

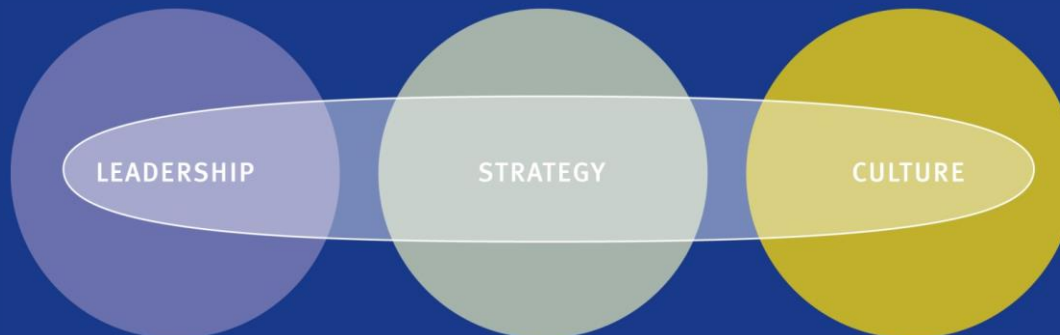
Transition Matters

Engaging the Board and Staff in the Phases of Succession Planning



Nancie Zane, PhD, Principal
Linshuang Lu, MSOD, Principal

Slides from a workshop presented at the Philadelphia Foundation on November 21, 2014



As you come in the room, please introduce yourself to someone you don't know and share:

- What brought you to today's workshop?
- An important change or transition that you've made in your own life that you're proud of (e.g. family, move, job change, college/graduate school etc...)

Introductions



Nancie



Linshuang



You:

- Name
- Role
- Name of organization
- Tenure

Leadership Succession Planning Session Agenda



- Introductions, Goals and Agenda
- Warm-up
- Succession Planning
 - Context
 - Definition
 - Type of Planning
 - Emergency
 - Planned Departure
 - Role of the Board
- ED & Chair Narratives
- Leadership Development
- Application



How many of you have lived through organizational top executive transition before?

In your groups discuss:

- What worked well?
- What would you do differently now that you've experienced a succession process?
- Document on a flipchart: What questions do you have?

For those in the N/A group, discuss:

- What are your biggest concerns?
- Document on a flip chart: What questions do you have?

A Case for Succession Planning in Nonprofits



- Why Succession Planning?
- Leadership Departures
 - Surveys 1999 - 2008: 50-75% planned to leave within 5 - 7 years (Casey, Daring to Lead 2006 & 2011)
 - Indication of organizational readiness for executive succession - > 20%
 - 2008 economic crisis slowed exodus until now
 - In the Philly Intergen study, ~30% indicated engagement with succession planning

A Case for Succession Planning in Nonprofits



- Thoughtful succession planning prepares a nonprofits for leadership transitions—either expected or unexpected
- Natural part of the organizational life-cycle
- Can be a time of renewal



Succession Planning Definition



Not just about the ED leaving....or just about the Executive level...

But about SUSTAINABILITY -



- clarity of vision + good enough infrastructure
- “a proactive and systematic investment in building a pipeline of leaders within an organization, so that when transitions are necessary, leaders at all levels are ready to act.”

- Bridgespan Group

3 Types of Succession Planning



- Emergency back up plan and board-adopted succession policy in one to three months (~30 hours)
- Departure-defined succession planning
 - 18 months to 3 years
 - Coaching for ED; Board
 - Strategies for strengthening Board and Managers to reduce dependency on ED
- Strategic Leader Development – ongoing
 - Continuous process
 - Ongoing professional development

Emergency Succession/ Leadership Back-Up Planning



- What will you do in your organization if a meteor, bus, or short-term emergency or a compelling job offer takes out top talent?

Emergency/Leadership Back-Up Planning



- Identify:
 - Timeframe
 - Critical functions
 - Names of people who will cover functions
 - Name of who will become Acting ED;
 - ★ Managing workloads
 - Specify Board's monitoring and support role for Acting ED
 - ★ Develop cross-training programs if needed

Emergency



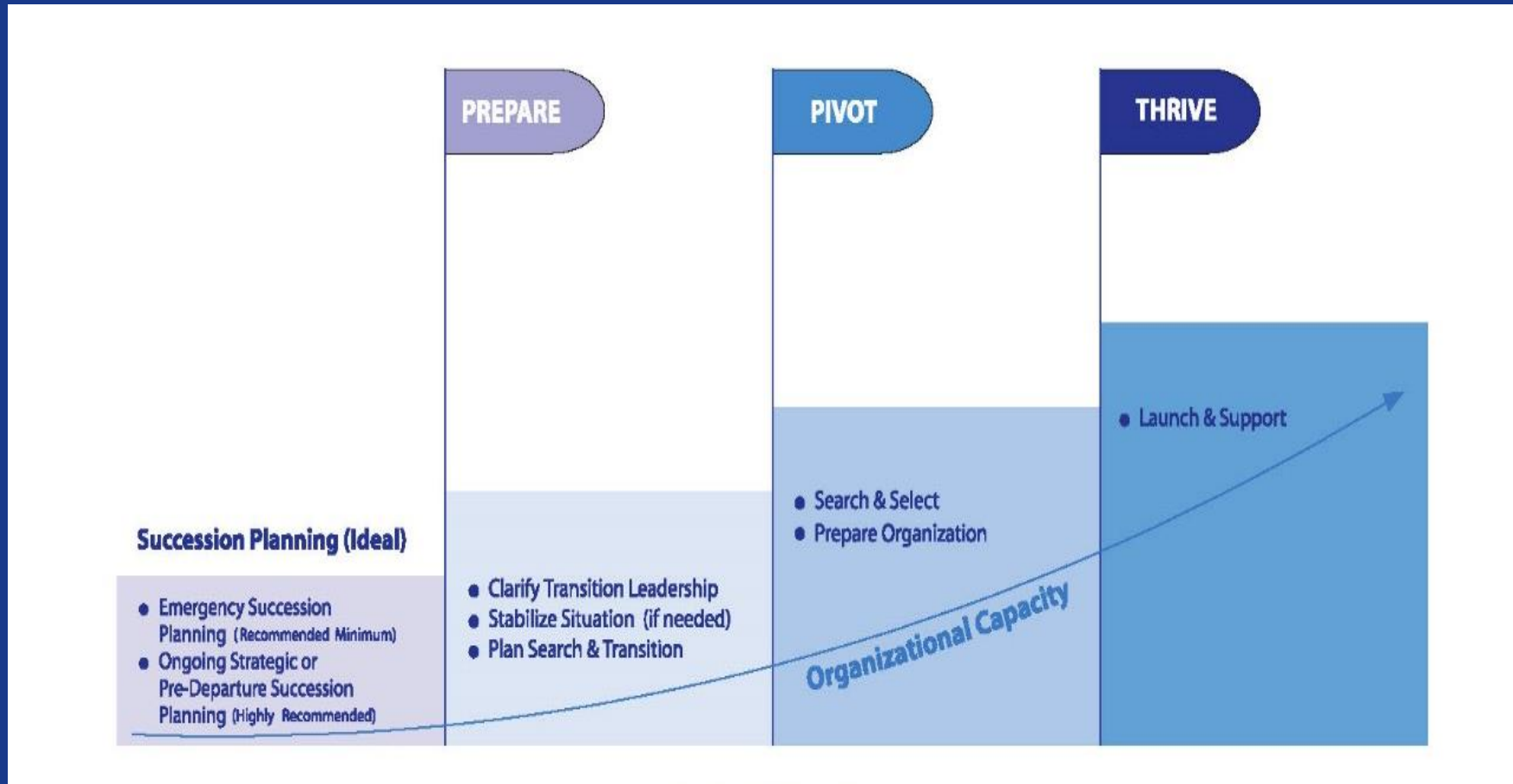
CORE FUNCTIONS	Currently	On an Interim Basis
<ul style="list-style-type: none"> Keep the office (i.e. the physical space) open and running 	Executive Director (ED), Associate Director (AD)	AD, Program Director (PD)
<ul style="list-style-type: none"> Continue to have programs function “normally” 	PD	PD
<ul style="list-style-type: none"> Keep paychecks and financial obligations clear/ up to date 	ED, AD, Bookkeeper	AD, Bookkeeper
<ul style="list-style-type: none"> Observe funding deadlines 	ED, AD	AD, Board Chair (?)
<ul style="list-style-type: none"> Ensure good on-going communication among and between staff and board 	ED, Board Chair	AD, PD, Board Chair
<ul style="list-style-type: none"> Manage on-going relationships with donors and other key stakeholders 	ED, AD, PD and Board Chair	AD, PD, Board Chair and Board members
<ul style="list-style-type: none"> Continue to engage the Board with appropriate level of involvement 	ED, Board Chair	AD, Board Chair
<ul style="list-style-type: none"> Coordinate leadership team and promote/model behavior that supports the organization’s vision, values, and culture 	ED	AD

Emergency



ED Responsibilities that need consistent attention:	On an Interim Basis:
Fund-raising* (see Appendix I for more detailed breakdown of each responsibility)	
<ul style="list-style-type: none"> Maintain weekly contact spread sheet of individuals, major donors, corporate contacts 	AD
<ul style="list-style-type: none"> Work closely with corporate contact, coordinate logistics for bi-annual corporate event 	Board Chair (& Development Director = DD)
Board Development*	
<ul style="list-style-type: none"> Set agenda for quarterly meetings 	AD and Board Chair
<ul style="list-style-type: none"> Send Reminders out (for Board meetings) 	AD
<ul style="list-style-type: none"> Schedule meetings for board committees 	AD
<ul style="list-style-type: none"> Monitor Progress of Strategic Plan 	Program Director, DD
Supervision*	
<ul style="list-style-type: none"> Staff 	AD, PD

Departure-Defined Succession



Source: *Staying Engaged, Stepping Up*, Annie E. Casey Foundation, 2006.

Departure-Defined Succession



PREPARE:

1. Put the Succession Conversation on the Table; deal with personal and professional barriers for the departing ED
2. Set the departure date; deal w/ unfinished business
3. Form a succession planning committee
4. Determine internal and external communication plan
5. Engage in a “sustainability audit”/SWOT**

Departure-Defined Succession



6. Identify board strategic directions 3 - 5 years** out
7. Create an ED scorecard*
8. Work with the management team and Board to create a plan to meet strategic directions
9. Ensure finances are in order; build financial reserves; leverage ED leaving
10. Agree on parameters of the ED's-emeritus role if any; Find ways to honor the ED*

Departure-Defined Succession Plan



Succession Planning Process 2011-2012													
	Phase 1- Initial Planning				Phase 2- Recruitment and Leader Selection						Phase 3- Transition		
	Jun-11	Jul-11	Aug-11	Sept - Oct - 11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
Leadership Transition Committee (LTC)	Review goals and timeframe for the interim-ED and succession planning processes.		Discuss and finalize recommendations for the emergency back-up plans (i.e. crisis)		Finalize Job description for new ED	*Interview internal candidate; move to second round interviews if appropriate (with staff and external stakeholders)					Select External Candidate		ED Transition Event (?)
					Determine the salary range for this position	*Develop external recruitment Process if necessary for whatever reason			Recommendation to the Board				
	Next step on external communication/relationship plan.						If internal candidate is chosen; implement 6 - month transition plan (relationship turn-over, etc.)						
	Develop agenda for the Board discussion re: interim and longer-term succession planning; prepare for meeting				Develop Interview Protocol and Assessment process; criteria for candidate selections								
Board	Engage in substantive conversation about succession planning (interim and longer term); Pass recommendation for Interim-ED; Clarify role of board in succession planning and external messaging; feedback on communication/ relationship plan				*Design and implement communication/relationship plan						Hire new ED		New ED attends Board meeting
Staff													
Staff Leadership	Articulate roles and responsibilities for current top leadership roles; Recommend interim- ED succession plan (i.e. crisis)	Create agenda for staff meeting re: succession planning	First draft on external communication/relationship plan		Create talent-management plan for staff							New ED begins	
					Implement communication/relationship plan						Departing ED works with new ED to transition (operations & relationship building)		
All Staff	Engage in substantive conversation about succession planning (interim and longer term) clarify role of staff in succession planning and external messaging										Join Interview Teams		Final Good-byes
					Implement communication/relationship plan								

PIVOT

10. Develop a job description (with organizational bench strength in mind)
11. Determine internal and/or external candidates; interim or replace executive; interest in/hiring of a search consultant
12. Interviews with Board & Staff; Negotiations, Hire
13. Emeritus ED leaves

RENEW/THRIVE

13. On-boarding

- Orientation and expectations re: first 3 months
- Clarity re: goals for the year
- Chair meets regularly with new ED
- Committee Chairs interact with new ED

14. Feedback

External v. Internal



External (+)

- New Perspectives
- Experience
- Generate excitement

External (-)

- Un-tried
- Values/ style risk
- Flight of internal leaders
- Culture risk
- Expensive to search
- No history

Internal (+)

- Known entity
- Career path for top people
- Continuity
- Model for internal career opportunities
- Deep familiarity with company

Internal (-)

- Lack ED experience
- Challenge re peers
- Internal competition/ politics
- Know about gaps

- Central role of the Board
- Ongoing concern
 - Not only when transition timeframe is defined
 - Continue even when new leader is in place
- Long term, strategic view
- Typically driven by current ED & the Board
- Creates Board support for deep leadership development – bench strength & stability

Board Action Plan for Better Leadership



- Quarter 1: Conduct a survey and analysis of your leadership landscape
- Quarter 2: Report results to staff and to the board. Determine action steps (ex: develop a cross-training program that enables staff to learn unique ED functions)
- Quarter 3: With ED develop broader development plan
- Quarter 4: Review emergency succession plan and update it



Common Pitfalls of Departure-Determined

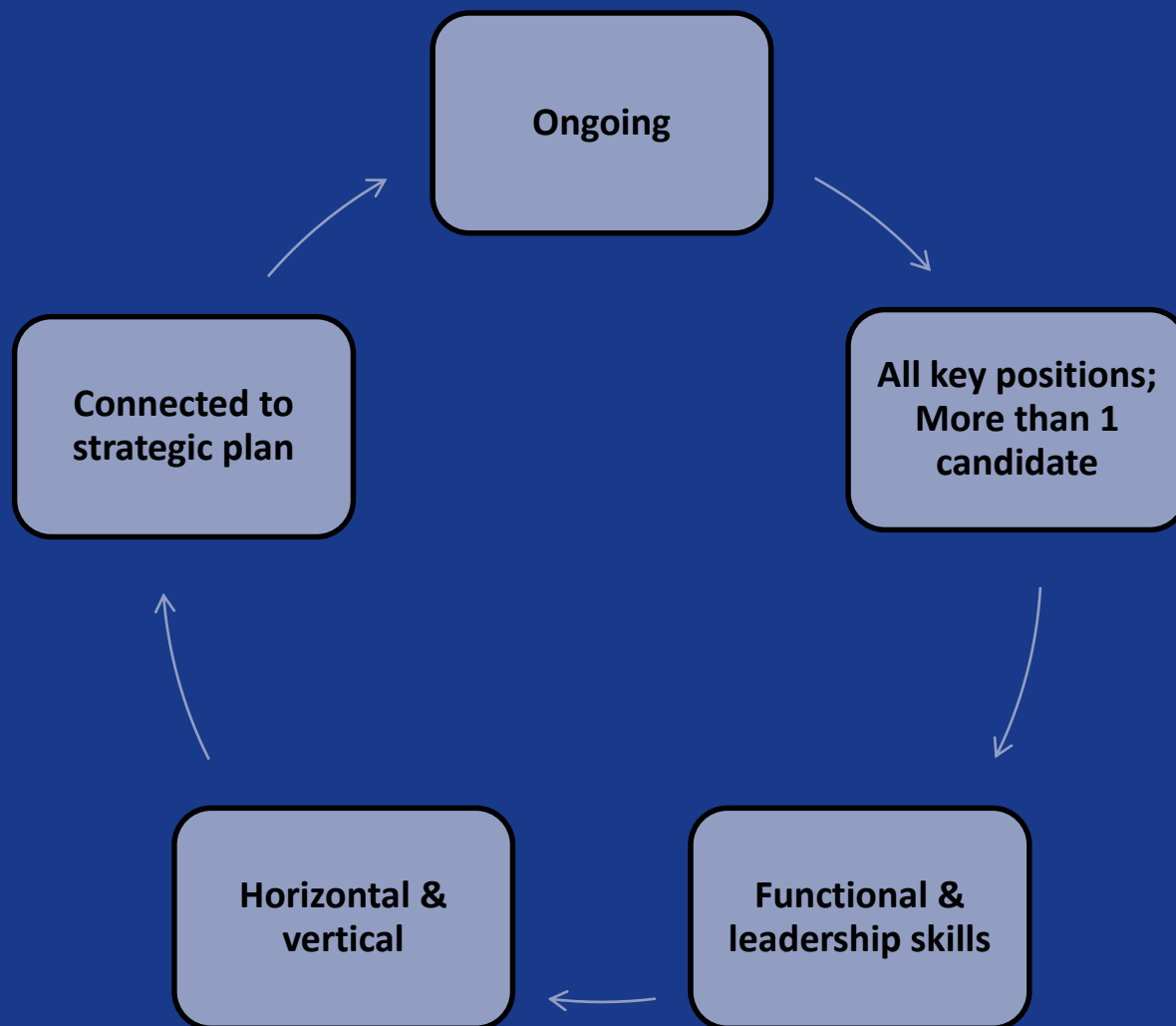


Organizations often succumb to common mistakes you should seek to avoid:

- Lack of documentation
- Grooming the successor
 - Informal selection from ED without the board's knowledge
- Rushing the transition
- Looking back, not forward
- Not paying attention to the outgoing executive's role
- Not paying attention to staff in the process

- Marcus Allen, CEO
 - Big Brothers Big Sisters SE PA
- Jolley Bruce Christman, Board Chair
 - Fleisher Art Memorial
 - Research for Action, Co-Founder (retired)
- Barbara L. Dundon, Independent Consultant
 - I'mtellingya!
- Kimberly Kirn, Executive Director
 - Need in Deed
- Doug McBride, Board Chair
 - Need in Deed

Principles



Succession Planning Tactics



Identify positions & criteria



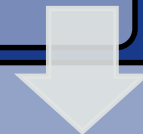
Identify candidates



Assess: now & potential



Development



Track Progress

Senior Team Positions



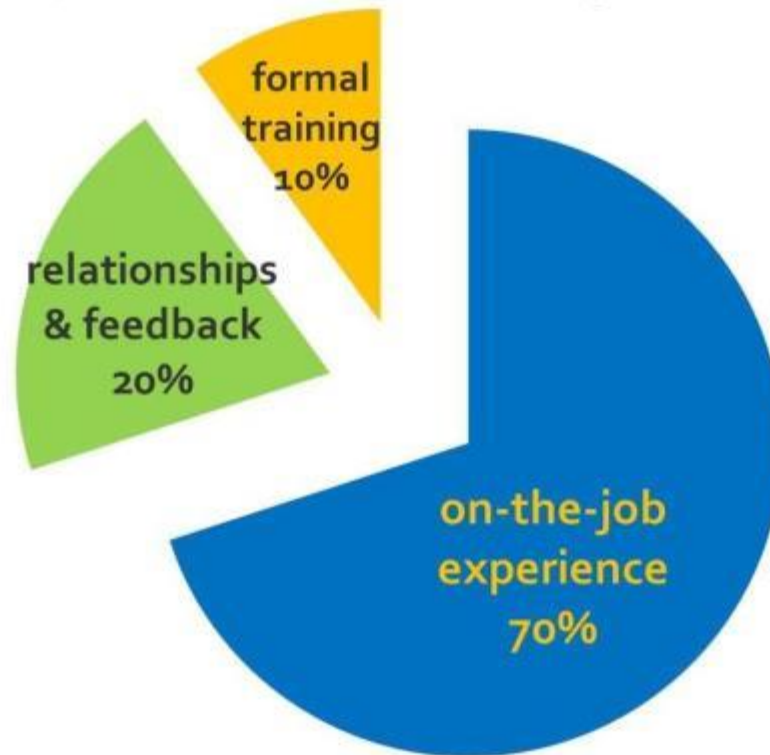
	CEO	CFO	Marketing & Sales			
Necessary competencies today						
Future competencies						
Potential successors						

Tracking Progress



Role:	Overall assessment (for this timeframe):			
Candidate 1:				
Leadership Competencies	Current Rating	Capacity Rating	Progress Notes	Action Steps/ Ready by?
Current Functional Competencies <i>(your job description)</i>	Current Rating	Capacity Rating	Notes	Action Steps/ Ready by?
Future Functional Competencies <i>(link to Strategic Plan)</i>	Current Rating	Capacity Rating	Notes	Action Steps/ Ready by?

The 70-20-10 Development Rule



© Halelly Azulay, TalentGrow LLC, 2013. All rights reserved.

Leadership Development



- Internal
 - Who could be developed?
 - Avoid premature assumptions of readiness to take over
 - Avoid others leaving if not selected
 - Avoid wasted time if person is *not* the right candidate
 - Support broad commitment to leadership development
 - Invest in deep assessment & targeted development plan
 - Determine stretch assignments & programs to develop specific competencies
 - Develop realistic time frames for mastering different areas
 - Include in developing relationships (board, key customers)

- Ongoing process of regular assessment:
 - Current job: performance/ potential; functional & leadership
 - Professional goals
- Assess with succession in mind
 - Additional Executive Assessment for senior positions
 - Emotional intelligence
 - Leadership practices: nationally normed, impact on people
 - Hogan Assessment: personality – about tendencies
 - Individual coaching

Benefits of Intentional Succession Planning:



- Benefits:
 - Aligns staff development w/ strategic vision
 - Builds leadership capacity of the staff and development pools of successor
 - Opportunity to diversify agency leadership
 - Makes job more doable
 - Basic Risk Management
 - Engages and reassures the board and funders

Biggest Mistakes



- Don't begin early enough
- Only one candidate
- Communication
 - Competition; internal politics
 - Promising what can't be delivered
- Succession only for top position(s)
- Succession not connected to development
- Consider strategy at expense of values

Final Messages for Nonprofits



- Stay focused on your strategic vision-- that will set the context for what you need from your leaders.
- You cannot start the process too early!
- Don't forget that leadership succession is an emotional and psychological transition for everyone involved.
- Keep an open mind – you may be surprised. Even if you identified the likely candidate, keep your options open.
- Communicate clearly about expectations, roles and responsibilities

Praxis Consulting Group



To learn more about us, please visit our website at praxisCG.com

Nancie Zane, PhD
Principal

nancie@praxisCG.com

215.753.0303 x 100

Linshuang Lu, MSOD
Principal

linshuang@praxisCG.com

267.283.1115

Praxis Consulting Group assists organizations in developing high performing workplaces by aligning organizational leadership, strategy and culture.

Our nonprofit services include strategic planning, organizational assessment, succession planning, board development, leadership development and culture change.

