

Leadership Transition Planning

A Toolkit for DVP Success

*Created for the Vital Project:
A Management Training and Technical Assistance Project for
Domestic Violence Program (DVP) grantees*

Sponsored by:

The Domestic Violence
Program



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About the Vital Project

Welcome to Vital: A Management Training and Technical Assistance Project for Domestic Violence Program (DVP) grantees. With funding from the Domestic Violence Program, we are excited to provide a full menu of customized services at no charge to your agency. The purpose of this project is to build your organization's management and operational capacity through technical assistance and professional development opportunities designed to meet the current and emerging needs of local programs. An array of exciting delivery methods are currently being offered through 2013, from custom consulting to webinars and formal class work at the University of Colorado Denver. For more information visit <http://vitalprojectcolorado.org/>

About Mission Spark and the Author

Mission Spark, LLC (www.missionspark.org) partners with philanthropy, nonprofit and social enterprise leaders to achieve transformative social change and to strengthen the social sector. They work to achieve this mission by providing results-driven consulting, training, and facilitation in Colorado. Mission Spark consultants have experience working with DVP direct service providers, state-wide funders and domestic violence service and prevention partners.

Kelleen Zubick, MFA is a Principal Consultant for Mission Spark. For over 18 years, Kelleen has worked in senior positions at nonprofits and state agencies. In her capacities as executive director, associate director, program director, and volunteer board member, Kelleen developed a track record of success in planning and management, resource development, financial strategy and management, developing and evaluating programming, and in building partnerships and coalitions. Her approach is collaborative and practical, with an emphasis on helping her clients accomplish tangible results. Kelleen compliments her experience in the social sector with national certificates of training in nonprofit governance from *BoardSource*, and in resource development from the national *Grantsmanship Center*.

About CDHS Domestic Violence Program

The mission of the DVP is to serve as the state governmental authority on domestic violence issues by providing leadership, guidance, and awareness within government agencies as well as ensuring grant funded programs deliver optimal services to victims, ultimately promoting a Colorado free of domestic violence. DVP strives to ensure that services to victims of domestic violence and their children are readily available throughout Colorado's diverse communities. See <http://www.colorado.gov/cdhs/dvp> for more information.

Using this Toolkit

Results of the self-assessment management capacity needs assessment survey sent to DVP-funded programs during December, 2012, informed the topical selection and focus of this toolkit. The survey instrument used indicators based on the Colorado Nonprofit Association's Principles and Practices of Nonprofit Excellence in Colorado (2011), and 72% of DVP-funded programs responded to the survey, and 46% of respondents indicated a need to improve capacity around leadership succession planning. Vital's customized consulting experience with DVP Organizations also suggests that tools around managing Executive Director transitions, especially unplanned or emergency ones, would also be advantageous to a large number of DVP Organizations. While this toolkit is focused on Executive Director/Organization Leadership Staff Role succession planning, many of the recommended processes and tools can be easily adapted to inform other staff or board transitions.

This toolkit is divided into three key steps for any successful transition:

- 1. Succession Planning**
- 2. Strategy Implementation**
- 3. Building New Hire Success**

Uses for this Toolkit:

- Increase organizational preparedness and effectiveness during leadership transition
- Understand the elements of a succession plan and use included guides to develop key content
- Learn about types of leadership transition, including emergency transitions, as well as strategies for tailored approach
- Approaches for enhancing new hire success
- Deepen learning through vetted 'selected resources'

Introduction

Leadership change is a common aspect of nonprofit organizational life. Transition can be a time of stress and risk for an organization, but it can also be an opportunity to strengthen the organization. It is natural for staff and board members to view executive transitions with concern and anxiety because poorly managed leadership transitions can mean uncertainty and increased demands on time for organizational insiders as well as succession challenges that can lead to loss of organizational effectiveness, or worse. The challenge for organizations is to approach these transitions in an activist mode and with a positive outlook that seizes upon opportunity.

This toolkit is designed to help organizational staff and board volunteer leadership be prepared for leadership transitions and to provide guiding steps for managing planned and unplanned transitions. We hope this toolkit and its list of additional resources will reward those organizations who find time to invest in transition planning by helping those organizations be positioned to treat leadership transition as an opportunity instead of a crisis.

Organizational Components of Successful Leadership Transitions

- ✓ Shared view of organization's current and future requirements
- ✓ Shared understanding of organizational culture
- ✓ Strategic involvement of organization's key players (Staff, Board Executive Committee, Constituents, Partners, Funders)
- ✓ Comprehensive and specific transition plan with efficient timeline
- ✓ Financial resources available for management support
- ✓ Easy access to information, procedures, and relationships
- ✓ Job descriptions, performance plan and performance support/monitoring
- ✓ Celebrate successes broadly

Leadership Transition: Step 1

Succession Planning: Preparing the Way for Opportunity Instead of Crisis

Investing in the following steps *before* a transition happens helps organizations to be proactive and stable during times of transition. As with any effective planning, the contents of an organization's succession plans need to be customized to current organizational situation and structure. Similarly, for the plan to maintain its relevancy and effectiveness, once established, it should be reviewed and updated annually so that in the event of unanticipated transition it remains an effective tool.

Succession Planning Components:

When the following components are in place, an organization can expect a relatively smooth transition to new leadership whenever it may occur. Organization leadership should strongly consider developing any item below to which the response is "Needs Development" and which they deem relevant to their organization as part of the "to dos" in their proactive succession planning. (*Sources for some of this information come from www.transitionguides.com*)

Succession Planning Readiness Checklist	In Place	In Progress	Needs Development
A strategic plan is in place with goals and objectives for the near term (3 yrs.)			
Executive job descriptions are accurate, comprehensive and up-to-date			
The board evaluates the executive performance annually and is thus familiar with the nuances of executive performance in that job description			
The board is effectively performing its major governance jobs of financial oversight, executive oversight, policy development, resource development and strategic planning			
Another staff person or board member shares important external relationships (donors, funders, partners, community leaders) maintained by the executive			
The board can articulate organizational culture and identify the qualities and characteristics of people who will thrive in their organization's environment			
A financial reserve is in place and available to offset expenses associated with executive transitions			
Financial systems meet industry standards and financial reports are up to date and provide data needed for sound decision-making			
Operational manuals exist for key administrative systems (accounting, data, personnel/payroll, website) and are easily accessible and up-to-date			
Other board or staff members have been identified as having the knowledge and skills to perform key executive activities in an emergency (cross training performed and explicitly identified).			

Leadership Transition: Step 1

Succession Planning Tools: PLAN NARRATIVE COMPONENTS

Public resources and samples of Succession Plans are available at www.TransitionGuides.com, and it is suggested that organizations review these samples as models for their own. This Toolkit contains prompts for developing content that is critical to effective succession plans, most of which is adapted from those samples.

Section 1 Overview and Purpose

Adopt a purpose statement, for example:

For the purpose of ensuring continuity in the administration of the organization's day-to-day programs and operations, management of external relationships and supervision of staff and finances, 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.

The Board Chair, or _____(alternative Board Officer)_____ in the absence of the Board Chair, may determine the appropriate time to initiate the implementation of this plan.

You may also wish to include a short organizational history and mission and the process used to develop the Succession Plan who or what committee generated the document and whether this process included staff and board review (recommended) Write your Overview and Purpose Statement below:

Section 2 Priority Functions and Staffing

The succession plan and the staffing structure at [Organization Name] are intended to minimize disruption in quality service and maintain business as usual to the extent possible. The full and up-to-date job description of the ED is attached to this plan. In the absence of the Executive Director, unless otherwise determined by the Board of Directors, business as usual includes maintenance of the following (*replace if others are more appropriate for your organization*):

- A. Delivery of established programs and services
- B. Accounting, billing, payroll, purchasing and payables
- C. Fundraising
- D. Community Relations
- E. Liaison with the Board of Directors
- F. Facilities and information technology oversight

Leadership Transition: Step 1

Short-Term Staffing of Key Functions

The chart below represents a list of staff or board members, or volunteers or consultants/contractors who have been vetted to fill various ED functions as listed below. The skills, willingness, and requisite budget have been confirmed for each of the individuals below. One person may or may not be able to fulfill all of the functions, and even if one is identified, it is still necessary to identify others to serve as back up. Even if multiple people are filling the key functions, one person should be identified as the Acting Executive Director (whether staff or hired Interim)

Person Serving as Acting Executive Director: _____

Key functions	Short term staffing strategies: Primary (3-6 Months)
1. Programmatic Oversight	[Name], [Title]
2. Financial Stewardship	[Name], [Title]
3. Fundraising	[Name], [Title]
4. Community Relationships	[Name], [Title]
5. Liaison with Board of Directors	[Name], [Title]
6. Facilities and Information Technology	[Name], [Title]

Person Serving as Acting Executive Director: _____

Key functions	Short term staffing strategies: Back Up (3-6 Months)
1. Programmatic Oversight	[Name], [Title]
2. Financial Stewardship	[Name], [Title]
3. Fundraising	[Name], [Title]
4. Community Relationships	[Name], [Title]
5. Liaison with Board of Directors	[Name], [Title]
6. Facilities and Information Technology	[Name], [Title]

Underlying Assumptions to retain “Business As Usual” status (driven by current and future plans, other planned transitions, and budget):

- 1.
- 2.
- 3.
- 4.
- 5.

The positions assigned in the above Temporary Staffing Strategy are based on [Organization Name] organizational structure as of [month, year]. In the event this plan is implemented and those assigned are no longer available or positions are vacant, the Board Chair may select other senior staff or contractor/consultants to support each of the key Executive Director functions. It is the responsibility of the current Executive Director to ensure that positions have appropriate cross-training to successfully implement the temporary staffing strategy.

Leadership Transition: Step 1

Section 3 Succession Plan Implementation *Sample Language*

Succession plan implementation will be overseen by _____ (*either Executive Committee of the Board or a Transition Committee whose members are (list names and positions)*). As soon as feasible, following notification of an unplanned temporary or short-term absence, the Board Chair may convene an Executive Committee meeting to affirm the procedures prescribed in this plan, or to modify them if needed. While this timeline may vary based on circumstances, the suggested steps for implementation are:

- Executive Management Team informs Board Chair immediately of unplanned absence.
- The Board Chair formally appoints the Acting Executive Director.
- The Board Chair informs Board of the Acting Executive Director appointment and formal implementation of terms and policies in the succession plan.
- The Board Chair (and potentially other officers) consults with the Acting Executive Director (and key function short-term staff as appropriate) on the circumstances of the absence, organizational situation and related factors.
- After Board Chair and Acting Executive Director consult, stakeholders will be notified following the communications plan outlined in **Section Five**.

Section 4 Authority and Oversight *Sample Language*

The person appointed as Acting Executive Director may have the same authority for day-to-day decision making and independent action as the Executive Director except as further defined here (insert limits of authority here):

-
-
-
-

Decisions that will be made in consultation with the Board Chair or other appropriate committee include senior management staff hiring and terminations, financial issues, taking on a new project, and taking public policy positions on behalf of the organization.

The Board Chair, in consultation with the Executive Committee, may consider a salary adjustment for the Acting Executive Director of no more than ___% of current salary or the budget limits of \$_____ per month for a contracted Interim Executive Director.

As with the Executive Director, the Board Chair and Board of Directors will have the responsibility for monitoring the work of the Acting Executive Director. The Acting Executive Director will provide regular updates and meet with the Board Chair as the Chair may determine. The Board Chair will also be alert to the special support needs of the Acting Executive Director serving in this temporary leadership role and act to address them.

Leadership Transition: Step 1

Section 5 Communications Plan *Sample Language*

Within two business days after an Acting Executive Director is appointed, the Board Chair and the Acting Executive Director (and Community Relations appointed short-term staff if different) will meet to implement an external communications plan to announce the organization's temporary leadership structure, including the kind of information that will be shared and with whom (*fill out plan below*).

Notify: Temporary Leadership Change	Mode(s): Meeting, Call, Letter, Internet, Newsletter	Accountability: Acting/Chair/Joint/Staff	Timeline: (within)
Staff			2 days
People being served			3 – 7 days
Funders			3 – 7 days
Government Contracts			3 – 7 days
Vendors, Banks, Auditors			3 – 7 days
Local Political Leaders			7 – 14 days
Peer Organization Leaders			7 – 14 days
Community			7 – 14 days

Section 6 Succession Plan for Permanent Unplanned Absence *Sample Language*

The procedures and conditions will be the same as for a temporary absence with one addition: The Board Chair may appoint a Transition and Search Committee of no less than five members, and this committee will develop and implement a search procedure that will include the following actions:

1. Shared agreement and clarity about organizational direction and goals, and the financial and human resources needed and available to the organization to achieve these desired results.
2. A written plan and timeline for planning and conducting the search, managing key transition issues, and achieving a positive beginning with the new executive.
3. Regular and clear communication throughout the transition and search process with board, staff, and stakeholders that provides information and a timeline, offers opportunities for input, and reports progress.
4. A search, interview, and hiring process resulting in a finalist pool that meets the present and future needs of the organization, as well as a compensation plan that is in keeping with compensation by other comparable organizations.
5. A well-planned welcome and orientation for the new executive, as well as clarity around board and ED roles and a structure for eliciting good communication and accountability between the two.

Leadership Transition: Step 1

Section 7 Succession Plan Approvals and Maintenance *Sample Language*

This succession plan will be approved by the full Board of Directors and reviewed annually at a formal Board meeting to make any needed changes in language or the standing appointees or backups. The Board Chair may review and amend the plan at other times if a standing appointee or backup is no longer available to serve in an Acting Executive Director capacity.

Copies of this plan will be maintained by the Board Chair, the Executive Director, and the designated Acting Executive Director. Owing to the sensitive nature of the organizational information contained in the Organizational Inventory, the plan, or at least that section, must be kept in a secure location with restricted access.

Approved by [Organization Name] Board of Directors on _____ (date).

[First Name] [Last Name, Board Chair

[First Name] [Last Name], Executive Director

I acknowledge that I have reviewed this plan (organization officers):

[First Name] [Last Name], [Title]

[First Name] [Last Name], [Title]

[First Name] [Last Name], [Title]

Succession Planning Tools: **PLAN ATTACHMENTS**

- Organization Strategic Principles (values, vision, mission) and Strategic Plan
- Written Description of Organizational Culture
- Current and strategy-aligned Executive Director Job Description
- Inventory and location of organizational policies and procedures, including Employee Handbook
- Communications plan for temporary leadership structure
- Job sourcing plan (key people and job sites with whom to advertise)
- Inventory of Important Organizational Information (Restricted Access)

Leadership Transition: Step 1

Inventory of Important Organizational Information (Restricted Access) Continued

- All key log-in and password information for all staff computers
- Specifics pertaining to Internet, web hosting, software licenses, and internal network
- Banking systems, and payroll systems
- Documents pertaining to nonprofit status
- Financial information, bank information, including names of authorized check signers, location of blank checks, vendor records
- Key and anonymous donor information
- Information on accessing personnel records
- Legal counsel information, insurance, and facilities information, etc.

How to Identify Organizational Culture

Organizational culture amounts to the assumptions of values, beliefs, and processes that underlie the goals, work habits, decision making, conflict resolution, and management style of any given organization. Although organizational culture is often unarticulated, it is a powerful force at the heart of organizational operations. As such it plays an important role in successful leadership transitions, and “good fit with organizational culture” should always be considered in the quest for attracting a leader whose tenure will help to stabilize and advance an organization.

By providing a framework for analyzing the current culture, and designing changes, **Johnson and Scholes' Cultural Web** provides a good foundation for the difficult business of identifying, and if desired, changing organization culture. Using it, you can create a cultural environment that encourages success, supports the organization's objectives and, makes for a more cohesive work team.

The Cultural Web identifies six interrelated elements that help to make up what Johnson and Scholes call the "paradigm" of the work environment. By analyzing the factors in each, you can begin to see the bigger picture of your culture: what is working, what isn't working, and what needs to be changed. The six elements are:



Leadership Transition: Step 1

Begin to articulate your organization's culture by reflecting upon the six elements in your organization:

1. **Stories** - Who and what the organization chooses to immortalize says a great deal about what it values, and perceives as great behavior. Write down some of the stories repeated inside and outside of the organization?
2. **Rituals and Routines** - This determines what is expected to happen in given situations, and what is valued by management. Write down the behavior and actions of people that signal acceptable behavior. What do people expect at your organization? What core beliefs do these actions reflect?
3. **Symbols** - The visual representations of the company including logos, how plush the offices are, and the formal or informal dress codes. Write them down. What do they say about your organization's values?
4. **Organizational Structure** - This includes both the structure defined by the organization chart, and the unwritten lines of power and influence that indicate whose contributions are most valued. What are these in your organization? Is the structure hierarchical? Formal or informal? Collaborative or autonomous? Write it down:
5. **Control Systems** - The ways that the organization is controlled. These include financial systems, quality systems, and rewards (including the way they are measured and distributed within the organization.) Write down what accountability looks like in your organization. Is work quality or quantity rewarded? Is keeping costs low valued over efficiency?
6. **Power Structures** - The pockets of real power in the organization. This may involve one or two people or even a program area. Write down people have the greatest amount of influence on decisions, operations, and strategic direction.

Articulating Organizational Culture

As these questions are answered, you start to build up a picture of what is influencing your organization's culture. Now you need to look at the web as a whole and make some generalized statements regarding the overall culture, and these statements should both describe the culture and identify factors that are prevalent though the web. An example of such a statement might be:

"Our organization values individual needs and interests above teamwork and efficiency. Staff rules/policies get changed depending on individual need and all programming is customized to suit individual clients."

Leadership Transition: Step 1

Write your Organizational Culture Statement:

Changing Organizational Culture

Influencing organizational culture is a key leadership role, and it depends on knowing what the current culture is. Having articulated your organization's culture, you can also repeat the process to express the desired culture you would like to see in your organization. Starting from your organization's strategy, think about how you want the organization's culture to look, if everything were to be correctly aligned, and if you were to have the ideal organizational culture. Write down the Desired Organizational Culture Statement:

When you compare the two statements, what factors will you encourage and reinforce? Which factors do you need to change? What new beliefs and behaviors do you need to promote? Now you are ready to prioritize changes and to develop a plan to address them.

My Next Steps for Step 1: Succession Planning:

Activity	By When
✓	
✓	
✓	
✓	
✓	
✓	
✓	
✓	

Leadership Transition: Step 2

Step 2: STRATEGY IMPLEMENTATION

Strategy for Types of Transitions

Transition strategy depends on understanding the type of transition an organization is facing. Most transitions can be typically characterized as *planned* or *unplanned*, and the organization's succession plan will include procedures for managing both. This section covers recommended approaches, or strategies for effectively dealing with the most common types of leadership transition. Regardless of the type of transition, having organizational clarity and planning around how to replace and executive director can mean the difference between effective and ineffective transitions.

Strategy for Planned Transitions

While seemingly straightforward, even planned transitions can destabilize an organization if proper planning and process and efficiency are not attended to. And of these three, executing the plan as quickly as possible (efficiency) and within 3-6 months, is critical for avoiding loss of participation by internal staff and external stakeholders. Organizations whose boards are clear about their charge to replace leadership as well as those who have the expertise to undertake an executive search tend to lead successful leadership transitions. Further, boards should be prepared to hire outside assistance with organizational assessment or search functions if it lacks expertise or ability to efficiently accomplish tasks. Delegating search functions to staff, other than posting advertisements, is inappropriate since the most effective transitions benefit from staff preparing in other ways. By way of preparation, then, organizations not currently anticipating or experiencing leadership transitions should ensure that this role is expected of the Executive Committee and recruit board members with appropriate skills before transitions happen. The following practices are recommended for organizations undergoing a planned transition.

Board Leadership Transition Checklist

Board Transition Checklist /Task	In Progress	Done
Executive Committee (or Transition Committee named in succession plan) develops the detail of following the transition steps in the succession plan, including evaluating interim management needs.		
Develops/implements communication plan to regarding transition and recruitment		
Recognizes and celebrates departing ED's accomplishments.		
Implements succession plan to maintain ongoing operations and monitor accountability/success.		
Assesses organizational position and determines skills and experience needed in new ED appropriate to carrying the organization to its desired future.		
Develops a strong pool of qualified candidates and safeguard/develops resources appropriate to securing desired candidate.		

Leadership Transition: Step 2

Board Transition Checklist /Task	In Progress	Done
Makes extra effort to recruit a pool of finalists that is diverse in gender and ethnicity.		
Selects a good fit in terms of qualifications and culture to improve chances of a longer tenure.		
Plans New ED orientation that includes entrée to key community members and that educates and clarifies roles and authority.		
Sets 3-month, 6-month, and annual performance expectations and schedules quarterly reviews to provide feedback and support during new ED's first year.		

Specific Phases of Search Committee Work

Most boards find outside assistance valuable in assessing their readiness to recruit, in doing candidate outreach and reference checks, and in facilitating the initial relationship-building and performance reviews with the new executive. New executives find enormous benefit in working with an executive coach or management consultant during the stress-filled first year.

Activity

Timeframe

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Convene Committee/Develop Action Plan	<input type="checkbox"/> Month One
<input type="checkbox"/> Assess Organization; Determine Leadership Needs	<input type="checkbox"/> Month One
<input type="checkbox"/> Craft & Post Job Description and Application	<input type="checkbox"/> Month Two
<input type="checkbox"/> Recruit, Receive and Score Applications	<input type="checkbox"/> Month Three and Four
<input type="checkbox"/> Screen and Interview Short List	<input type="checkbox"/> Month Five
<input type="checkbox"/> Final Selection and Orientation	<input type="checkbox"/> Month Six

Leadership Transition: Step 2

How Staff Can Facilitate a Transition Process

While the current Executive Director has the greatest ability of staff to influence the effectiveness of leadership transition, staff, especially those named in the succession plan, can make sure they are properly cross-trained for transition roles and they will also be assisting the Executive Director with many of the tasks in that person's purview. *If the transition is approximately 8-12 months away, the following tasks will support the organization. Using the following transition management checklist, fill bullet points in each section with specific activities you could do to accomplish the over-arching task.*

Executive Director Transition Checklist /Task	In Progress	Done
Strengthen Board Leadership • • •		
Create/Update Succession Plan • • •		
Move stakeholders and funders closer to board and staff • • •		
Revisit Strategic Plan with Board/Staff to establish clarity and agreement about the organization's future, to identify key challenges and opportunities of the future, and to affirm the values and culture of the organization. • • •		
<i>When Transition is four months away or closer:</i>		
Compile a list of pending projects and assignments • •		
Assist the Executive Committee to implement Search Process in Succession Plan •		
Update Employee Handbook, all job descriptions, and complete all outstanding staff evaluations; update personnel files • • • •		
Create a Financial File with budget, most recent financial statements, cash flow statements, audit, and financial procedures and policies. Also change signature authority with banks and payroll. •		

Leadership Transition: Step 2

• •		
List of vendors, task forces, collaborative/partnerships for which you have primary responsibility, with meeting schedules. • • •		
Inform external stakeholders of the transition and assure organizational will continue at high level. • • •		

Adapted from *The Executive Director's Guide to Thriving as a Nonprofit Leader* by M. Carlson and M. Donohoe

Strategy for Unplanned Transitions

Sometimes an executive resigns unexpectedly or is terminated. What follows is checklist recommended by Tom Adams of *TransitionsGuides* of what the organization's board needs to do in the first 72 hours when a transition isn't planned. Ideally, there is a succession plan in place, which states the details of these operations. Whether there is a plan or not, key steps organizations should follow include:

1. The Board Chair affirms the acting Executive Director and short-term staffing strategies per succession plan.
2. The Board Chair informs Board and then staff of the Acting Executive Director appointment and formal implementation of terms and policies in the succession plan.
3. The Board Chair (and potentially other officers) consults with the Acting Executive Director (and key function short-term staff as appropriate) on the circumstances of the absence, organizational situation and related factors.
4. Review and make changes to check-signing authority and related security issues.
5. After Board Chair and Acting Executive Director consult, notify stakeholders as outlined in succession plan about circumstances of departure and the interim plans.
6. If the unplanned absence is long-term or permanent, the Board Chair activates the search committee process described in the succession plan and under "planned transition strategies" in this toolkit.

Crisis Transitions are characterized by the organization being in a financial or programmatic crisis, or need to reorganize board or staff. An effective strategy for crisis transitions includes investing in an interim executive who has the skill and expertise to manage the crisis, leaving the organization in a position to successfully execute its planned transition plan. An interim is a good choice because in all likelihood the organization needs to stabilize before it can attract suitable candidates for long-term leadership. A skilled interim with expertise appropriate to the organization's needs can be costly (\$4,000-\$9,000 per month) and hard to find at the last minute. Make sure that building cash reserves are part of the organization's regular succession planning, and that the organization maintains a list of effective consultants that partner organizations recommend.

Strategies for managing transitions in 'underperforming organizations', or ones that chronically fall short of fundraising or programmatic goals, often benefit from bringing in an interim to stabilize the organization, and in this case, it is recommended that a thorough organizational assessment is done as a precursor to planning and re-hiring.

Leadership Transition: Step 2

Strategies for Organizational Startups. When an organization hires an executive for the first time, big shifts occur. The hiring may be part of the organization's formation, or the new ED may be hired after relying on volunteer or part-time "staffing" for months or years. In either case, founders and volunteers must make major adjustments to make the role of the new ED successful. Organizations in this situation would be wise to engage in considerable planning about organizational vision, goals, and objectives, as well as the detailed roles needed for the organization to achieve this plan. Hiring without a shared plan in place invariably jeopardizes the success of the new ED, and for a developing organization, that may also have a negative impact on the organization's effectiveness and survival.

Strategies for Founder Successions. When a founder leaves, the organization faces major adjustments since culture, performance expectations, and relationships are often linked to the founder and his/her personality. Even stable organizations can quickly become vulnerable without careful attention to the impact of this change. Leadership transition can be maximized if the Founder can be persuaded to serve in an ex-officio and public role that contributes to the visibility of the organization and consolidates the leadership in the new executive director. Unless it becomes an auxiliary role such as writing an opinion column for a newsletter, the Founder transition role should be short-term in nature and lasting approximately 3-4 months. It is appropriate to have that person serve on the board in a nonvoting capacity for a regular board term, and without any special role.

Similarly, departing executives who built or rebuilt an organization through their entrepreneurial drive, vision, and energy are difficult to follow. Boards often fail to adjust expectations, resulting in rocky starts and short tenures. Rather than rushing to fill the void left by the founder or entrepreneur, it's sometimes better to hire an interim manager. Using short-term leadership can offset the distorted perspectives that are common when such a powerful leader leaves.

Common Obstacles of Transition Strategy Implementation

- Making hasty decisions without assessing needs
- Minimizing critical issues
- Not bringing in help when needed
- Rushing to hire
- Appointing Acting or Interim ED based on relationship and not skill set
- Disconnect between salary offered and skills desired
- Not fully disclosing to finalists the condition of the organization and first year expectations

Leadership Transition: Step 2

My Next Steps for Step 2: Strategy Implementation

Activity	By When
✓	
✓	
✓	
✓	
✓	
✓	
✓	
✓	

Leadership Transition: Step 3

Building New Hire Success

How to Help the New Leader Succeed

- ✓ Welcoming and introducing new executive
- ✓ Orienting new executive to organization and community
- ✓ Making agreements between board and new executive on three- and six-month work plan
- ✓ Agreeing on executive evaluation process
- ✓ Executive professional development planning by new executive with board support
- ✓ Agreeing on when to revisit strategic plan and direction of organization

Common Obstacles for New Leaders

- ✓ Not being introduced by others to community and key relationships
- ✓ Board steps back during first 30-60 days
- ✓ Micromanaging by Board
- ✓ Giving insufficient priority to relationship building in first month
- ✓ New executive becoming overwhelmed, ignoring board and stakeholder relationships, staff or administration; having difficulty in balancing all three
- ✓ Paying no attention to work plans or evaluation system

Sample Performance Management Process

Steps conducted in partnership with Board Chair and/or Executive Committee

1. Goal Setting

- Review operating plan and agency goals
- Set individual goals/objectives/accountabilities that relate to the agency goals
- Review/get approval for those goals with Board Chair or Executive Committee
- Establish an annual competency development plan based on board expectations for achievement

2. Performance Feedback

- Get feedback on progress towards goals/objectives/accountabilities
- Make feedback on goal attainment part of quarterly interaction with Executive Committee
- Integrate feedback into routine to improve performance
- Get coaching or professional development if necessary; everyone wants you to succeed!

3. Performance Input

- Seek out multiple and appropriate sources of inputs and observations (360; constituent surveys)
- Ensure observations are fact-based

4. Performance Assessment

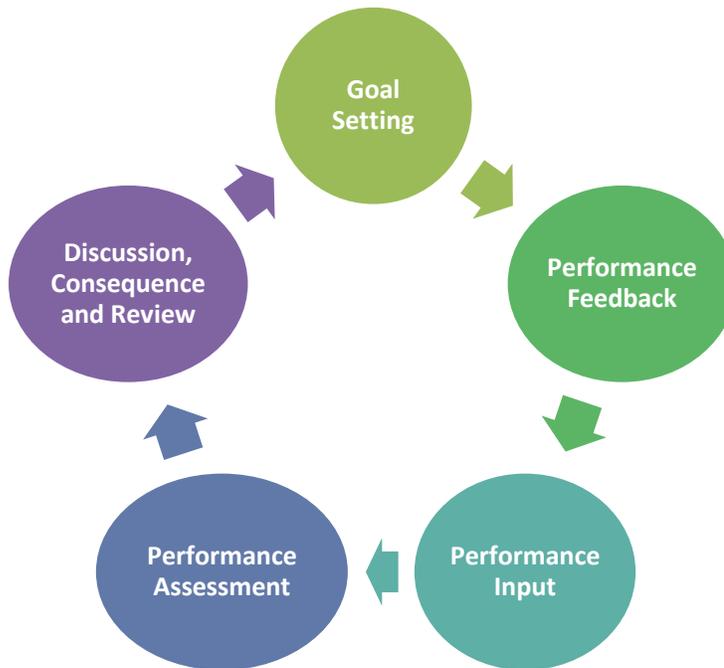
- Complete self-assessment of goal/work plan-achievement and core competency achievement
- Review against Board and Staff versions of the same tool

5. Discussion, Consequences and Review (with Executive Committee)

- Determine consequences of performance and refine goals
- Determine developmental needs for ED and organization

Leadership Transition: Step 3

Sample Performance Management Process (Continued)



Goal-Setting Strategy

After you have reviewed the organization's strategic plan and met with Board leadership to learn of their expectations for your performance as the new leadership, it can be helpful to review organizational key-area functions and then to set goals accordingly. This approach helps to develop balanced goals that advance all aspects of the organization.

1. Management and Leadership Key Questions

- ✓ What is the organizational history and culture?
- ✓ Interview each staff person
- ✓ What kind of leadership do staff and board need?
- ✓ Where are the functional gaps in the org. chart?
- ✓ What is the succession plan?

Leadership Transition: Step 3

Goal-Setting Strategy Continued

2. Board Management Key Questions

- ✓ Review the board minutes for the last six months
- ✓ Who can provide board history?
- ✓ Meet with each Board member and determine that member's involvement
- ✓ Determine agenda setting and regular meetings with Board Chair
- ✓ What are the current Board issues that need to be addressed?

3. Program Management Key Questions

- ✓ How well do program services align with mission?
- ✓ Are there gaps in services?
- ✓ How are outcomes measured?
- ✓ Is funding per program sustainable?
- ✓ What are the current Program issues that need to be addressed?

4. Fundraising and Volunteer Key Questions

- ✓ How pervasive is the fundraising culture of the organization?
- ✓ Review the annual fundraising plan: What are the opportunities?
- ✓ Are fundraising processes and infrastructure sufficient?
- ✓ Who are the organization's top 10 donors? Meet with them.
- ✓ What are the policies and procedures set for fundraising and volunteer management?

5. Financial Management Key Questions

- ✓ How healthy is the Statement of Financial Position?
- ✓ Does the organization have an established line of credit?
- ✓ When the organization was last audited/reviewed?
- ✓ Is the chart of accounts appropriate for the organization's activities? Is current reporting adequate?
- ✓ Does the organization employ an allocation basis to track staff time and overhead in programming?
- ✓ Is cash flow analysis part of reporting?
- ✓ Review internal control policies, insurance policies, and payroll.

6. Community Outreach Key Questions

- ✓ How well has the transition been communicated?
- ✓ Does the organization have key contacts with desired media? Meet them.
- ✓ What is the strength of the organization's brand position?
- ✓ Who are the organization's key community partners? Meet them.
- ✓ What is the quality of promotional materials? Website?

Leadership Transition: Step 3

Goal-Setting Strategy Continued: Create a Work Plan

After reviewing the goal-setting strategy key questions, you are in a better position to create an effective work plan as a new hire that will be well-rounded and informed by your organization's current position. Use the following out line to create the details of your work plan:

Organization Name:

Executive Director Name:

Initial 30 days objectives:

✓

✓

✓

Intended Outcomes:

Initial 60 days objectives

✓

✓

✓

Intended Outcomes:

Initial 90 days objectives:

✓

✓

✓

Intended Outcomes:

Initial 1 year objectives:

✓

✓

✓

Intended Outcomes:

Leadership Benchmarks/Performance Benchmarks:

- ✓ Degree to which objectives were met
- ✓ Degree to which intended results were achieved
- ✓ Degree to which this work plan advanced the organization's strategic vision and plan

Leadership Transition: Step 3

My Next Steps for Step 3: Build New Hire Success

Activity	By When
✓	
✓	
✓	
✓	
✓	
✓	
✓	
✓	

Links & Resources

Books, Articles, and Reports

2011 Executive Director National Study, <http://daringtolead.org/>

Adams, Tom. “When the Boss Bails—Surviving and Even Thriving after a Change in Leadership.” *Stanford Social Innovation Review* (Fall 2004): 54-56.

Beilenson, John. “Finding Opportunity in Transition.” *Casey Connects* (Fall 2004): 1, 4.

Bridges, William. *Managing Transitions*. New York: Addison-Wesley Publishing, 1991.

Bell, Jeanne, Richard Moyers, and Timothy Wolfred. *Daring to Lead 2006: A National Study of Nonprofit Executive Leadership*. San Francisco: CompassPoint Nonprofit Services, 2006.

Gilmore, Thomas North. *Making a Leadership Change*. New York: Authors Choice Press, 1988, 2003.

Hall, Holly. “Planning Successful Transitions.” *The Chronicle of Philanthropy* (January 12, 2006): 6-8,10,13.

Kunreuther, Frances, Ludovic Blain, and Kim Fellner. *Generational Leadership Listening Sessions*. New York: The Building Movement Project, 2005.

Watkins, Michael, *The First 90 Days: Critical Success Strategies for New Leaders at All Levels*. Boston: Harvard Business School Publishing, 2003

Wolfred, Timothy. “Stepping Up: A Board’s Challenge in Leadership Transition.” *Nonprofit Quarterly* (Winter 2002): 14-19.

<http://www.guidestar.org/rxa/news/articles/2007/ensuring-new-employees-success.aspx>

Websites

Annie E. Casey Foundation Series on Leadership Transition, www.aecf.org/

Bridgestar, www.bridgestar.org

CompassPoint, www.compasspoint.org

Transition Guides, www.transitionguides.org

