

Organizational Sustainability and Succession Planning

Liberty Bank Foundation
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Goals

- A shared understanding of a comprehensive framework for organizational sustainability and succession planning.
- Identify key organizational sustainability and succession priorities for the executive director and board.
- Understand executive transition best practices.

Who We Are

TSNE MissionWorks partners every year with hundreds of nonprofits, foundations, community-based groups and others who work for social change.

We help *strengthen leaders, facilitate learning, guide strategic thinking and build organizational capacity* through our dynamic mix of management and consulting services, training programs and community grants and investments.

Trends in the Sector

Our focus on sustainability and succession planning is responsive to the evolving context in the sector.



*Essential Shifts for a Thriving
Nonprofit Sector*

www.tsne.org/leadership-new-england

64% of leaders say
they will be **leaving**
in **three years**

30% of those in the next year

60% of organizations
have **no succession plan**

75% have no emergency
succession plan

Fundraising

Governance

Diversity

**Bench
Strength**

Fundraising

Chosen

6 times

More than the next category

Diversity: by the numbers

87% of leaders are white

86% of board members are white

Diversity: by the numbers

53% of leaders are over 54

61% of board members are over 54

Governance



- Perception of board effectiveness different between leader and board
- Core area of tension is fund development
- Supervision and guidance support

Staff Development: Bench Strength

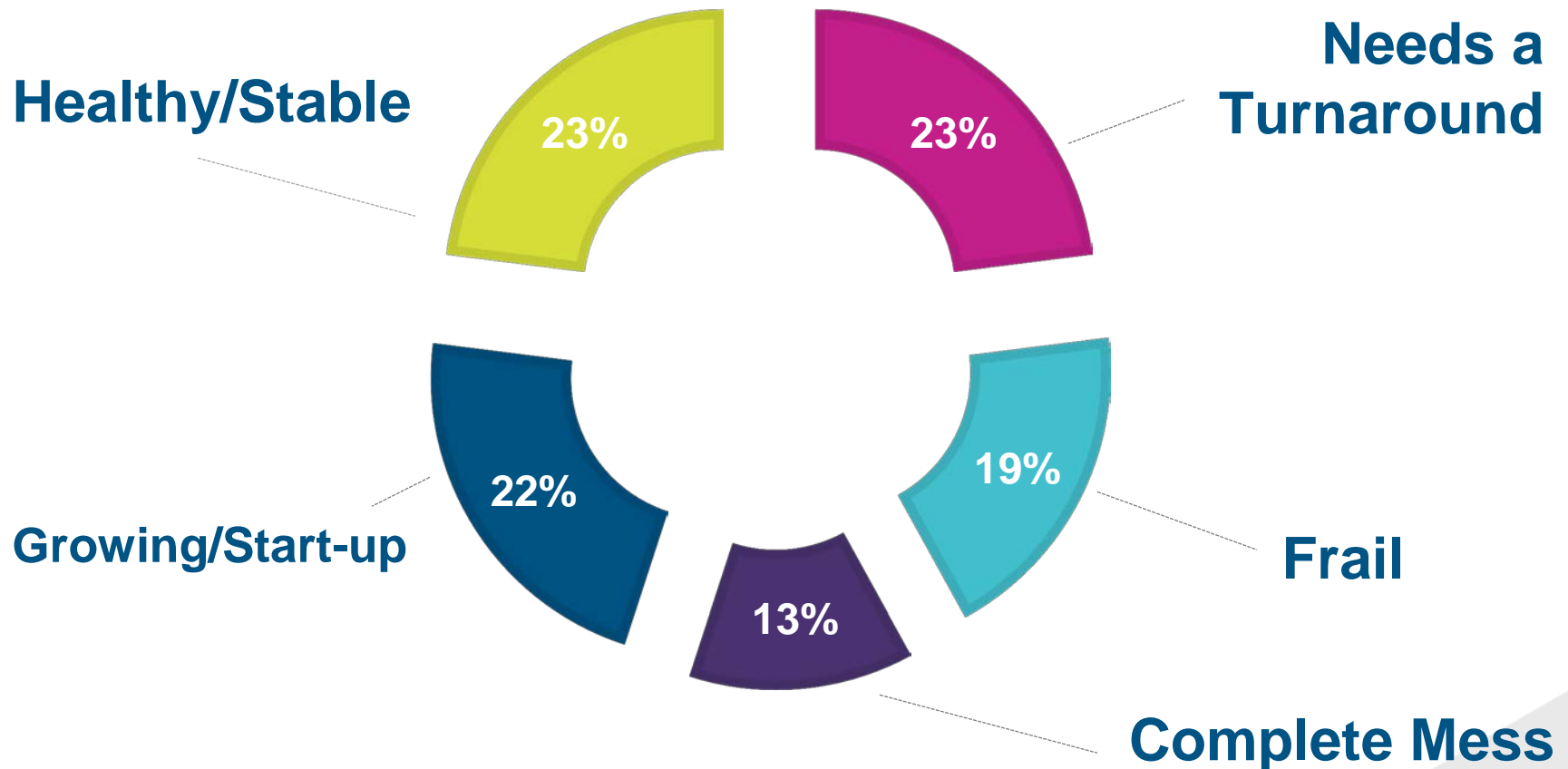


2/3

**say they have no
bench strength**

High Expectations of Leaders

LEADING CHALLENGED ORGANIZATIONS





Job Satisfaction

I like the challenge of my work and am passionate about the issues..
though the amount of work and worry does takes its toll.

Essential Shifts

- More robust, adaptive funding strategy
- Stronger collaboration between board and executive director
- Proactive planning to close racial, generational gap
- Create more distributed leadership

What Trends Are You Seeing?



Sustainable

“...organization with the ability to carry out activities that will achieve its mission while also developing and maintaining capacity for mission relevance in the future.”

-- Nonprofit Assistance Fund

- Resourceful
- Resilient
- Long term view
- Adaptive
- Willing to take risks

Change Frame from Succession to Sustainability Planning

- Not just about one leader
- Address key organizational vulnerabilities and opportunities
- Build “leaderful” organizations
- Go “upstream”



Sustainability, Succession and Transition

Sustainability Planning

2-3 years in advance

- Developmental
- Proactive
- Review: models, strategy, structure

Succession Planning

1-2 years in advance

- Intentional Plan
- Proactive
- Review: models, strategy, structure

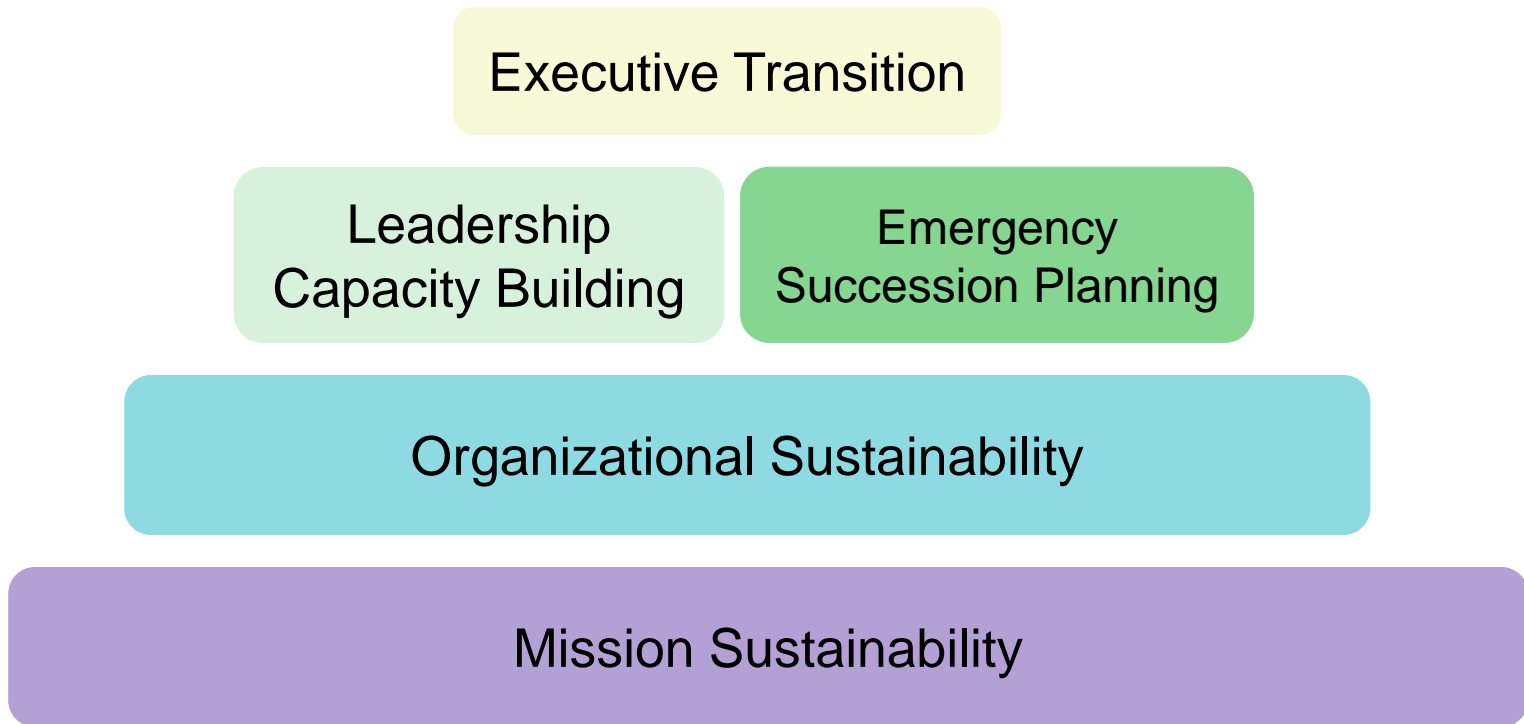
Executive Transition

12- 6 months in advance

- Manage departure
- Executive search or Interim placement
- Thrive

Emergency Succession Plan: Baseline Tool

Sustainability, Succession Planning and Executive Transition



Mission Sustainability



- Is our mission relevant?
- Are we having the desired impact?

Organizational Model

- What is the best organizational model for achieving our mission?
- Alternative structures to consider
 - Merger
 - Strategic Alliance
 - Networked
 - Fiscal Sponsorship
 - Closure and dispersing of assets
- “Transition” may or may not include continuing the executive roles in their current forms

Organizational Sustainability

Purpose

Leadership

Partnerships

Resources

Culture

**Operational
Excellence**

Organizational Sustainability Checklist



Organizational Sustainability Checklist

- What did you find unsettling, comforting or surprising?
- What did you learn?
- What are the one to two areas that you want to prioritize?
- Who else might you get to do this Checklist



Building Leadership Capacity

Leadership, more than budget, is a key predictor of nonprofit success and appears to be one of the most important factors in organizational sustainability...

~ Foundation Center, *Philanthropy News Digest*, 2009, referring to a TCC Group survey

Leadership Capacity: Staff

Key staff positions

- Bench strength and plan for succession
- Cross training/grooming
- Knowledge capture/documentation

Is your organization leader-full?

- Knowledge shared
- Development opportunities
- Shared leadership

Leadership Capacity: Staff

- What strategies are you using to broaden leadership?
- What opportunities are you providing to staff to develop leadership?

Executive Director Leadership: Strengths and Vulnerabilities

- What are strengths and unique skills of the leader?
- What resource connections are held only by the leader?
- Has the job grown beyond doable?
- How dependent is the board on the executive director? In what ways...?

Emergency Succession Planning

- Prepare for ‘didn’t see it coming’
- Vital roles assigned
- Documented access to key information
- More than just operations
- Product and process



Power of Sabbaticals

- Revitalizes leader
- Increases organizational capacity
- Tool for succession planning /preparing for departure
- Strengthens governance



Leadership Capacity: Board

1. Owns the mission
2. Manages risks and ensures strategic leadership
3. Has its own succession plans for key positions
4. Evaluates itself regularly
5. Understands the executive director role and its own role
6. Evaluates the executive director annually
7. Manages term limits

Board Role in Sustainability Planning

- Planning
- Risk Management
- Strategic Leader Development
- Environment / Culture
- Executive / Organizational Transition

Board Succession Checklist



Sustainability Planning: Upstream Opportunities

- Sabbatical for trial period of absence
- Internal leadership development- bench strength
- Transition key relationships, funders, donors, etc.
- Create optimal conditions for new leadership
- Consider merger, strategic alliance, partnerships, FS
- Explore alternative executive leadership models

Sustainability Planning: Upstream Opportunities

- Address gap (if exists) between communities served and organizational leadership
- Create increased community ownership and engagement
- Develop new partnerships to align impact and systemic level changes

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Transitions: Coming to Terms with Change



Executive Transition: Three Phases

Prepare

- Organizational assessment, strategic direction, leader profile, transition readiness

Search

- Proactive, networked, online

Thrive

- Onboard, goal setting, feedback and evaluation

The Executive's Transition: Managing Three Roles

- The “regular” on-going work
- Managing one's own personal transition
- Managing the organization in transition

Executive Transition: Board Priorities

- Conversation with the executive director and coaching/support
- Name / normalize transition anxiety
- Determine role of executive director in transition process & post departure
- Determine if an Interim leader is needed
- Understanding of organizational challenges & opportunities
- Set up Transition Team

Executive Transition: Board Challenges

- Dependence on leader
- Time and commitment anxiety
- Authority/power struggle
- Unacknowledged and/or unattended organizational weaknesses



Management of the Transition

Board charges a “Transition Team”

- Board members
- Staff representation
- Limited role of outgoing executive director
- Consultant?



Executive Transitions

Departing Long-Term Leaders: Common Areas of Challenge, Inquiry and Exploration

- Identity
- Letting go of position and power
- Loyalty to mission
- Legacy
- Role beyond departure
- Career/professional next steps
- Financial planning



Executive Transition

Departing Long-Term Leaders: Key Skills, Competencies, Resources

- Coaching
- A confidant
- Manage change in relationships, prepare to say “goodbyes”
- “What’s Next” cohort group
- Financial advisor, retirement planning
- Regular open communication with board chair

Interim Executives

- Advantages of external “Intentional Interim”
 - Experience a new person in role
 - Evolve the role of ED
 - Targeted expertise – organization development
 - *Not a candidate for permanent position*
- Advantages of internal interim
 - Continuity with past
 - Key relationships cultivated in advance
 - Known

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Thank You!

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