



Welcome . . .

Ask any nonprofit executive about the work they do and you will mostly hear a resounding affirmation for their career choice. Indeed, leadership in the non-profit sector is among the most rewarding and challenging professional experiences.

Unfortunately, even the most gratifying experiences must eventually come to an end.

If you are reading this, chances are that you are an executive who is approaching, or has already reached, a professional milestone in your life. Perhaps you are just beginning to think about leaving your nonprofit organization. Or maybe you've already decided that the time for change is approaching rapidly. If you are a nonprofit board member reading this, perhaps your founding executive has just informed you that he or she plans to leave the organization—and you are just beginning the planning process. Whatever your role, the good news is this: your nonprofit organization will not only survive following a leadership transition, *it will thrive*. All success requires is thoughtful planning.

The Executive Transition Initiative would like to thank the **Nonprofit Management Fund** for funding the development of this toolkit. We are grateful for your commitment to sustaining excellence in nonprofit leadership in Milwaukee!

Departure defined transitions are anticipated departures, usually expected to occur within one to eighteen months. Departure defined transitions commence when an executive begins thinking about leaving and begins to explore alternative opportunities. Planning activities include communicating the transition to the board, staff and community stakeholders, conducting an organizational assessment, building organizational capacity and sustainability, recruiting and hiring a new executive, and celebrating the leadership succession.

The purpose of this **departure defined executive transition toolkit** is to provide you with a roadmap through the executive transition process in your organization. It provides step-by-step strategies for Executive Directors and board members, and useful tools that can be used to implement a departure defined transition.

It is important to recognize that every organization has its own unique leaders, culture and needs. Therefore, we encourage you to use the information that best suits your organization, and to adapt the tools to address your specific organizational culture. We have done our best to summarize the current best practices, and provide find links to articles and information on emergency transition planning available on the web.

We welcome your feedback on the departure defined executive transition toolkit. Whether your executive transition is on the horizon or just around the corner, we hope you will avail yourself of all the resources available. The Executive Transition Initiative, these toolkits and the accompanying resources will support your efforts to sustain and strengthen your organization.

Mindy Lubar Price
ETI Project Manager

Acknowledgements:

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We would also be remiss if we did not acknowledge the ***Center for Urban Initiatives and Research at the University of Wisconsin Milwaukee*** for their contribution to the 2004 survey about the leadership landscape in Milwaukee that raised awareness about the important need for nonprofit succession planning in our community. We would also like to thank the ***Donor's Forum of Wisconsin*** for its early stewardship in the development of the Executive Transition Initiative and the ***Greater Milwaukee Foundation*** for its commitment to expanding the visibility and reach of the initiative to nonprofit organizations.

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Contents of the Departure Defined Executive Transition Planning Toolkit:

In this toolkit, you will find:

- An Overview of Succession Planning and Departure Defined Transition Planning
- Understanding and Managing Change
- 10 Strategies for Implementing a Departure Defined Executive Transition
 1. Create Good Endings and New Beginnings: A Shared Responsibility
 2. Engage the Board: The Board's Role in Executive Transitions
 3. Explore Hiring a Transition Consultant
 4. Establish a Leadership Succession Team
 5. Communicate the Leadership Transition to Stakeholders
 6. Conduct an Organizational Assessment To Uncover Strengths and Vulnerabilities
 7. Use a Strategic Plan to Assess Future Leadership Needs
 8. Translate the Assessment into a Leadership Succession Plan
 9. Conduct an Executive Search
 10. Announce and Celebrate the Leadership Succession
- Special Considerations for Founding/Long-Term Director Transitions
- Frequently Asked Questions about Departure Defined Transitions
- Resources and Citations
- Exhibits

Overview of Departure Succession Planning

When you think about succession planning, you might imagine some nebulous process that happens in board rooms of big corporations. In the for profit world, succession planning has traditionally focused on grooming a successor or heir apparent. Succession planning in the nonprofit world is a different matter.

It is no surprise that most nonprofit organizations do not have a succession plan in place. Small and medium size nonprofits have as many reasons for this gap as they have constituents. In nonprofits, planning for organizational health and sustainability often takes a back seat to efforts to serving your constituents or influencing social change.

It's time for nonprofit organizations to change that dynamic.

The Case for Succession Planning: In the fall of 2004, 1,080 nonprofit Executive Directors in Milwaukee, Waukesha, Washington and Ozaukee counties were surveyed in order to gather information about the potential scope and impact of executive leadership turnover over the next five to ten years, and to inform the further development of strategies to address the pending shift in leaders. Over 350 nonprofit Executive Directors responded to the survey.

Leadership succession planning is an ongoing practice based on defining an organization's strategic vision, identifying the leadership and managerial skills necessary to carry out that vision, and recruiting, developing and retaining talented individuals who have or who can develop those skills.

As part of the first national study of leadership transition in the nonprofit sector, the Milwaukee area survey was one of 24 conducted nationwide. The local study was sponsored by the **Greater Milwaukee Foundation**, in cooperation with **Donors Forum of Wisconsin**, **Center for Urban Initiatives and Research**, the **Helen Bader Institute for Nonprofit Management**, and the **University of Wisconsin Milwaukee**, in collaboration with the **Annie E. Casey Foundation**.

Results from the survey highlighted the need to address leadership transition issues among nonprofits. Specifically:

- 66% of nonprofit organizations surveyed were likely to experience an executive transition within the next five years, and 26% of those in the next two years. However, of those surveyed, only 1 - 2% reported having a succession plan in place.
- Organizations that had founding Executive Directors were even less likely to have a plan in place. In addition, most organizations surveyed approach executive change from a search and hire framework as opposed to a more comprehensive transition management approach that emphasizes thoughtful succession planning.
- 55% of the current nonprofit executives were over 50 years old.
- 84% of responding executives were white, 11% African American and 1.4% Hispanic/Latino.
- Only 33% of responding organizations had a deputy director.

What is Succession Planning? Leadership succession planning is an ongoing practice that is focused on defining an organization's strategic vision, identifying the leadership and managerial skills necessary to carry out that vision, and recruiting, developing and retaining talented individuals who have or who can develop those skills. Ideally, leadership succession planning will include the following components:

- **Emergency Succession Planning** – A thoughtfully prepared plan to address an unanticipated departure of an Executive Director, usually occurring with only a few days or weeks notice. Emergency succession plans ensures the uninterrupted performance of essential executive functions by outlining steps for the temporary appointment of an acting Executive Director.
- **Strategic Leadership Planning** – An ongoing process that identifies the core competencies, skills and knowledge needed by your organization in the next five years along with a plan to develop those competencies in your existing talent or recruit new talent from outside the organization.
- **Departure Defined Transition Planning** – A course of action that board members and Executive Directors can employ when an executive begins thinking about leaving an organization. Departure defined transition planning focuses on communicating the transition to staff and stakeholders, conducting an organizational assessment, building organizational capacity and sustainability, recruiting and hiring a new executive, and celebrating the transition.

It is important to note that each component of the succession planning process informs the others. The diagram below highlights how these three components relate collectively to each other and to the succession planning process.



Departure Defined Transition Planning

Departure defined transitions are anticipated departures of an executive, which may occur with up to eighteen months notice. Some departure defined transitions may occur over a period of several years. According to Tim Wolfred, of CompassPoint Nonprofit Services, the goal of departure defined transitions is “to build leadership strength in an organization so that it can reduce its dependency upon the skills, charisma, and relationships of their incumbent ED and stand strong without his or her presence. It also sets the groundwork for a successful search for new leadership.” Departure defined transition planning addresses the following priorities:

- Engaging the board, staff and stakeholders in the impending the transtion and managing communication to reduce anxiety.
- Conducting an organizational assessment to identify future leadership needs.
- Building organizational leadership capacity to support the transition and sustainability.
- Conducting an executive search.
- Announcing and celebrating the transition for outgoing and incoming leadership.

Nonprofit executives choose to leave organizations for a variety of reasons. Some choose to leave because they want to pursue another opportunity or follow another calling. Some leave because they sense that the needs of their organization are changing, and they intuitively feel that a leadership change is needed. Some simply retire. Whatever the reasons, nonprofit executives should be encouraged to openly discuss their future plans with the Board of Directors and to not fear the inevitable.

Benefits of Implementing a Departure Defined Transition: There are countless reasons to postpone planning for an executive transition. Executives may be reluctant or ambivalent about bringing up the uncomfortable topic of leaving. Board members may feel overwhelmed at the prospect of replacing a tenured or founding executive. A departure defined succession plan presents a tremendous opportunity for the executive and board to join together and implement a thoughtful, forward looking plan that honors the executive’s legacy and prepares the organization for future growth and sustainability.

Ten Strategies for Implementing a Departure Defined Transition: With the help of some of the leading experts in the field, we have identified ten strategies to implementing a departure defined executive transition, and each step is described in detail in this toolkit:



Understanding and Managing Change*

Transition consultants often cite the work of author, speaker and consultant William Bridges when discussing the important role that managing transition plays in organizational health during an executive transition. Bridges has consulted to corporations on change management for over 20 years and has published several books, including *Managing Transitions: Making the Most of Change* (1991), and *Managing Transitions* (2003).

Change vs. Transition

Bridges defines the emotional process that people experience when they come to terms with change as “transition.” Transition is fundamentally different from change. Where change is external and situational (resignation, leaving a job) transition is the internal process of how one responds to the change. Bridges describes the process in three phases, each of which plays an important role in an executive transition.

Ending Phase: The ending phase begins immediately after the executive announces his or her departure. In this phase, the organization acknowledges the losses that will result from the letting go of the familiar (leadership style, organizational priorities, etc.). Bridges emphasizes the critical role that endings play during transition. The cleaner the ending, the more productive the neutral zone can be and the more successful the new beginning phase will be. A healthy ending is also essential to an organization’s ability to take advantage of the renewal opportunities uniquely available between permanent leaders.

Neutral Zone: Organizations will often experience a time of chaos between the end of the old and the start of the new. Bridges emphasizes that this period is rich with opportunities for new perspectives and new ways of doing business. Organizations have a unique opportunity to review successes and challenges, adopt a neutral, detached perspective, and complete an objective assessment that will result in a fresh vision for the future. The result will be greater resilience and mission achievement.

New Beginnings: The third phase in the Bridges change model is the Beginning. Here again, Bridges emphasizes the importance of traditions and rituals. A full orientation to people, culture and procedures is also important. Negotiating the new executive’s performance goals, professional development activities and communication patterns is equally critical to ensuring a positive experience for the incoming executive and the organization.

Organizations that take the time to recognize and attend to each of these phases will experience the greatest success in executing an executive transition and hopefully retain that person in the future.

*This description of the work of William Bridges was informed by the work of Tim Wolfred, Senior Projects Director at CompassPoint Nonprofit Services.

“The implication ... is that the organization—board, staff, stakeholders—must give attention to a good ending with their departing executive in order to have a good beginning with the successor. This means both goodbye rituals and a chance to acknowledge the loss involved for the organization and for the people more closely connected to the director.”

Tim Wolfred
CompassPoint Nonprofit
Services

Strategy #1: Creating Good Endings and New Beginnings: A Shared Responsibility

Making the Decision to Leave: An Executive’s Most Difficult Decision -

Deciding to make a career change is a deeply personal decision. For many, the decision is grounded in trepidation and excitement; others may experience anxiety, anger, and even guilt. All of these emotions are even more pronounced for non-profit leaders. More often than not, the organizational stakes are much higher, and the pool of candidates to replace nonprofit executives is much narrower. The stakes are greatest for founding and long term executives who have made a lifetime investment in shaping their organization.

There is no formula to follow in making such a life changing decision. But there are questions that can guide you in making a decision and determining what strengthening actions are needed before making a public announcement of a departure.

1. What is the legacy you want to leave behind?
2. Is the Board of Directors aligned with the organization, do they understand their role, and are they fully invested in the organization?
3. Do middle managers and other leaders have the skills to carry out day to day tasks during an executive transition?
4. What is the current financial performance of the organization?
5. Are there program gaps or deficits that require attention?
6. Do operational challenges exist that may undermine organizational success?
7. Are you leaving any messes behind that may trip up your successor?
8. Do you want to keep doing the job?
9. Do you have the motivation and skills required to lead the organization?
10. Are you staying because you are uncertain about your next step?
11. Are you financially ready to move on?
12. Are you ready to step aside, let go, and accept any potential consequences of your decision on the organization?

“Even though I knew that leaving the organization was the best thing for me personally, making the decision to let go of the responsibility was painful because I loved my work. Having a thought out transition plan, helped staff and the community to rest assured that the organization was strong and that it had a promising future.”

Lina Juarbe Botella
Founding Executive
The Healing Center

Once you have engaged in the private reflection needed to reach your decision to leave, it is incumbent upon you to share your decision with your Board Chair and/or Executive Committee. This will begin the process of shared responsibility in creating a good ending for you - and a new beginning for the organization.

Addressing Barriers for Departing Executives – Opportunities for Board Leadership

Creating a good ending for the departing executive is just as essential as creating a good beginning for the incoming executive. The decision to leave an organization is a difficult one for most executives, and he or she will likely experience mixed emotions about the decision during the transition process.

That is why it is so important to recognize and acknowledge the painful challenges that many departing leaders face during an executive transition. Forward thinking and frank discussion between the board and the departing executive can lead to a shared understanding about the executive’s and the organization’s needs and expectations. Greater clarity will avoid misunderstandings, hurt feelings or role confusion that can trip up a transition process.

Identify Barriers and Plan for Barriers: The Leadership Transition Committee should be mindful of barriers the departing executive may face during a transition. Areas of difficulty and strategies to address them include:

- **Organizational Identity** – Executives can easily lose their identity to an organization. This is especially true for founding directors. For the executive in transition, the challenge for an executive is re-establishing an identity separate from the organization's. For the organization, the challenge is convincing key stakeholders that it can exist without the departing executive.

Strategy to Address: Boards can support departing executives by encouraging their efforts to pursue new opportunities. Support can be in the form of extra time away from the organization, a short sabbatical, or even providing executive coaching. Departing executives can support separation by introducing other organization leaders and board members to stakeholders and funders.

- **Letting Go of Position and Power** – Handing over power is never easy, and no executive wants to have fears of becoming a lame-duck leader. Letting go is also a process and not an event. Finding the correct balance between engagement and detachment may be difficult for even the most well intentioned departing executive.

Strategy to Address: Boards and transition committees can support this process by checking-in with the departing executive frequently, soliciting his/her counsel often, and acknowledging the many legacies that the departing executive is leaving behind. Another strategy is to encourage the departing executive to create a legacy document or plan that describes the values and vision of the executive during his/her tenure.

- **Career/Professional Uncertainty** – Departing executives don't always have a crystal clear vision of what they want to do next. The resulting uncertainty may lead to anxiety or even second guessing.

Strategy to Address: Boards and transition committees can support executives by normalizing these concerns and by identifying the strengths and the skills that the departing executive can use as he or she takes that next step

- **The Loyalty Trap** – Some departing leaders experience ambivalence about their exit because they hold a deeply entrenched belief that leaving the organization (especially a nonprofit in peril) is a betrayal. This type of loyalty can lead executives to make poor decisions and send mixed messages to the staff and stakeholders.

Strategies to Address: Boards can avoid this trap by formally and informally giving the departing executive "permission" to leave the organization, by reassuring the executive that the organization will continue without their leadership, and by being actively engaged in the leadership succession.

- **Fear of Organizational Collapse** – This can be a legitimate concern for many departing executives. Some nonprofits are built around a financial model that may not work without a founding director. Executives who are leaving financially troubled nonprofits may fear how the possible collapse of an organization will affect their reputation.

Strategy to Address: Keeping the departing executive informed and engaged in the sustainability plan will reduce this fear.

Supporting the Departing Executive: There is a growing recognition that nonprofit organizations should provide departing executives with access to an executive coach who can support the departing

leader as he or she moves through the transition process. This is especially true for long term and founding directors. While this may sound like an extravagant perk to smaller or struggling nonprofit organizations, the long term benefits to the organization are enormous. A departing executive who receives guidance is more likely to maintain realistic boundaries with the organization. She is often more focused in her work, and more able to let go of responsibilities when appropriate. She is also more likely to support the work of transition team.

Strategy #2: Engaging the Board – The Board’s Role in Departure Defined Transitions

A departure defined transition is an opportunity for a board to have a significant, long-term impact on the organization. The board has the opportunity to create the “big picture” for the organization in the coming years and link the vision directly to short- and long-term goals through the hiring of a new executive. This opportunity can be easily overlooked if a board is distracted by the range of tasks it faces. Barbara Gilver, in *The Art of Hiring Leaders: A Guide for Nonprofit Organizations* suggests several strategies a board can employ to guide the transition:

Putting Your Best Face Forward

At the beginning of a leadership transition, it is especially important that the board assume a very public role. Every executive transition will be met with a certain level of uncertainty. Staff, stakeholders and the community will look to the board for reassurance during the early phase of the transition. Boards provide this reassurance by conveying confidence that the organization is stable and able to continue operations, reframing leadership change as part of the natural development of the organization, presenting a clear plan for the transition process, and communicating openly and widely about the transition.

Creating a Future Vision

Executive transitions offer boards the opportunity to accomplish what they already know they have wanted to do, but haven’t had a chance to implement. Whether a board is reaffirming a vision or creating a new one, an executive transition offers the opportunity for the board to develop a shared vision for the organization that can be used to inform the executive search. Questions to ask include:

- *What is our vision for this organization?*
- *How closely do current operations fit that vision?*
- *What is your business model and what skills does your new executive need to implement it?*
- *What kind of executive can implement our vision while addressing operational needs?*
- *Are we prepared to guide and support the new executive?*

Doing this work before the search will ensure that the incoming executive has the qualities needed to implement the vision. The visioning process may be a simple discussion at a board meeting, or may require a more in-depth discussion that requires outside facilitation.

Uncover Organizational Challenges

Executive transition provides an opportunity to uncover organizational issues that may be limiting organizational growth and effectiveness. The board is uniquely positioned to provide leadership in “speaking the truth” about organizational strengths and challenges. A strongly executed transition will include a comprehensive organizational assessment that will be used to build organizational capacity and sustainability, shape the executive search and to provide the incoming executive with an accurate description of the organization’s strengths and challenges. More information about how to conduct an organizational assessment will follow.

Address Challenges Head On

Boards must assess the organization’s immediate and long-term needs and determine which needs require immediate intervention and which needs can and should wait until new leadership is hired. An example of an issue that requires immediate action would be an employee performance problem. In this situation, the outgoing executive and board should take action prior to the leadership transition. Some boards may also choose to implement a strategic planning process to capture the outgoing executive’s understanding of the external environment in which they operate. Other needs, such as securing new office space, may be better postponed so that a new executive has the opportunity to participate in the process.

Embrace Fund Development

Board members who do not have experience in fundraising may expect that the role of fundraising should be left exclusively to the incoming executive. Nothing could be further from the truth. While it is true that nonprofit executives are spending more of their time on fundraising, the effective nonprofit board is equally committed to fundraising. In fact, the most qualified search candidates will likely assess the fundraising capacity of the board and weigh board strength in this area as they make a decision to pursue a position with the organization.

Put the Budget in Order

Potential candidates will also be reluctant to join an organization whose finances are shaky—especially when the board’s solution is to have the incoming executive fix the problem. Minimally, a board should develop a plan to address financial problem areas in the organization. A board that is working effectively on fundraising or finance is actually strengthening the organization –freeing up the incoming executive to focus on vision, mission, goals and growth.

Own Decision Making

Organizational bylaws assign responsibility for hiring the executive to the board of trustees. While the board may choose to assign a search committee to conduct search activities and narrow the pool of candidates, the decision must ultimately fall on the entire board. Communicating ownership over hiring the incoming executive to the search committee, staff, stakeholders and community is a critical step that should not be overlooked.

Strategy #3: Exploring Hiring a Transition Consultant

Whenever possible, organizations should strongly consider hiring an executive search or transition consultant to guide and support the leadership succession team in carrying out its responsibilities. Factors to consider when selecting a transition consultant include:

- Experience: How long has the consultant been in business? How many comparable executive transitions has the consultant facilitated in the past three years? Does the consultant have specific experience in the nonprofit setting? Does his/her client list mirror your organization?
- Understanding: Does the consultant understand the unique needs and culture of your organization?
- Knowledge: How much knowledge does the consultant have about nonprofit organizations in your community?
- Reputation: Does the consultant have a reputation for completing tasks on time and within budget? Does the consultant have a reputation for maintaining confidentiality?

Transition Consultant Profile: The Executive Transitions program at CompassPoint Nonprofit Services has trained hundreds of consultants on executive transition management since 1998. Based on their experiences, they have developed a profile that can be used in selecting a transition consultant that reflects the skills and personal characteristics they believe are critical to successful work with boards of organizations in transition. Experience and qualities search committees should look for include:

- Knowledge about the fundamental principles of managing organizational change and leadership transitions.
- Nonprofit consulting—preferably organizational development work with multiple clients.
- Contacts with nonprofit boards—preferably several years membership on one or more boards.
- Commitment to service in the nonprofit sector.
- An understanding that they are serving the organization and not the candidate.
- Desire to work in nonprofit organizations unsettled by major challenges and changes.
- Eagerness to learn and teach.
- Commitment to quality in service to clients.
- Desire to lead and to model leadership.
- Aptitude for aggressive recruitment work required in executive searches.
- Basic nonprofit management.
- Ease at relating to all stakeholder groups in a nonprofit setting.
- Strong group facilitation skills.
- Conflict resolution skills.
- Clear presentations verbally and in writing.
- Proficient at receiving and giving feedback.
- Strong record keeping and time management skills.
- Transition consultants who have had previous experience as a nonprofit executive will bring that experience with them.

Transition Consultant vs. Executive Recruiter: Leadership succession teams often ask about the difference between a transition consultant and an executive search specialist. Generally speaking, transition consultants are individuals who have previously worked in nonprofit settings who have received advanced training in the transition management. They may or may not have specific training in conducting executive searches. Executive recruiters are generally professionals who have training and experience in conducting executive searches, however they may or may not have experience working in nonprofit settings. Many executive recruiters have gained invaluable experience in organizational transition management just by virtue of what they do. Both sets of skills and experience bring something

important to the table. Ideally, a nonprofit organization should seek out professionals who have the right blend of skills needed to meet the needs of their unique organization.

Establish Clear Expectations: Whatever type of consultant you choose, organizations will be wise to ask for a contract. A qualified, reputable executive transition consultant will insist on a contract that clearly outlines the role, responsibilities and activities of the transition consultant along with anticipated outcomes. An estimated number of hours for each activities and compensation should also be clearly defined in the agreement.

Strategy #4: Establish a Leadership Succession Team

Appointing a leadership succession team has many benefits. First, it removes responsibility from the departing executive for leading the process of finding his or her eventual successor. Forming a transition team also provides an opportunity to bring people with diverse perspectives into the planning process. Group leadership also encourages shared ownership over the process and a more equal division of responsibility over tasks and decision making.

Committee Role and Responsibilities: The role of the leadership succession team is to guide and oversee the many activities of a departure defined transition. The team coordinates the organizational assessment and strategic planning and conducts the executive search. It should be noted that in most organizations, the team is not responsible for making hiring decisions as those decisions are made by the board. In all activities, the leadership succession team works closely with the Board, the departing executive, volunteers and stakeholders to conduct transition activities and ensure there is integrity to the transition process. Roles and responsibilities of the team should be clearly outlined in writing. Primary functions include:

- Communicating about the transition to stakeholders
- Overseeing the organizational assessment and strategic planning required to identify core leadership competencies needed in the future
- Gathering input from staff, stakeholders and the community
- Coordinating executive search activities.

Team Composition: The composition of the team will vary by organization, but can include a combination of:

- ❑ Board members—people who have a strong history and commitment to the organization. Ideally, at least one member of the Executive Committee should participate.
- ❑ Community stakeholders—collaborators, funders, volunteers and others who have a strong investment in the organizations long-term viability.

Your team should have a blend of thought leaders, doers and persons with high level connections. In its entirety, the committee should reflect the spirit and values of the organization. Ideal members are thoughtful, impartial, team players who are committed to the process and open to learning throughout the search. And, since the committee may be a candidate's first impression of the organization, each person will also be an ambassador for the organization.

“A nonprofit organization rightfully wants to be inclusive, and that is possible with a search committee of eight to twelve people.”
 -Barbara G. Gilver
 The Art of Hiring Leaders

The size of the team will also vary by organization, but should be large enough to include a cross-section of diverse perspectives and experience without being too large to manage. Because a departure defined transition can take up to 18 months, care should be taken to select volunteers who can make the long-term commitment required to see the process through.

Strategy #5: Communicate the Transition to Stakeholders

Communicating through Change: Change is an anxiety-provoking experience for most people. Even the most positive and proactive leadership change will leave board members, staff and stakeholders feeling unsettled. Anxiety is especially heightened when a founder announces his or her departure. Board members may feel the weight of the responsibility of choosing a successor. They may worry about the impact that the departure will have on funding streams and organizational sustainability. Staff members may worry about how much change a new executive will bring to the organization and what that change will mean for their job security. All of these reactions are normal. And they all point to the need for the constant communication about the leadership transition process.

Communicating Opportunity: It is often said that it's not possible to over communicate in times of uncertainty. That is never truer than during an executive transition. Organizational leadership transitions present a unique opportunity to shine a spotlight on the strengths of an organization, engage the public in the organization's mission, and even attract new stakeholders. It is also an opportunity to set a new course for the organization, or make minor course corrections when community need warrants a navigational shift. More often than not, it is the consistency, quality, frequency and timing of communication that makes a lasting impression with stakeholders. Tips for communicating an executive transition include:

1. **Put Your Plan in Writing:** One of the best ways to ensure that you "cover the bases" is to write out your communication plan and accompanying timeline. A sample **Executive Transition Communication Plan** may be a helpful guide. **See Exhibit A.**
2. **Narrow the Communication Band:** This might seem counterintuitive, but in the beginning, it's best to limit the number of people who speak publicly about the executive's decision to leave. Having one person relay information about the change will ensure continuity in message. The Board Chair should announce the departure if at all possible. When a search committee is assigned, the search committee chair can assume responsibility for communicating progress on the search.
3. **Timing is Everything:** The timing of communication is equally critical. There are several milestone opportunities that should not be missed. They include:
 - Announcing the executive's decision to leave and the date of the departure.
 - Introducing the leadership transition team. Clarifies roles and responsibilities. Hand-off responsibility for communication to the chair of the search committee.
 - The search chair should provide (at a minimum) monthly updates on activities and progress. Periodic (monthly) announcements will inform people about activities of the search committee and progress in the search.
 - Communicating results from the organizational assessment.
 - Communicating about the search process. This includes sharing the Board's vision about what qualities they are looking for in the new executive and how those qualities are linked to the results of the organizational assessment and the Board's vision for the future.

Key Messages for Announcing the Departure:

- Convey the transition as a natural step in the evolution of the organization.
- Share the departing executive's plans for the future.
- Outline next steps: the selection of a search committee that includes stakeholders from all levels.
- Assure stakeholders that opportunities to share their thoughts and feedback will be available.

4. **Use Multimedia Communication:** It is important to include written and verbal communication at each stage of the process. Written information can be included in a regularly scheduled newsletter or other mailing. Websites can also be used to keep constituents informed.
5. **Keep Staff in the Loop:** Staff members can be your best ambassadors or your worst naysayers—and more often than not, it's the level of communication they receive about a transition that determines where people fall on that continuum. Keeping staff members informed, and repeating key messages to them, will increase the likelihood that your message is shared with consumers, vendors and other stakeholders they encounter in their day to day activities. Regular updates at staff meetings provide an excellent opportunity to update staff. Attendance by the search chair at those meetings will also reduce staff anxiety about the transition.
6. **Be Courteous with Candidates:** Easy to overlook, good communication with prospective candidates during the executive search process is just as critical as with any other stakeholder group. Acknowledgement of an application along with a sense of the timeline is the first step. Delays or changes in the search process should also be communicated to candidates. Candidates who have been eliminated from consideration should be notified in writing promptly, rather than waiting to complete the search process. Internal candidates who have not been selected as a finalist should be notified personally. When a candidate has been selected by the Board, a personal call and a letter of appreciation to finalists who were not selected is always preferable.

Step #6: Conduct an Organizational Assessment

Departure defined transitions may be precipitated by or the cause of tremendous organizational disarray. It is important to use the leadership transition as an opportunity to step back and assess the organization's strengths, challenges, threats and opportunities. It is also an opportune time to review the organization's mission, vision, core values, policies and operating procedures.

Benefits of an Organizational Assessment: Implementing an independent, objective assessment of the organization will provide the board with invaluable information that can be used to guide decision making during a leadership transition, including:

- Feedback on organizational strengths and vulnerabilities that should be addressed.
- Knowledge about untapped opportunities that may influence the future vision and direction of the organization.
- Clarity in understanding about immediate and long term leadership priorities. Increased understanding can be used to determine the leadership qualities that will be needed to guide the organization into the future.

Components of an Organizational Assessment: There are numerous approaches to conducting an organizational audit. Most experts agree that an objective audit is best conducted by an outside party. They also agree that a thorough assessment will engage a broad and diverse set of stakeholders including: the departing executive, board members, advisory committee members, employees, volunteers, peer providers and other community based organizations that intersect with the organization. While audits may vary in their structure and format, most will include at least some of the following components:

1. **Review of Organizational Documents:** The first step in assessing organizational functioning is to evaluate whether the essential tools and organizing documents of the organization are up to date. A careful review will include the following documents:

<ul style="list-style-type: none"> ▪ Organization bylaws ▪ Mission statement ▪ Personnel policies ▪ Performance reviews ▪ Balance sheet ▪ Audit and management letter ▪ Organization history 	<ul style="list-style-type: none"> ▪ Articles of incorporation ▪ Strategic plan ▪ Organizational chart ▪ Job descriptions ▪ Budgets for current and past two years ▪ Annual report ▪ List of funders with contact information
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The board may ask the departing executive to revise outdated documents or complete activities (e.g. performance reviews) prior to his or her exit, or they may choose to wait to update documents (e.g. strategic plan) until the new executive arrives. For a sample, see **Exhibit B: Organizational Operations Inventory**.

2. **Board Self Evaluation:** Leadership transitions present a unique opportunity to evaluate leadership at all levels of the organization—and this includes the board. A comprehensive assessment will evaluate individual board member's knowledge about the nonprofit and their level of engagement. Asking board members to complete a self assessment is one approach. There are a number of excellent tools available through Board Source and other resources that can be used or adapted to address your unique organizational structure and needs. See **Exhibit C: Sample Board Self Assessment**.
3. **Organizational Self Assessment:** There are literally hundreds of examples of organizational assessment tools available on the internet that can be used or modified to assess your organizational.

Most audits are designed to be completed by the departing Executive Director and board chairperson. If your organization has hired a transition consultant, he or she can assist with the selection and implementation of the most appropriate tool for your organization. Minimally, the assessment should assess the following areas:

- Mission
- Structure
- People
- Quality
- Relationships with Stakeholders
- Role, niche in community
- Constituent needs
- Board Governance
- Priorities
- Systems
- Leadership
- Results
- Financial stability

For an example, see **Exhibit D: Sample Organizational Assessment**

4. **Staff Survey:** One of the most efficient ways to uncover potential barriers to organizational sustainability during an executive transition is to survey staff. Anonymous surveys produce the greatest candor. This is another area where a transition consultant can step in and help. The survey can be developed and approved by the Leadership Transition Team and then implemented by the Transition Consultant. Employees should be asked to complete the survey and return it directly to the Transition Consultant who will collate feedback and present a summary of general themes to the Leadership Transition Team. As a general rule, streamlined and open-ended surveys yield the best results. For a sample, see **Exhibit E: Sample Employee Survey**.
5. **Stakeholder Interviews:** Stakeholder interviews are another useful strategy that can be employed. Feedback from stakeholders such as public and private funders, individual donors, local leaders who are familiar with the organization and its mission can provide valuable insights about the perception of the organization in the community, how the organization is positioned, and opportunities for growth and development that may have been overlooked. Seeking donor feedback is not only respectful, but essential to securing ongoing support for the organization through the transition.

Sharing Assessment Results: Audit results should be shared by the Chair of the Leadership Succession Team with the Board of Directors for discussion and planning. Results should also be disseminated to staff and other stakeholders who are involved in the transition.

Strategy #7: Use a Strategic Plan to Assess Future Leadership Needs

It is equally important to integrate your organization's strategic plan into your succession plan. If your organization has an updated, written vision statement and strategic plan, developing a succession plan is not a difficult task. If your organization does not have an updated vision statement and strategic plan, then now is the perfect time to develop one.

The reason for updating your strategic plan is simple. Without a strategic plan, how can you know what your future leadership needs will be? In the simplest terms, strategic planning results in a shared vision of what the organization will look like in the future. Only after you have a clear picture of where the organization is going can you fully understand what skills will be required to lead the organization there.

Organizations may question the timing of updating a strategic planning prior to the appointment of a new executive. But without a strategic plan, how can you know what your leadership needs will be?

Strategic Planning: A structured, facilitated offsite retreat will provide an effective forum to conduct strategic planning. Separating people from their daily demands contributes to fresh and forward thinking and can foster candid conversations about important issues. A transition consultant can be an invaluable resource in organizing and facilitating a retreat to meet your specific organization's objectives. He or she can also include an organizational assessment as part of the process.

Components of Your Strategic Plan: There are many different models of strategic planning, but minimally, a strategic planning discussion should include a review of these areas:

- **Mission and Vision** – Is your mission statement current? Does your vision statement reflect where the organization is headed?
- **Future Programming** – Are your programs meeting the current needs of your consumers? Are you prepared to respond to their emerging needs?
- **External Resources** – What external threats and resources will support or detract from future growth?
- **Internal Resources** – What internal talents will drive your mission forward? What internal gaps and challenges will create barriers to future growth?

For an example of one approach to strategic planning, see **Exhibit F: Strategic Planning Questionnaire**.

Identifying Future Leadership Gaps and Needs: A carefully implemented strategic plan will yield valuable insights about current leadership gaps and future leadership needs. Based on the decisions made about the future direction of the organization, the board and executive can begin to address questions such as:

- Is the organization changing rapidly, or is it in need of a shake-up?
- Where are the leadership gaps? Will the organization need an innovator? Program developer? Administrator? Fundraiser? Marketer?
- Who are the natural internal leaders in the organization and how can we nurture them?
- Will the organization need an executive who will lead it in new directions or someone who will maintain what has been built?
- What values must a future executive possess in order to lead the organization?

A future-focused discussion about internal leadership resources will provide a framework for discussion succession issues and inform future planning and activities. See **Exhibit G: Sample Leadership Development and Planning Tool**.

Step #8: Translate the Assessment into a Leadership Succession Plan

Upon completion of the organizational assessment, the leadership succession team should meet with the Board to discuss how the results of the organizational assessment and strategic plan will inform the succession planning process.

Addressing Organizational Challenges: Results from the organizational assessment may uncover organizational vulnerabilities that must be addressed prior to hiring a new executive. Examples might include:

- Financial instability
- An undeveloped or underdeveloped senior management team
- Internal conflicts between leadership and line staff
- Programs that are in jeopardy of losing funding
- Board instability or lack of knowledge about organization operations
- Anticipated funding gaps or fund development challenges

Any of these vulnerabilities have the potential to derail a successful transition if left unaddressed. For this reason, the leadership succession plan should identify all challenges along with specific strategies that will be employed during the transition to overcome them. Strategies might include board development and/or training, securing alternative funding sources, and reducing expenditures to address financial instability. This is another area where a skilled transition consultant can guide the organization in making minor changes to bolster organizational sustainability during a transition.

Identifying Future Leadership Qualities Needed: The strategic plan should inform a discussion about the qualities that are needed in the incoming executive. The desired outcome is a written profile that can be translated into a clear and concise job description.

Identifying leadership requirements should go far beyond educational and experiential requirements. Core competencies should consider the organization's mission, and values as well as the challenges it faces in the present and the opportunities for growth in the future. In addition, the profile should identify qualities that are unlikely to be documented on a resume such as leadership and management style, interpersonal skills, and commitment to diversity.

“The more a search committee understands leadership qualities and candidates, the more likely their decisions will be solid ones.”

Barbara J. Gilvar
The Art of Hiring Leaders

Identification of competencies should also reflect what qualities are critical to the organizations success. For example, a young organization may need a leader who can stabilize the organization's finances and help it grow. A more established organization may require a leader who will explore new opportunities while remaining true to its mission. A mature or ailing organization may need an Executive Director who will advance a new vision to reinvent the organization.

Additional Factors for Consideration:

- Does the organization need someone who will lead much as the current director has, or someone who will take it in new directions?
- Is the organization looking for a visionary? An administrator? A people person? A fundraiser? Or someone who is politically savvy? Which of the skills are most important?
- What values must the new Executive Director believe in, practice and promote?

- What style of management does the organization need? Does the culture require a more traditional (hierarchical) leader, or will it function more efficiently with a more consensus driven leadership approach?
- Does the new executive need to have previous experience in an executive role?
- Does the new executive need to have previous experience working with a nonprofit board?

Of course, no candidate is going to share all of these qualities. Ultimately, you will have to prioritize the strengths and skills that are most important to your organization in the present and near future.

Strategies: Following the steps outlined below will also ensure that the leadership succession team has gathered as much information as possible in the process.

“It’s worth getting the Executive Director’s views, but the board should take it as guidance, not gospel.”
 Merianne Liteman
Planning for Succession

1. **Seek out feedback from the departing executive.** No one is in a better position to understand the challenges that the successor will face than the departing executive. Seek out her feedback about what qualities the departing executive feels will be most important to the organization in the short-term and the long-term.
2. **Focus on the future.** Some outgoing executives may feel a strong pull to hang onto past achievements, or the ‘way things have always been done.’ Remain independent and retain the option to move the organization in a new direction if the organizational assessment and strategic plan reflect the need for change. It is the board’s responsibility, and not the departing executive’s to ensure the success and prosperity of the organization.
3. **Interview key staff members.** Staff members are likely to seek qualities that may have been missing in the departing executive, or overlooked by the board and the Executive Director. The more involvement staff members have in identifying the characteristics they’d like in a successor, the more likely they will be to support the new executive.
4. **Look for a balance in leadership skills and management skills.** Much has been written about the qualities that make a strong leader and the qualities that make a good manager. In most circles, strong leaders are visionaries who see the big picture, while managers have a keen focus on day to day issues. Finding a candidate with the right blend of leadership and management skills is often the greatest challenge that organizations face in hiring a new executive. Knowing which skills are critical to the organization is critical to selecting the right person for the job.
5. **Thoroughly consider and rank required leadership qualities.** It is unlikely that an organization is going to find a candidate who possesses every leadership quality or even the perfect match of leadership qualities that the organization needs. For this reason, it’s important to rank and prioritize which qualities are most important to the organization. **See Exhibit H: Leadership Qualities Assessment.**

“Good leaders know their own strengths and weakness and hire people with complementary interests and skills.”
 - Barbara J. Gilvar
The Art of Hiring Leaders

Step #9: Conduct an Executive Search

Now that the Leadership Transition Committee has conducted a thoughtful organizational assessment and developed a compelling executive position description, your organization is ready to begin the search process. Most search experts recommend a broad based approach focused on recruiting a diverse pool of candidates. If your organization has not retained a transition consultant or search firm, you will want to be as organized as possible. Key steps in the search process are outlined below:

1. **Create an organizational position description for the new executive.** Every nonprofit organization wants to attract the most talented candidates. A position description provides an opportunity for the organization to introduce itself to new talent. In many ways a position description is a resume for the organization. Ideally, it provides a broad overview of the organization and integrates everything that the team has learned from the organizational assessment. It should present an accurate portrayal of the organization that emphasizes positive aspects and goals, but doesn't minimize challenges. **The position description should also include an updated job description for the executive.** A description of what should be included in a position description is provided in **Exhibit I: Organizational Position Description.**
2. **Decide on the scope of the search.** The board should decide whether it will conduct a local, regional, or national search. A national search may be more time consuming, but it will produce a larger pool of candidates, and may save time and money in the end.
3. **Identify a point person.** Conducting an executive search is a long process that involves many decision points that are not improved by group decision making. If your organization cannot hire a transition consultant, then select one person on the Leadership Transition Committee to lead the search process. The person selected should be someone who will be prudent in sharing information about prospective candidates and ensure that information is only shared on a *need to know* vs. a *want to know* basis.
4. **Develop a realistic budget and timeline.** Searches cost money. In addition to the expense of hiring a search firm or consultant, and expenses associated with hiring an interim Executive Director, additional expenses that should be considered include: advertising fees, candidate travel expenses, and out-of-pocket expenses. It takes an average of 3 -6 months to conduct a thorough search. Given the importance of the decision, the leadership transition committee would be wise to develop a reasonable timeline that includes tasks and activities. **See Exhibit J for a Sample Executive Search Timeline.**
5. **Develop an Outreach Campaign.** This is the most time consuming part of the process, and it requires persistence and patience. The best approach is to cast as wide a net as possible in trying to identify a pool of candidates. Most successful searches work to ensure flexibility in thinking about candidates while welcoming diversity. A variety of outreach strategies should be used, including:
 - **Networking** – Brainstorm a list of relevant people, organizations, associations, coalitions, educational institutions, certification and licensure bodies, and lobbyists to enlist in the search. Don't forget to enlist the support of your supports as well as your major funders.
 - **Announcements** – Mail an announcement along with the position description to as many people the committee can think of and can afford to contact through a mailing. Include

“A plan for outreach which includes many different avenues means that a committee will not find itself stuck when one strategy is not fruitful.”

Barbara J. Gilvar
*The Art of
Hiring Leaders*

all of the stakeholders identified during your brainstorming.

- **Advertising** – In addition to posting in newspapers, and professional journals, target special publications that reach diverse populations.
- **Referrals** – Enlist board members in making calls to their professional contacts to get the word out. Staff members can also be a good source for getting the word out—provided they have access to adequate and accurate information about what the committee is looking for and how the search will proceed.
- **Internet Postings** – Use online search sites to post the position, especially search engines that are linked to professional associations that your organization is affiliated with.
- **Emails and List Serves** – Online networking is an inexpensive way to get the word out about a job opportunity. The impact is exponential.

Executive searches take so much time that it is easy for them to escape into the rearview mirror.

To keep your search on target, make sure to assess progress weekly.

6. **Screen potential candidates.** If the board has hired a transition consultant, he or she will likely facilitate this task. If no transition consultant is involved, reconvene the committee to review resumes and materials. The goal of this step is to compare the qualifications, skills and experiences of the candidates against those identified in the profile. A good approach is to provide the committee with a list of evaluation criteria so that everyone is looking for the same things. Dividing the pool into categories (e.g. a yes category, a no category, and an undecided category) will simplify the process.

7. **Prepare for and conduct interviews.** Candidates who meet predefined qualifications should be interviewed initially by phone. The purpose of the phone interview is to seek out any missing information, further assess the candidate’s interest, and review qualifications against the organization’s needs.

Results from telephone screenings should be shared with the committee so that a select group of candidates can be identified for inperson interviews. It’s always a good practice to send prospective candidate information regarding the organization— organization bylaws brochures, annual reports, the position statement and a job description. A fully prepared and interested candidate will ultimately save the committee time.

In person Interviews: The committee should also outline a process and list of questions to be used during inperson interviews. Make sure that questions are vetted with legal counsel. Respect that interviews are a way for candidates to interview the organization to assess a match with their interests. The committee chair should moderate the interview. Initial interviews should be no more than one to one and one half hours. The committee chair should be prepared to explain next steps and a search time frame at the close of the interview. After the interviews are complete, the search committee should narrow the select group of candidates for board approval.

8. **Interview finalists and make a selection.** The board’s selection of the next executive will be the most important decision they make. Ensuring that the board is fully prepared for final interviews, and that the board understands their role, is the responsibility of the committee chair and/or transition

Key Points to Cover in Screening:

- What are the candidate’s career objectives?
- Is this person a good fit with what the organization offers?
- What can you learn from the job history? How similar is the candidate’s current organization to your organization?
- What assets does the candidate bring?
- Has the candidate changed jobs frequently?
- Are there gaps in work history?
- Does the candidate have the appropriate experience and education?
- What questions does the committee have?

consultant. The Board Chair should lead interviews that include a prepared list of questions, but also allow opportunities for board members to pursue unanticipated areas of interest. It is also important to make sure that finalists are provided with adequate information to inform their decision. It is not uncommon for organizations to provide finalists with:

- copies of organization financial statements
- strategic plans
- profiles of board members
- a list of staff
- an employee handbook
- benefits information.

Site Visits: If possible, final interviews should be combined with a site visit to the organization. Onsite visits provide a unique opportunity for finalists to experience the organization first hand. Visits also allow staff to interact with finalists and share their feedback. It is important not to avoid the tendency to over-schedule site visits as this will test the fortitude of even the most promising finalist.

9. **Check references.** Your finalist should be asked to provide a list of references. When handled respectfully, checking references can provide a balanced assessment of previous performance from people who know and have worked with the finalist.
10. **Conduct background investigations.** Checking academic degrees, professional credentials, employment history and conducting criminal background checks are essential tasks in the hiring process and are not to be overlooked. It is best to hire a firm that specializes in conducting background checks to complete this important task for you.
11. **Reach consensus on a new chief executive offer.** At the conclusion of site visits, the Leadership Transition Committee, transition consultant and board should reconvene to discuss and rank the finalists. After considering feedback from the committee and the consultant, the board is responsible for making a final decision on which candidate is the best match for the organization.

The board should then authorize the Board President to meet with the candidate to offer the position and negotiate the conditions of employment, such as:

- compensation package
- start date
- relocation assistance package (if appropriate)
- schedule frequent check-ins during the first year (three, six and nine months)
- date of first job performance evaluation
- a list of job performance goals and
- any other arrangements

12. **Closing the Deal:** If the organization has retained a transition consultant or search firm, the consultant can be invaluable during this phase of the process. A consultant can offer recommendations on a compensation package that are based on local, regional and national industry standards. A consultant can facilitate discussions with the new executive and assist in overcoming barriers that may arise. It is not uncommon for candidates to walk away from job offers because of the way the board handled negotiations on compensation. Negotiations at this pivotal juncture should be handled with great care. They will have an immediate and possibly long-term impact on the relationship between the board and the new executive. Great care should be taken to ensure

Negotiations at this pivotal juncture should be handled with great care. They will have an immediate and possibly long-term impact on the relationship between the board and the new executive.

that both the board and the incoming executive feel heard, understood, and respected.

Letter of Appointment: When an agreement on terms is reached, the board should present the candidate with a letter of appointment that verifies the agreement between the new executive and the board. The purpose of the letter of appointment is to provide assurance to the new Executive Director that it is okay to give notice to his or her employer. An attorney should assist with drafting the letter.

Employment Contracts: Experts agree that there is no correct answer to the question of whether to offer the new executive a contract. The answer will ultimately depend on state laws and local industry standards. We recommend that organizations discuss the use of an employment contract with the organization's attorney.

Strategy #10: Announce and Celebrate the Leadership Succession

Perhaps the most important step in a departure defined transition is the announcement and celebration of the leadership transition. This is especially true for long-term and founding executive transitions. Creating a good ending and new beginning requires careful staging and attention to detail. Recommendations include:

Honoring the Departing Executive: It's easy for boards to get so caught up in the details of hiring a new executive that they neglect to recognize the departing Executive Director. Identifying ways to honor the legacy of the outgoing executive should be an equal priority. Staff can be a tremendous asset to this process if the board enlists their support. One successful approach is to form a separate volunteer committee to identify creative ways to honor the departing executive in a way that also preserves the history of the organization. This process should be conducted concurrently with the search for the new executive.

Staging the Announcement of the New Executive: If internal candidates were being considered for the position, they should be notified in person prior to a public announcement. If possible, the new executive and the departing executive should be present at the announcements, which should be made by the Board Chairperson. The management team and senior staff should be notified first. Then an announcement should be made to the entire staff. Establishing a positive entrance is critical for staff, the incoming executive and the departing executive. Boards may choose to combine the staff announcement with a special lunch or other celebratory activity.

Notifying Stakeholders and the Community: After staff has been notified, a press release can be disseminated to the media. The press release can also be used to announce the new executive with the funders, volunteers and other stakeholders. The Leadership Transition Team should prepare a list of any individuals who should receive a personal call to announce the new executive.

Orienting the New Executive: To ensure a smooth transition, the Leadership Transition Team should organize a thoughtful orientation for the incoming Executive Director. Minimally, the orientation should include:

- Individual meetings with each board member
- Individual meetings with the management team
- Meetings with primary funders and supports, accompanied by the Board Chair, if possible
- Interviews with organization constituents
- Meeting with the board's personnel committee and finance committee to discuss any current issues or needs that must be addressed
- Particular attention needs to be paid to incoming executives who are new to the community.

A transition consultant can support the transition by developing a formal transition plan that ensures the new Executive Director is fully prepared to lead the organization.

Ways to Honor a Departing Executive:

- Name a facility or room in his or her name.
- Create an endowment in his or her name.
- Award scholarships or paid internships in his or her name.
- Establish an annual award to be given in his or her name.
- Create a pictorial remembrance board that is posted prominently in the organization.

Special Considerations for Founding Director Transitions:

Many defined transitions involve founding or long-term executives. The increasing rate of founding director transitions is a cause for concern in the nonprofit sector. Founding directors bring a rare combination of passion, commitment and vision that nonprofit organizations need in order to prosper and thrive.

Supporting a Departing Founder: For these reasons and more, it is critical to celebrate the work of founding directors and to invest in successful transitions that honor and protect their legacies. While there is no simple recipe for founding director transitions, organizations can support a successful founding director transition in many ways:

- **Address board anxieties head on.** Some boards may feel a sense of panic when a founding director announces his or her retirement. It is not uncommon to question whether the organization can survive without the founding director, or to envision a new executive capable of following in the founder's footsteps. Some boards may entertain the notion of inviting the departing executive to sit on the board after the transition – a decision that may undermine the incoming executive. It's important to acknowledge the risks inherent in a founding director's departure. Only then can the board create a meaningful plan to address those challenges.
- **Address staff anxiety.** Staff anxiety will be greatest when a founding director resigns or retires. If left unattended, this anxiety can become disruptive to staff productivity, and may even result in turnover of senior staff. Providing staff with a safe and appropriate forum to voice their questions and concerns will provide a safety valve for staff anxiety and may provide valuable information that the board can use in forming the transition plan. Care should be taken not to set an unhealthy precedent of direct communication between staff and board members. A transition consultant may be a more appropriate facilitator for the process.
- **Provide founding directors with time to tend to private and personal issues.** Encouraging founders to take the time required for personal reflection and assessment will ensure that they make good decision about their future.
- **Address the unique barriers and challenges that founding directors face.** Founding directors have a unique connection with their organizations that makes it inherently more difficult to detach and let go. Open and frank discussion about this struggle will avoid misunderstandings and hurt feelings.
- **Include the departing executive in key decisions when appropriate.** Founding directors will have strong opinions about the future of the organization – and those opinions should be heard, understood and valued. Thoughtful transitions will provide many opportunities to consult with the departing executive, while retaining the board's right to make independent decisions.
- **Ensure that the founder's unique contributions are not lost.** One approach that has worked in organizations is to encourage a departing founder to draft a legacy document or plan that describes the history, mission and accomplishments of the organization along with the values and vision the founding director believes will sustain the organization in the future.

Frequently Asked Questions (FAQs): *Departure Defined Transitions*

Q: I am a founding Executive Director who is considering retiring. How do I break it to my board?

A: The approach you take should consider several factors, including: (1) the strength of your relationship with the board; (2) the current health of your organization; (3) the strength and stability of your board; and (4) your personal needs and future plans. For most executives, the best approach is to open up a dialogue early in your decision making process. This will allow board members adequate time to address anxieties they may have and to become engaged in the leadership transition process. A transition consultant can be an invaluable guide to you during your decision making and planning process.

Q: What role does the departing Executive Director have in the transition process?

A: Departing executives have a unique perspective that should be heard, understood and respected. A good transition plan will provide many opportunities for the departing executive to express his or her opinions, insights and values about the current status of the organization as well as future opportunities. Boards will be wise to encourage departing executives to participate in the process. At the same time, boards should be clear that they have the responsibility for making independent decisions.

Q: Our organization has a number of financial and programmatic challenges. When and by whom should they be addressed?

A: One of the goals of departure defined transition planning is to uncover unaddressed organizational challenges and address them head on. Challenges may include fiscal deficits, personnel issues, mission drift, and occasionally even more serious problems. This is a common experience that should not be feared, but addressed openly so that action can be taken to stabilize and strengthen the organization prior to introducing a new executive.

Q: Should we offer the incoming Executive Director an employment contract?

A: There is no correct answer to this question. Some organizations may have a history or precedent for establishing employment contracts with their executives. Other organizations may avoid this strategy. We encourage organizations to consider state laws, local trends, industry standards, and to consult with their attorney about the benefits and risks of this practice.

Q: Should we offer the departing founder or executive a position on the board?

A: There is no correct answer to this question, either, but boards would be wise to carefully consider the advantages and risks inherent with the decision. Founding directors have a historical perspective of the organization and strong connections with organization funders and stakeholders that may be at risk during a transition. However, placing a departing executive on the Board of Directors creates many challenges for the incoming Executive Director, and may ultimately undermine his or her authority. It may be best to allow a reasonable amount of time to pass (e.g. 12 months) before the departing executive assumes a board role in organization.

Q: What about hiring an internal candidate to replace the departing executive?

A: Internal candidates should be encouraged to apply on their own merits. However, they should not be given preferential treatment in the search process, and boards should avoid the tendency to automatically assume that internal candidates are the best match for Executive Director job. A thoughtful transition plan should include a comprehensive executive search that casts as a wide net to recruit a sufficient pool of candidates and make sure that the person who is hired is the person who really earned the job.

Resources

A number of articles, monographs, toolkits and other resources were used in the development of this toolkit. Citations and acknowledgements have been included in the text where it was possible to do so without disrupting the flow of information. A complete list of resources is provide below for future reference.

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About CompassPoint Executive Transitions: Executive Transitions is part of the Executive Leadership Services unit of the CompassPoint Nonprofit Services, an organization that has served the training and consulting needs of Bay Area nonprofits for more than 25 years. The consultants of Executive Transitions are a carefully recruited team of experienced nonprofit executives. They have received special training in executive transition management (ETM) and executive search. Many also serve on boards of directors for area nonprofits. Tim Wolfred serves as director of the program, which has provided support for more than 160 nonprofit organizations in transition since 1978. They can be reached at: www.compasspoint.org.

About TransitionGuides: TransitionGuides is a leader in the development and delivery of executive transition management (ETM) services around the country. It is a collaboration of experienced consulting firms with extensive track records in working with nonprofit organizations and leadership transitions. The TransitionGuides team offers a full range of ETM services to nonprofits in the Mid-Atlantic region and nationally and has collectively provided executive transition assistance to over 200 nonprofit organizations. Tom Adams is the president and senior managing partner. Tom can be reached at www.transitionguides.com.

About Leading Transitions: Leading Transitions strengthens non-profit organizations through assessment, education and empowerment of leadership during periods of transition and change. Leading Transitions uses time-tested, healthy principles to work with Executive Directors, boards of directors and senior staff to increase their operating capacities. Committed to the future vitality of non profit organizations, Leading Transitions recognizes the inherent challenges in leadership succession, fund development and executive support. The practice has been refined to provide the flexibility necessary to adapt to the intricacies and dynamics of any non-profit organization. They can be contacted at: www.leadingtransitions.com.

Exhibit A: Executive Transition Communication Plan

Executive Transition Communication Plan	
1.	Who will be in charge of communicating with stakeholders? Board Chair? Search Committee Chair?
2.	<p>Identify key messages. Clear and concise communication will foster greater consistency and make communicating the transition easier. The following questions may help in forming your message.</p> <ul style="list-style-type: none"> ▪ What is the precipitant of the transition? ▪ What is the purpose of the transition? ▪ What is the anticipated duration of the transition? ▪ What are the priorities for the departing Executive Director? ▪ How does the transition advance the mission of the organization? ▪ What are the next steps? ▪ When can follow-up communication be expected? ▪ Include an affirmation of Board of Directors’s commitment to organization stability.
3.	Anticipate questions. These will depend on the organization and the situation that precipitated the transition. For example, in the event of a health crisis for the departing Executive Director, what information will be shared with the public?
4.	<p>Identify the most efficient methods to communicate. The most effective method will often vary for each constituent. A thoughtful plan will identify the best method to communicate with each type of stakeholder. Options include:</p> <ul style="list-style-type: none"> ▪ In person ▪ Phone ▪ Email ▪ Written correspondence ▪ Newsletter ▪ Press release
5.	<p>Identify the stakeholders. Engage a number of staff and board members in the identification of the key stakeholders to contact. This will ensure that no stakeholder is overlooked.</p> <ul style="list-style-type: none"> ▪ Volunteers ▪ Grant Management/Government Contract Officers ▪ Private Foundations ▪ Major Individual Donors ▪ Community-based Collaborators ▪ Civic Leaders ▪ Local Media ▪ Vendors
6.	Identify timeline for follow-up communication. Often, communicating and emergency leadership transition isn’t an event, it’s a process. Determine early what follow-up is required, how often, when, and in what format.

Exhibit B Organizational Operations Inventory

Nonprofit Status:

IRS Determination Letter
IRS Form 1023 –
Mission Statement
Board Minutes

Financial Information:

Employer Identification Number (EIN #): _____
Current and previous 990s
Current and previous audited financial statements
Financial statements
Sales Tax Exemption Certificate
Blank checks
Computer passwords
Donor records
Client records
Vendor records
Volunteer records
Or where those records can be easily accessed

Key Contacts:

Bank Name:

Account Number(s)
Branch Contacts:
Account Number(s):
Phone: Fax:
Email:

Investment Firm:

Financial Planner/Broker:
Representative Name:
Account Number:
Phone: Fax:
Email:

Legal Counsel:

Contact Name:
Account Number:
Phone: Fax:
Email:

Payroll Contact:

Contact Name:
Account Number:
Phone: Fax:

Email:

Office Lease:

Contact Name:
Account Number:
Phone: Fax:
Email:

Building Management/Maintenance:

Contact Name:
Phone: Fax:
Email:

Security System Consultant:

Contact Name:
Account Number:
Phone: Fax:
Email:

Insurance Contacts:

General Liability:

Contact Name:
Account Number:
Phone: Fax:
Email:

Directors and Officers Liability:

Contact Name:
Account Number:
Phone: Fax:
Email:

Health Insurance:

Contact Name:
Account Number:
Phone: Fax:
Email:

Unemployment Insurance:

Contact Name:
Account Number:
Phone: Fax:
Email:

Workers' Compensation:

Contact Name:

Account Number:
Phone: Fax:
Email:

Disability Insurance:

Contact Name:
Account Number:
Phone: Fax:
Email:

Life Insurance:

Contact Name:
Account Number:
Phone: Fax:
Email:

Dental:

Contact Name:
Account Number:
Phone: Fax:
Email:

Long Term Care:

Contact Name:
Account Number:
Phone: Fax:
Email:

Retirement Plan:

Contact Name:
Account Number:
Phone: Fax:
Email:

Name of person completing this document: _____

This information last updated on: _____

*Components of the Operations Contact Inventory were developed using sample templates created by the Center for Nonprofit Advancement (www.nonprofitadvancement.org).

Exhibit C: Sample Board Self Assessment*

Sample Board Self Assessment				
How satisfied are you that the board . . .	Not Satisfied	Somewhat Satisfied	Satisfied	Very Satisfied
1. Understands the mission and purpose of the organization.				
2. Ensures legal compliance with federal, state and local regulations?				
3. Ensures that government contract obligations are fulfilled?				
4. Has a strategic vision for the organization?				
5. Is knowledgeable about the organizations' programs and services?				
6. Monitors the executive's performance on a regular basis?				
7. Provides financial oversight, including adopting a good budget?				
8. Monitors financial performance and projections regularly?				
9. Has adopted a fundraising strategy to ensure adequate resources?				
10. Has clear policy on fundraising responsibilities of board members?				
11. Acts as ambassadors to the community for the organization and its clients?				
12. Understands the role volunteers play for the organization and the organization's philosophy of volunteer management?				
13. Understands the respective roles of the board and staff?				
14. Currently contains an appropriate range of expertise and diversity to make it an effective governing body?				
15. Effectively involves all members in board activities and responsibilities?				
16. Regularly assesses its own work?				

*Borrowed from Executive Transitions Toolkit. Executive Transitions. CompassPoint.

Exhibit D: Sample Organizational Assessment*

CompassPoint's Organizational Assessment: Fifty Questions:

In assessing an organization's strengths, stakeholders are asked questions relating to various management functions, such as governance and programs. Getting more than one person's perspective in each arena is helpful to forming a more complete picture of how the organization is performing. The sum of the information indicates how well the organization is functioning in each major area of its work. The questions suggested below were compiled from various organizational assessment protocols.

For each of the following areas, two key questions should be asked:

1. What are the strengths and assets of the organization in this area?
2. What are the problems? How do the problems affect the search for a new executive?

Mission & Planning

QUESTIONS

1. Do you have a well-publicized mission statement that adequately states your organization's purpose?
2. Have you made explicit the shared values & beliefs that guide the organization & its members?
3. Is there agreement on who are the priority clients that the organization should be serving?
4. Is there an annual planning process to set goals & budget? A multiple-year strategic plan?

Executive Director

QUESTIONS

1. How often is she/he evaluated by the Board? When was the last one done?
2. Does she/he have current performance objectives?
3. When was the last skill development activity she/he participated in?
4. Do you have a leadership succession plan?

Programs

QUESTIONS

1. What mechanisms are in place to assess client satisfaction & client needs?
2. Are all programs of good quality and support the organization's mission?
3. How are your programs evaluated?

Staff

QUESTIONS

- Is the organization able to attract and retain qualified, diverse, competent and committed employees?
- Do all employees have up-to-date written job descriptions? Annual performance reviews?
- Is there a professional development plan in place for all employees?
- How are staff recognized and rewarded for good performance?
- How is the cultural competence needed to serve the diversity of your clientele assured?

Volunteers

QUESTIONS

- Who on staff is responsible for volunteer recruitment and retention?
- Do you have an adequate number of volunteers?
- Do volunteers have written job descriptions?
- How are volunteers recognized for service?

Financial Management

QUESTIONS

- Are you satisfied with the quality of the monthly finance reports to the Board?
- What is the Board's role in the annual budget development? Budget modifications?
- Were there any "going concerns" cited in the last external audit?
- Do you have an operating reserve? Have you had any cash flow problems?

Funding

QUESTIONS

- Are any of your revenue streams likely to drop dramatically soon?
- Are you aware on any new sources of support developing for your programs?
- What percentage of your income is from government sources?
- What percentage of your budget is allocated to administration & fund raising?

Private fund raising

QUESTIONS

- Is there an annual fund raising plan in place?
- Does the Board have a fund raising goal for itself?
- How many donors are listed in your fund raising database?
- Do you have a marketing plan for the organization? Publicity materials?

Human Resources

QUESTIONS

- Which staff member is in charge of personnel matters?
- Do you have written personnel policies? When were they last updated?
- Have you had in-service trainings for Board & staff on areas of potential liability such as sexual harassment?
- Is your salary structure & benefits package competitive?
- Do you have a progressive discipline policy in place?

Facilities & technology

QUESTIONS

- Are your facilities adequate for quality service provision & staff comfort & productivity?
- Do you have a voice mail system? a computer on every employee's desk? systems networked?
- Does your organization have a home page on the Internet?

Leadership

QUESTIONS

- Has the management team created an environment in which all personnel feel supported & motivated to produce quality results?
- Is leadership for the mission of the organization a responsibility shared by all staff & board?
- Does the organization take a leadership role in the community for its constituencies and in fostering cooperation among peer organizations?

Relationships

QUESTIONS

- Is there a trusting climate in which people feel free to express unusual or unpopular views?
- Are all employees committed to working effectively as a team? All departments?
- Is there a supportive culture in which conflicts are constructively resolved? Are problems solved?
- Are the organization's decision making procedures explicit and inclusive?

*Borrowed from Executive Transitions Toolkit. Executive Transitions. CompassPoint.

Exhibit E: Sample Employee Survey*

The Board of Directors seeks your assistance in deciding what skills they should seek in the next Executive Director. Your responses to this survey will be used in drafting the profile the Board will look for in candidates for the job.

Please complete this survey and return it to your transition consultant in a sealed envelope. Your responses will be anonymous; you do not need to put your name on the survey. The results will be compiled and presented to the Board by a consultant hired to assist the Board in the executive transition. If you have questions about the survey, please contact _____ at _____

A. What are three top values that your organization holds that are critical to your mission?

- 1.
- 2.
- 3.

B. What are your top three on-the-job achievements over the past 12 months?

- 1.
- 2.
- 3.

C. What are the three greatest barriers to your getting your job done?

- 1.
- 2.
- 3.

D. What are the three greatest barriers to the organization accomplishing its mission?

- 1.
- 2.
- 3.

E. What are the top three skills that the next Executive Director will need to have in order to be successful?

- 1.
- 2.
- 3.

Thank you for your assistance!

*Borrowed from Executive Transitions Toolkit. Executive Transitions. CompassPoint.

Exhibit F: Strategic Planning Questionnaire*

Strategic Questions:	Answers:
Current Assessment:	
1. What are the organization’s strengths and accomplishments?	
2. What critical challenges are you facing now?	
3. How does the organization compare to peer organizations that have similar goals?	
4. Has the organization experienced recent turnover in staff?	
5. Has the organization experience recent turnover in Board?	
6. What makes the organization unique?	
7. How well does the organization meet the needs of your current constituents?	
8. Who are your current stakeholders? What are they saying about your organization now?	
Organizational Culture:	
9. What is your organization’s vision?	
10. What are the core values of your organization?	
11. What behaviors are expected?	
12. What personal attitudes and work style complement the organization?	
13. How does the Board see its role in the organization? With the Executive?	

Strategic Questions:	Answers:
Future Vision:	
14. Where do you want the organization to be in 3-5 years?	
15. What size budget and staff should the organization have?	
16. What scope of programs?	
17. What could you do differently to attract new constituents?	
18. What challenges might you be facing in 3-5 years?	
19. Where will future resources come from?	
20. What might need to be eliminated to make room for new projects?	
21. How would you like stakeholders to view your organization in 3-5 years?	
Future Leadership Resource Needs:	
22. What investments need to be made to ensure the organization’s viability?	
23. What resources are needed to launch new initiatives?	
24. What background and skills do you need on the board to address current and future challenges?	
25. What background and skills do you need from staff to address current and future challenges?	
26. Do you have people resources now to address those critical competencies? If so, how do you retain them? If not, how do you attract them?	
27. Do you have an emergency leadership transition in place? Are you prepared for an unanticipated leadership vacancy?	

Strategic Questions:	Answers:
28. What are the Executive Director's professional and personal plans for the next five years?	
29. Are there key staff people whose plans should be considered also?	
30. Has the board identified a potential successor to the Executive Director?	
31. What would a successful leadership succession look like?	
32. What actions must be taken to prepare the board and staff for the challenges that lie ahead?	

*The development of the Strategic Planning Questionnaire was informed by guidelines established by the Illinois Art Alliance Foundation and Arts & Business Council of Chicago © 2003.

Exhibit G: Sample Leadership Development and Planning Tool

Position	Future Candidates	Strengths	Development Needs
President/CEO			

Management Team			

Exhibit H: Leadership Qualities Assessment*

Leadership Qualities:	N/A 0	Not Important 1-3	Important 4-6	Critical 7-10	Top Five
Mission Match: Values Evidence of commitment					
Education Requirements: BA/BS, Masters, PhD, MBA Certifications					
Executive Experience: Number of years Size of organization Board experience					
Management Experience: Number of employees Scope of experience Planning and organizing skills					
Leadership Experience: Track record Knowledge about best practices Standards for performance Human resource experience					
Leadership Style: Inspiring Visionary Mentoring					
Financial Management: Size of budget Role and responsibility Fiscal planning					
Stakeholder Experience: Knowledge about stakeholders Connections Committees Diversity					
Management Style: Consensus driven Decisive Delegating Innovative Flexible					
Community Involvement: Evidence of collaborations Lobbying and advocacy Professional associations Committees and memberships					

*Adapted from *A Guide to Executive Search: Discovering Leaders of the Future*, Alliance for Children and Families, 2000.

Exhibit I: Organizational Position Description

Barbara Gilvar in *The Art of Hiring Leaders: A Guide for Nonprofit Organizations* suggests that a position description should be 2-4 pages and cover the following areas:

1. **Introduction** – Create a compelling statement that reflects the current status of the organization, the target population served, the programs and services provided and the opportunities that the board sees for future growth.
2. **Mission and History of the Organization** – Include the organization’s mission statement, vision statement, the date of incorporation and a brief history of organizational accomplishments and milestones.
3. **Strengths** – Highlight financial and program stability, outputs and outcomes and achievements. Include successes from the departing executive’s tenure. Incorporate feedback on strengths shared by community stakeholders
4. **Goals** – List several broad short and long term goals for the new executive. Current and future challenges should be reflected in the goals in broad terms. Leave the detail for individual interviews. Consider each of the major functions of the executive role – board and volunteer development, fiscal oversight, fundraising, program development, personal management, ad public relations. If a major fundraising appeal or capital campaign is planned, include a description.
5. **Programs** – Describe the organization’s major program areas, outcomes and successes. Include what makes the organization’s programs unique. Include a description of the organization’s facilities and resources.
6. **Organizational Structure** – Describe the board: the number of members, the committees, board tenure, and a description of board involvement with fundraising. Include information about senior management structure and the total number of employees and their qualifications.
7. **Finances** – Provide a brief overview of the annual budget, sources of revenue and expense areas. Describe resources available to support fund development.
8. **Required Experience** – Describe in broad terms the level and type of experience that is required of the new executive. Include any absolute requirements, but be careful not to limit possibilities.
9. **Leadership Style/Personal Qualities** – Describe the top five leadership qualities that you identified when completing the leadership qualities assessment.
10. **How to Apply** – Explain where, who, and how candidates can apply. To maintain confidentiality, applications should be forwarded to the chair of the Leadership Transition Committee or preferably to the transition consultant if there is one. Briefly explain the screening and interview process and provide an estimated timeframe.

Exhibit J: Sample Executive Search Timeline*

Sample Executive Search Timeline	
Search Tasks	Target Timeline
1. Initial meeting of Leadership Transition Committee to plan search.	
2. Completing the organizational assessment.	
3. Developing a search budget.	
4. Recruitment of search firm / Transition Consultant.	
5. Develop leadership profile of new executive.	
6. Announcing and advertising the position.	
7. Recruitment of potential candidates.	
8. Application due dates.	
9. Review and screening of resumes.	
10. Telephone interviews of potential candidates.	
11. Initial interviews by Leadership Transition Team.	
12. Reference and background checks.	
13. Final candidate interviews with the board when necessary.	
14. Selection of new executive by the board.	
15. Contract negotiations.	
16. Announcement to staff and public.	

*Adapted from *A Guide to Executive Search: Discovering Leaders of the Future*, Alliance for Children and Families, 2000.

