Webinar Description

• Succession Planning: Managing the Risk of Executive Departures - Recent studies suggest that a significant percentage of senior nonprofit leaders will be retiring in the next five years. Yet most nonprofits do not have a succession plan ready to ensure a smooth transition when experienced leaders depart. And despite the fact that the lack of a succession plan keeps countless volunteer board leaders awake at night, the typical nonprofit board spends less 2 hours every year talking about and taking action on the subject of succession planning. Attend this program to learn how to create a practical succession plan for your nonprofit.

Today’s Agenda

- Succession Planning & its benefits
- Emergency Succession Planning
- Strategic Leader Development: Building the Bench
- Departure-Defined Succession Planning
- Board-Adopted Succession Policy
- Resources
“The mark of the great organization is succession planning. Organizations that engage in succession planning stay great and don’t slip back.”

Jim Collins
Good to Great and the Social Sectors
Additional Benefits of Succession Planning

- Aligns staff development with strategic vision
- Makes the CEO position more “doable”
- Retains talented staff
- Engages and reassures the board
- Gives confidence to funders

Succession Planning: 3 Forms

1. Emergency Succession Planning
2. Strategic Leader Development
3. Departure Defined Succession Planning
Emergency Succession Planning

Definition: Preparing for an unplanned departure
A risk management best practice

Emergency Succession Planning
Five Key Steps

1. Identify critical CEO functions
2. Name a backup for each function
3. Develop a cross-training plan for the backups
4. Name who would become Acting CEO
5. Specify board’s monitoring & support role for Acting CEO

Emergency Succession Planning
Example: Large Agency

<table>
<thead>
<tr>
<th>Executive Responsibility</th>
<th>Staff Back Up</th>
<th>Training Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Negotiate and sign grants, contracts, and subcontracts as authorized by the Foundation Board and assure that all agreements are properly fulfilled.</td>
<td>Deputy for Fund Development</td>
<td>Operations Manager will train Operations Manager in use of her grants management and tracking tool.</td>
</tr>
<tr>
<td>2. Oversee development of the annual operating budget and assure the ongoing fiscal health of the Council.</td>
<td>Operations Manager</td>
<td>Deputy will lead in developing the agency budget for 2015 and assist ED on the 3 year expense and revenue plan.</td>
</tr>
</tbody>
</table>
Emergency Succession Planning

Smaller Organization

Back ups may include:
- Board Members
- Outside Consultants
- Former staff members
- Volunteers

Emergency Succession Planning

Templates & Tools

www.CompassPoint.org/et
Strategic Leader Development

*Building the Bench*

- Set of activities for developing a strong **pipeline** of future leaders for pursuit of **strategic goals** – supported by a **culture** of continuous learning, skill development and accountability.

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Strategic Leader Development: The Key Systemic Elements

- Current strategic plan
- Individual performance goals tied to strategic goals
- Professional development goals
- Professional development budget
- Annual evaluations – board and staff
- Shared leadership and delegation

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Strategic Leader Development

1. **Strategic Planning**: What are your organization’s strategic goals—for next year & five years out?
Strategic Leader Development

2. Skills Inventory: What competencies do you need to get there?

3. Assess current competencies and identify gaps in skills needed
   - Develop the team you’ve got
   - Recruit the talent you need

The Bridgespan Group

Bridgespan.org/Publications and Tools
- “Nonprofit Leadership Development Tool Kit
- “52 Free Development Opportunities for Nonprofit Staff”
- “Building Future Leaders’ Diagnostic Survey”
- “Building a Talent Pipeline”

Departure-Defined Succession Planning

- The executive has announced a departure date, which presents...
- A special opportunity for a reflection on where you’ve been, where you want to go, and what it will take to get there
DDSP: Seven Key Steps

1. Conduct a Strategic Review
   - What are our opportunities to build our community impact?
   - What are our organizational constraints?

2. Set fresh strategic goals – for program impact & for the needed capacity building

DDSP: Seven Key Steps

3. Create the candidate profile – skills needed to successfully pursue set goals
4. Recruit aggressively
5. Screen & hire
6. Get full closure with departing executive
   - Goodbye rituals
   - Healthy separation
7. Carefully launch the new executive

Succession Policy

Sample Elements

- Board Action in Event of an ED Vacancy
  - The Board shall quickly appoint a Transition Committee comprised of at least five and no more than seven members.
  - The Committee shall take time to assess the leadership needs of the organization before the search for a new ED is conducted
Succession Policy

▪ To develop a finalist pool reflective of the community, the organization shall work proactively to recruit a diverse pool of candidates for the ED position.

➢ Talent Development

▪ In order to provide career advancement for staff, the organization shall provide for the professional development of current employees.

➢ Emergency Succession Plan

▪ The organization shall maintain an up-to-date plan to be reviewed annually.

RESOURCES

“Avoid Transition Trauma with a Succession Plan,” Melanie Herman and Erin Gloeckner, www.nonprofitrisk.org/library/articles/Avoid_Transition_Trauma.shtml


“Next Generation Organizations: Nine Key Traits”, Marla Cornelius, 2011 www.compasspoint.org/research-reports