

SUCCESSION PLANNING FOR NONPROFITS

What would happen in your organization if one of your key associates were to leave tomorrow?

Peter Drucker observed that strategy is any commitment of present resources to future expectations. Whether your organization is thinking about succession planning as part of its ongoing process of developing its strategic vision, because a leadership departure is planned for some time in the future, or because an emergency has forced such planning upon you, it is important that all nonprofits use its “present resources”—its staff and board, time and funding—to engage in a strategic look into the future and develop a plan of succession. It will enable the organization to remain strong and committed to its mission up to and through the expected change of leadership.

This process is not limited to planning for the loss of a leader. A Succession Plan outlines the roles played by each member of an organization and identifies how their knowledge and skills can be captured, transferred and/or nurtured. Effective planning will ensure that the organization remains healthy, that it will be able to focus resources on the mission, program, and/or business, and provides tools to the board and staff that will support the organization’s capacity to manage the changes to come.

WHY ENGAGE IN SUCCESSION PLANNING?

Succession planning is a process that engages all aspects and people associated with the organization. From the board and staff to key stakeholders and audiences, change is unsettling. Preparations for successful change minimize any negative or disruptive effects. A succession plan:

- Recognizes and honors a leader’s pivotal role and seeks to define the organizations future through identifying those characteristics and contributions it seeks to replicate.
- Helps an organization to be prepared in all aspects including operations, funding, artistic planning, board and leadership decisions, audience expectations and communications in all forms
- Clarifies authority and decision-making for continued, efficient operation. Roles and responsibilities will be clearly defined and communicated.
- Maintains accountability so that decisions made are routinely executed because individuals will understand their roles.
- Ensures organizational stability and viability because roles and responsibilities in current circumstances and when the transition is underway are fully understood and agreed.
- Safeguards direction and legacy by ensuring that the culture is stable and individuals remain comfortable in their environment.

WHAT WILL BE INVOLVED?

The planning process must include all members of the staff and the board, and will preserve and respect the mission and vision. Any planning that crosses all aspects of an organization involves a range of activities, but the overall planning and strategy will deal with steps that will:

- **Document the organization's heritage** and prepare a history for future leaders to 'reinvent'.
- **Prepare for different kind of leadership** through the assessment of what has been and establishing the goal of what will come next.
- **Determine key priorities and build consensus** for the organization's stewardship, as well as for its change goals.
- **Identify "impact issues"** that are likely to affect the organization. These are likely to be in areas such as board involvement and support, changes in funding and funding needs, or possible shifts in roles. It also will allow new leaders to emerge, and identify strategies for dealing with impact issues.
- **Prepare the entire organization for likely changes** in any and every aspect of the way business is done and for adjustments to roles and responsibilities.
- **Identify costs** of the transition. These include direct costs such as the search process, if there is one, as well as the compensation for the new leader. Costs also include emotional and morale impacts, operational changes, and affects on funding. With a planned change funding changes will likely include additional funding for salaries or changes in operations. If proper, thoughtful advanced planning is implemented and committed to early enough, it has the added benefit of avoiding the potential visible affects on an organization that can also cause funders to hold back or withdraw funds, or make potential new funders decline to contribute to an organization that is in flux.
- **Communicate plans** to all stakeholders: board, staff, funders, and clients.
- A critical piece of the planning is to **prepare for and support the successor**. Not only is this important to help ease the introduction of the new leader to the organization, but it also helps to ensure that the business of the organization continues with as little interruption as possible. While time consuming, it is an effort vital to the organization's survival. At the same time, when approached with vigor and intelligence, the organization can emerge with a renewed vitality and sense of purpose.

It is true that the planning process is a continuous cycle and focuses on what you have been doing, but it also allows you to dream about what you want to become.

It is rare that an organization is strong enough and strategic enough to take the time and effort for this critical undertaking; many organizations suffer serious set-

backs or even fail following the departure of a key leader or associate. By anticipating the future change and preparing in advance, an organization will be able to continue and thrive.

CHECKLIST FOR A ROBUST SUCCESSION PLAN

Six Key Steps

1. Assess the current culture
 - How and why your organization got started
 - What the organization is doing today
 - Where is it going in the future
 - Team culture? Effective delegation? Shared leadership?
2. Determine key priorities and build consensus
 - Measurable indicators for the performance of the organizations
 - Determination at regular intervals whether org is going in right direction
 - Emergency measures for unexpected loss of Executive Director or key associate
3. Analyze skills and attributes required—mission critical and key positions, key skills
4. Identify strengths and weaknesses in current team
 - Document skills and talents
 - Identify skill gaps, needs for training
 - Identify potential leaders, candidates for cross-training and promotion
5. Strategic Leader Development: Plan to develop skills and experience: mentoring; formal training, new hires
6. Contingency planning: with flexibility and the back-up procedures that will ensure stability

Tips for successful Succession Plans

- Have a regular performance evaluation process
- Develop a key task list by function
- Annual calendar
- “Where is everything?”
- List outside critical relationships
- Update donor lists
- Intentional redundancy—familiar with mission critical issues, (staff, board, or volunteer)
- Share knowledge
- Document institutional memory/knowledge
- Appreciation rituals
- Get the board on board—form succession committee for board succession and for management organization

- Consider interim leadership, especially for “Founder Syndrome”
- Use an advisor to add objectivity, guide leaders, write plans, support board feedback and ratification
- Consider what work needs to be done, the individual, the long term needs of the organization, and the immediate needs of the team

WHEN SHOULD YOU START?

Now! Most transitions take two years or more.

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