boards are voluntary, an Interim CEO can be supportive if there is a skills gap on the Board to manage a leadership change. They can assess the situation and advise on the transitional strategy needed, inclusive of the type and style of leader needed, informing the recruitment process.

In many cases however, the organisation can be well served by an outside expert, with an interim CEO fulfilling the following:

Efficient use of time. Hiring an interim executive director gives the organisation the space it needs to reflect, organise a search process and prepare for the incoming CEO.

Stabilisation. An interim executive director can help to provide stability to an organisation in turmoil, before attempting a recruitment process.

Objectivity when most needed. When the organisations wants a strong, clear, unbiased, internal operations analysis.

The staff team is already overworked - or if one or more of the staff are applying for the position.

Board/staff separation is already confused. This is especially true among small non-profits where board volunteers may double as staff already.

Objectivity - an outside person may be able to better handle staff evaluations and dismissals than peer staff or board members

ORGANISATIONAL EXPERIENCE:

The research participant was recruited as an Interim CEO and the stated desire was to manage organisation, while the Board recruited a new CEO. However, on further exploration, it was evidence that the organisation had many challenges facing it. There were governance issues, a skills gap on the Board of Directors, a number of staffing issues, (inclusive of a number of grievances), and huge financial challenges.

The Interim CEO was able to identify all the challenges facing the organisation and recommend a recovery plan to the Board of Directors. He was able to establish a turn-around strategy, prior to any recruitment process.

The areas that the Interim CEO was involved with:

Board assessment and governance recovery plan. The Interim CEO supported the Board in assessing the governance challenges and the skills gap with the Board, with the ratification and implementation of an approved governance manual and training programme for the Board.

An assessment of the organisation's financial matters and challenges in this context, recommending a crisis plan in the interim, introducing financial monitoring and procedures. This was further supported by the development of a financial recovery plan, inclusive of a funding strategy. The Interim CEO also began liaising with existing and potential funders to ensure income to ensure the organisation's future sustainability.

The interim CEO managed the organisation's staff and assessed the HR challenges within the organisation. Again a restructuring plan was recommended to the Board and implemented. In addition, as part of the role, he acted as steady hand, supporting staff in developing interim work-plans to ensure the organisation's operational commitments were progressed. This included an operational assessment and review. An additional assessment of policies and procedures was conducted, with recommendations from the review approved by the Board.

LEADERSHIP TRANSITION & SUCCESSION

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The Interim CEO conducted a stakeholder analysis developing a strategy for the interim and longer term. A communications plan was put in place, with agreed narrative on the organisation, state of play and desired future strategy.

Finally, the Interim CEO also assessed any organisational barriers to turning the organisation around and the progression to a recruitment process for a new CEO.

USEFUL RESOURCES

Blog: "Interim EDs: Making a Good Thing Work for You" (September 18, 2012)

Blog: "Top 9 Tips for Working with an Interim ED" (February 24, 2014)

Monograph: Interim EDs: The Power in the Middle (2005)

THE ROLE OF COMMUNICATIONS

SUCCESSION planning within an organisation should ensure that there are ongoing discussions between a board and CEO, about any planned exit. The board ideally, should have time to plan and prepare, and the communications strategy should be central to this. A leadership change is often very public, with interest from a range of stakeholders. In order for a leadership transition to be successful, a robust communications strategy is essential. Its role is to provide assurances that the organisation is operating effectively and ready to move forward. A good communications strategy is essential also in the recruitment process and in supporting a smooth transition and integration of a new leader.

Many elements of a robust communications strategy can be thought through and agreed in advance. Its elements should include a target list (who should we communicate with and at what stage); what will the narrative of the transition look like, how does it recognise and balance the legacy of the past leader and the attributes of the future leader. The key spokespeople need to be identified (and trained) for the implementation stage.

ORGANISATIONAL EXPERIENCE:

One organisation put time and energy into a communications strategy to support its leadership change. As a small advocacy organisation, the CEO had a high profile and was well known to funders, media and government. The communications strategy considered who needed to know what, at what stage. Once the board and CEO decided the departure date and prepared the transition plan, the staff and key stakeholders (i.e. funders) were informed and given an opportunity to engage with the process. A narrative was also designed for internal stakeholders, with key points about the transition and talking points for communicating key milestones. The narrative was 'business as usual' during the transition, highlighting the organisation's capabilities, with senior management and board becoming more visible.

LEADERSHIP TRANSITION & SUCCESSION



The CEO remained present and visible until her departure, with the new CEO doing a number of carefully planned public events and interviews. The plan and timeline's objective was to communicate the new leader's attributes and capabilities and that it was business as usual. The plan and support for the new leader ensured the exiting CEO was pro-active to guarantee the incoming CEO had sufficient time to become familiar with the key issues.

'We ensured that the exiting CEO was on the airways and in key meetings till her last day. Photos at a final conference were planned with the exiting CEO, the incoming CEO, the Chair of the Board and the founder. All designed to show the past with the new, the continuity and that in the background the work continued as usual. The narrative also balanced appreciation for the legacy of the exiting leader but announcing with excitement and confidence the incoming leader.' (Research participant).

USEFUL RESOURCES

- Communicating a planned CEO transition, www.boardsource.org- (2017). <https://boardsource.org/wp-content/uploads/2017/05/Communicating-PlannedCEO-Transition.pdf>
- Communicating leadership changes effectively -(8th March 2013). <https://simply-communicate.com/communicating-leadership-changes-effectively/>
- Communications for Leadership Transition, Edelman (2016) - <https://www.edelman.com/post/communications-for-leadership-transitions>

THE USE OF VALUES IN THE PROCESS

ORGANISATIONS in all sectors are increasingly recognising the link between living their values and organisational effectiveness. Values clarification can be an important element of leadership transition and succession planning: communicating the organisation's values in the process facilitates discussion about what present and future values are essential to the success of the organisation. The clarification and articulation of the values is also important for the recruitment and on-boarding processes, and the focus on performance management of a new leader.

ORGANISATIONAL EXPERIENCE:

One participant saw values statements and value clarification as essential building blocks for a succession plan. He argued that values-based recruiting is vital to ensure that the company's culture is protected during a leadership change.

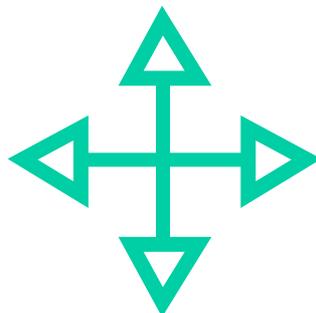
'Our mistake was evaluating new candidates based on technical ability and this backfired in a big way. If we had articulated the values of the organisation we could have informed the monitoring and evaluation process for the new leader. We didn't do this and by the time we realised the disconnect between the new CEO's values and what we deemed to be important to the organisation, the damage was done. This might have avoided some of the challenges.' (Research participant).

They attributed a failed transition to the lack of consideration and inclusion of values. Alternatively, another organisation put focused on values in the transition process. In relation to the organisation's values, the organisation commissioned a 50-year history looking back at the founding values. It discovered, that while current values were expressed in different language, they reflected very strongly what people had been thinking about 50 years ago.

'Values allow alignment of the core values to group and individual values, clarifying what values were deemed to be critical in the organisation's success. This provided an opportunity for members of an organisation to establish the values that are important for the present and future. The naming of these critical values was an essential part of the performance review tool and the formal review process. The organisation now ensures that the values are visible and concrete. Every opportunity we have, staff days, review of the plan, our appraisal system, has a focus on values. We have a section in the appraisal about demonstrating actions linked to the values. So all of that gets people thinking of the values and then I think there is a leadership role in terms of living the values as well.' (Research participant).

USEFUL RESOURCES

- Mullen, R (2018). Values-Led Organisations: Releasing the Potential of Values - <http://www.values-lab.ie/resources/Values%20Led%20Organisation%20FINALpdf.pdf>
- Great Place To Work, (2014). Organisational Values. Are they worth the bother? How values can transform your business from good to great. Great Place To Work Institute UK.
- Freedman, R, E. and Auster, E, R. (2015) "Bridging the Values Gap: how authentic organisations bring values to life" Barrett- Koehler Publishers, BK Business book, Oakland, CA.

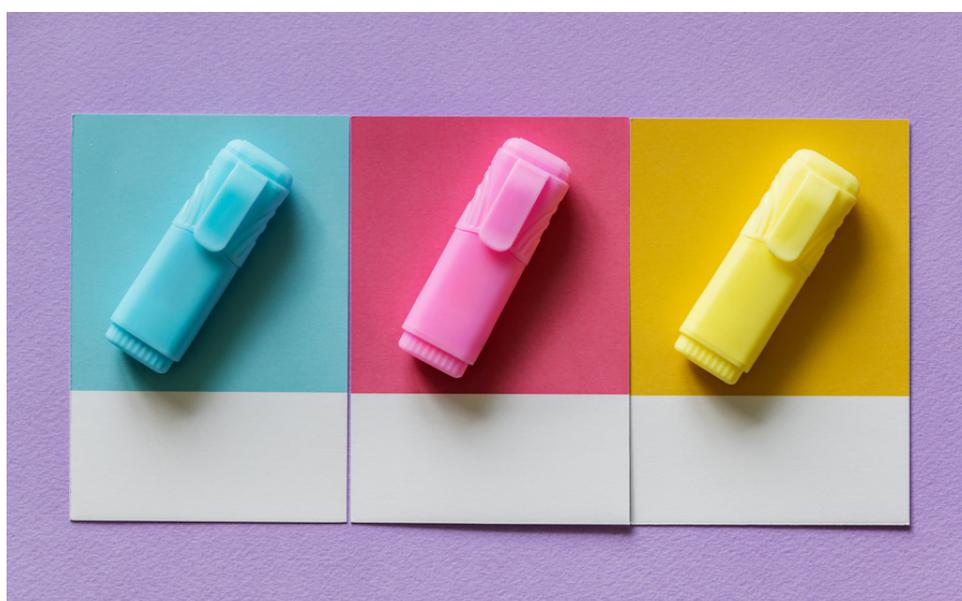


CONCLUSIONS

The important of transition and succession planning for non-profits is vital for managing leadership change. Change at the top has the potential for impact, both positive and negative. However, despite a general acknowledgement of the inevitability of leadership change, the majority of organisations didn't have comprehensive succession or transition plans.

Organisations need to recognise the importance and impact of leadership transition and consider the potential risks while maximising the opportunities presented. Leadership change should be seen as a catalyst to explore new opportunities and review organisational activities. It is an opportunity and can be maximised through activities such as, organisational assessment, clarification of agency direction, and alignment between strategy and goals. It is an opportunity to develop a process to assess the organisations' strategy and direction, leadership needs, clarify core values and practices, and ensure a thoughtful transition plan. It is vital to minimise the potential damage and negative impact on an organisation, especially a non-profit, if not planned for and managed well.

Executive Transitions should be seen in the broadest sense with an appropriate framework and process for managing same and should be an integral part of the overall strategic planning process and the organisations' risk assessment.



APPENDICES

Templates:

1. Preparing for the Inevitable: A Transition and Succession Readiness Checklist

When the following conditions are in place, an agency can expect a relatively smooth transition to new leadership whenever it might occur. An agency might determine which elements below are lacking in its current operations and then create a “succession and transition plan” or “capacity building plan” that prescribes activities and timelines for filling the gaps. The agency is then ready for leadership transitions, foreseen or unforeseen.

A strategic plan is in place with goals and objectives for the near term (up to three years), including objectives for leadership talent development.

The board evaluates the executive director annually on general performance and achievement of strategic goals.

The board, based on its annual self-evaluation, is satisfactorily performing its major governance jobs—financial oversight, executive support and oversight, policy development, and strategic planning.

The executive’s direct reports, based on annual evaluations, are judged as solidly skilled for their positions.

The top management cohort, as a high performing team:

- Has a solid team culture in place in which members support one another and can reach decisions as a group efficiently and harmoniously;
- Shares leadership of the organisation with the executive in having significant input to all major agency decisions;
- Can lead the organization in the absence of the executive; and has authority to make and carry out decisions within their respective areas of responsibility.
- Another staff person or board member shares important external relationships (major donors, funders, community leaders) maintained by the executive.
- Financial reserve is in place with a minimum of three months’ operating capital.
- Financial systems meet industry standards. Financial reports are up to date and provide the data needed by the board and senior managers responsible for the agency’s financial strength and viability.
- Accessible and up to date operational manuals exist for administrative systems.
- Top program staff has documented their key activities in writing and has identified another staff person who can carry their duties in an emergency.

@ Executive Transition Monograph Series Volume

2. Emergency Succession Plan

Procedure for the Appointment of an Acting Executive Director in the Event of an Unplanned Absence of the Executive Director

Rationale:

In order to ensure the continuous coverage of executive duties critical to the ongoing operations of (Agency Name) and its services to clients, the Board of Directors is adopting policies and procedures for the temporary appointment of an Acting Executive Director in the event of an unplanned and extended absence of the Executive Director.

While the Board acknowledges that such an absence is highly improbable and certainly undesirable, it also believes that due diligence in exercising its governance functions requires that it have an emergency executive succession plan in place. It is expected that this plan will ensure continuity.

Priority functions of the Executive Director position at (Agency Name)

The full Executive Director Position description is attached:

- Among the duties listed in the position description, the following are the key functions of the Executive Director to be covered by an acting director:
- Serve as the organization's principal leader, representative, and spokesperson to the greater community
- Support the Board of Directors
- Ensure integrity and strength of Board leadership and address issues around clarity of role, governance, by-laws/policies, corporate structure, and membership – assist with recruitment and orientation of new Board members – prepare Executive reports to Board of Directors and Executive Committee and attend various Committee meetings
- Convene and lead the Management Team
- Participate in recruitment, interview, selection and evaluation process for directly supervised staff and other key executive level positions
- Strategize organizations' short-range and long-range program and project goals, particularly in Organizing and Planning: identify overall resource development goals and fund raising plan. Establish, maintain and cultivate relations with donors, foundations and other resources to support organizational programs and activities – maintain accountability for current year operating budget and for financial performance of portfolio
- Succession plan in event of a temporary, unplanned absence

LEADERSHIP TRANSITION AND SUCCESSION

Short-term

Definitions – A temporary absence is one in which it is expected that the Executive Director will return to his position once the events precipitating the absence are resolved. An unplanned absence is one that arises unexpectedly, in contrast to a planned leave, such as a vacation or a sabbatical. A short-term absence is 3 months or less.

Who may appoint the Acting Executive Director – The Board of Directors authorizes the Executive Committee to implement the terms of this emergency plan in the event of the unplanned absence of the Executive Director. In the event of an unplanned absence of the Executive Director, the Deputy Director shall immediately inform the Chair of the Executive Committee of the absence. As soon as is feasible, the Chair shall convene a meeting of the Executive Committee to affirm the procedures prescribed in this plan or to make modifications the Committee deems appropriate.

Standing appointee to the position of Acting Executive Director:

The position description of the Deputy Director specifies that she shall serve as Acting Executive Director in the absence of the Executive Director.

First and second back-ups for the position of Acting Executive Director:

Should the Deputy Director be unable to as Acting Executive Director, the first back-up appointee will be the Program Director. The second back-up appointee will be Chief Financial Officer.

In the event the standing appointee, the Deputy Director, is new to the deputy position role and fairly inexperienced with (Agency Name), the Executive Committee may decide to appoint one of the back-up appointees to the acting executive.

The Executive Committee may also consider the option of splitting executive duties among the designated appointees.

Cross-training plan for appointees:

The Executive Director, with assistance from the Deputy Director, shall develop a plan for training the three potential appointees in each of the priority functions of the Executive Director. The training plan will be attached to this document when the plan is completed. The director of human resources shall have the responsibility of handling the logistics of the plan's implementation.

LEADERSHIP TRANSITION AND SUCCESSION



Authority and restrictions of the appointee:

The person appointed as Acting Executive Director shall have the full authority for decision making and independent action as the regular Executive Director.

Compensation:

The Acting Executive Director shall receive a temporary salary increase to the entry level salary of the executive director position or to 5% above his/her current salary, whichever is greater.

Board committee responsible for oversight & support to Acting Executive Director:

As with an Executive Director, the Executive Committee of the Board will have responsibility for monitoring the work of the Acting Executive Director. The Executive Committee will also be alert to the special support needs of the executive in this temporary leadership role.

Communications plan:

As soon as possible after the Acting Executive Director has begun covering an unplanned absence, Board members and the Acting Executive Director shall communicate the temporary leadership structure to the following key supporters external to (Agency Name):

- Government contract officers
- Foundation program officers
- Civic leaders
- Major donors

Succession plan in event of a temporary, unplanned absence – Long-term

The Executive Committee will give immediate consideration, in consultation with the Acting Executive Director, to temporarily backfilling the management position left vacant by the Acting Executive Director. This is in recognition of the fact that, for a term of more than 3 months, it may not be reasonable to expect the Acting Executive Director to carry the duties of both positions. The position description of a temporary manager would focus on covering the priority areas in which the Acting Executive Director needs assistance.

LEADERSHIP TRANSITION AND SUCCESSION



Succession plan in event of a PERMANENT unplanned absence

Definition: A permanent absence is one in which it is firmly determined that the Executive Director will not be returning to the position.

Procedures:

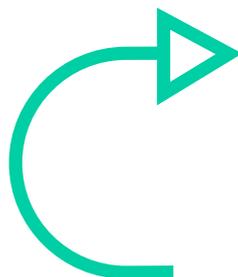
- This succession plan will be approved by the Executive Committee and forwarded to the full Board of Directors for its vote and approval.
- Signatories – This plan shall be signed by the Board President, the Executive Director, the human resources administrator, and the appointees designated in this plan.
- Maintenance of record – Copies of this plan shall be maintained by the Board President, the Executive Director, the Deputy Director, the two back-up appointees, the human resources department, and the (Agency Name) corporate attorney.
- Revised by (Agency Name) Executive Committee (date).

The procedures and conditions shall be the same as for a long-term temporary absence with one addition:

- The Board of Directors shall appoint a Transition and Search Committee to plan and carry out a transition to a new permanent executive director.
- Approvals and maintenance of record.

Succession plan approval.

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3. The Nuts and Bolts of Departure-Defined Succession Planning

Template: The Nuts and Bolts of Departure-Defined Succession Planning:

In creating a succession plan for a long-term executive, an agency should consider the activities below. Together, they address the elements critical to setting the agency up for success with the next Executive Director (ED).

Deal with personal and professional barriers for the departing ED, for example:

- Future employability concerns
 - Inadequate retirement savings
 - Unfinished business in the current job; and/or
 - Loss of identity and status attached to current job.
-
- Set the departure date.
 - Form a Succession Planning Committee.
 - Prepare a communications plan (how soon to tell whom and by what means).
 - Identify agency vulnerabilities via a “sustainability audit.”
 - Design and implement strategies to address the vulnerabilities.
 - Identify the agency’s broad strategic directions three to five years out.
 - Solidify the management team in light of agency vulnerabilities and skills demanded by the strategic directions.
-
- Build the Board’s leadership abilities.
 - Back-up key executive relationships.
 - Put finances in order.
 - Build financial reserves and secure multi-year program funding.
 - Agree on the parameters of the ED’s emeritus role – if one is set up.
 - Set the executive search strategy, i.e., decide whether or not to use an executive recruiter.

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