

# Planning for Leadership Succession: Success Strategies & Live Case Studies

4/16/13, 8:00 – 10:00 am

Hill Auditorium, Woodruff Arts Center



**Leadership Series Event, Mary Bear Hughes,  
Senior Consultant, GCN Nonprofit Consulting Group**

# What IS Succession Planning?

- **Strategic Planning**
  - Planning for future talent and leadership needs of your organization
- **Emergency Planning**
  - A written, board-adopted plan for what takes place when an ED will be out temporarily or leaves unexpectedly
- **Departure-Defined**
  - The CEO plans to retire in 6 months-to-five years

Building Leaderful Organizations: Succession Planning for Nonprofits. 2008. Tim Wolfred, CompassPoint and the Annie E. Casey Foundation

# What **ISN'T** Succession Planning?

**A succession plan does not need to identify who will assume *permanent* leadership.**

# Succession: Strategic Planning

- **IDs Talent and Leadership Needs**
- **Includes specific employee development programs**
- **Anticipates operational needs to support organizational strategy and program growth**
- **Results in a stronger organization: execution of the strategic plan and the capacity for enduring unexpected change.**

# Succession: Emergency Planning

- **“I’m in charge here.” ?**
- **Written guide for a short- or long-term absence of the CEO – planned or unplanned**
- **For the unanticipated departure of the CEO**
- **Includes who leads, scope of authority, clear agreement on what happens if the departure is permanent**

# Succession: Departure Defined

- **Anticipated departure of the CEO in 6 months-to-several years**
- **Preparing a plan for the transition – preparation, hiring, transitioning**
- **Examining the strategic plan for changes in priorities**
- **Preparing staff by increasing their leadership and skills**

# This Topic is Not New

1999 CompassPoint report pointed to leadership gaps arising from Baby-boomer retirements, and therefore need for succession planning

**2006**

**Just 29% of executives have *discussed*  
a succession plan with their boards.**

Daring to Lead 2006, A Joint Project of CompassPoint  
Nonprofit Services and the Meyer Foundation



# 2008

- **Succession in nonprofits is a national challenge**
- **There is a strong interest in reducing the risk of leadership change**
- **Several executive directors shared that succession is a “stay awake at night” concern**

Gary Dietrich, Northway Consulting Group, 2008

# 2011

## After 15 years of attention:

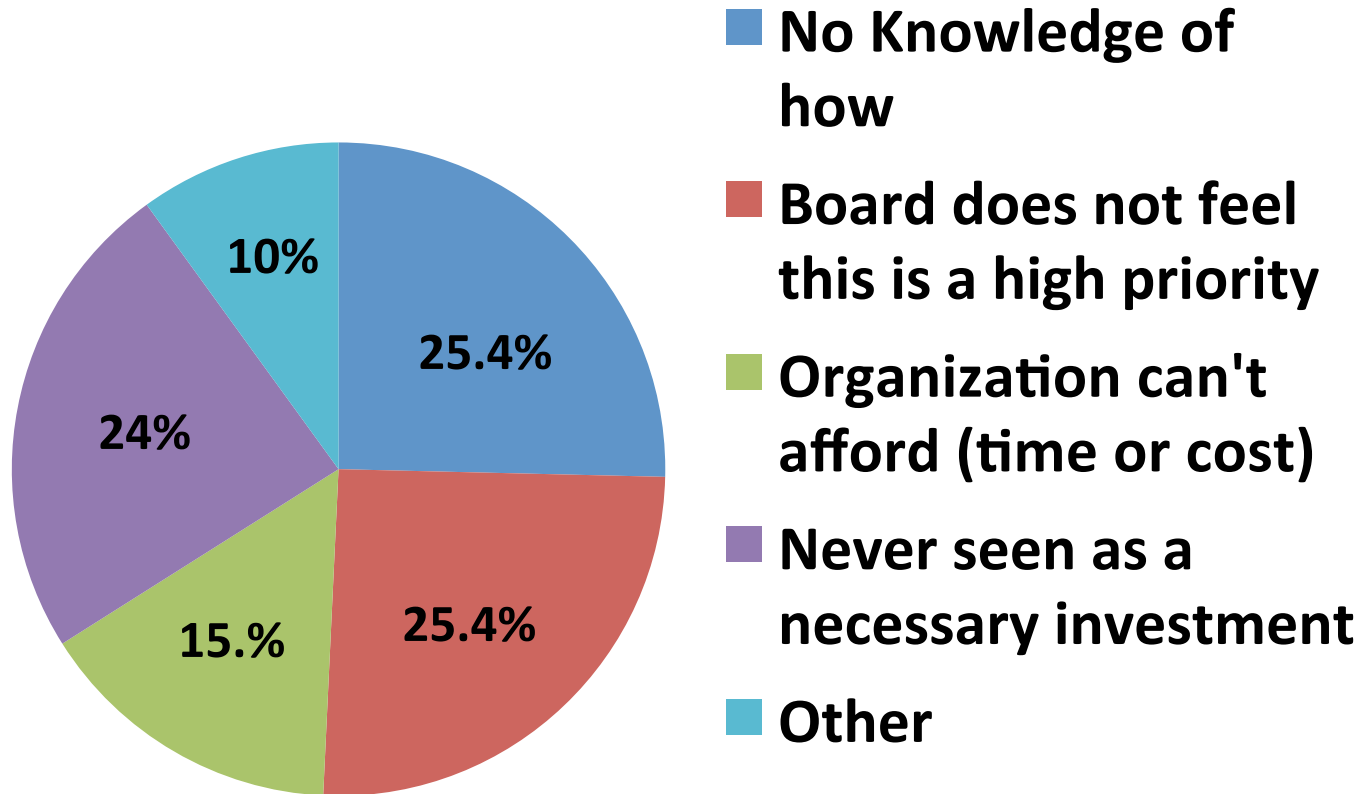
- **Key proven practices not widespread**
- **EDs & boards still reluctant to talk proactively**
- **17% of organizations have a documented succession plan (Nationally)**

# Succession Planning Survey 2013

## Community Foundation for Greater Atlanta

- **73%** of Greater Atlanta nonprofits have no written succession plan in place
- **69%** have no emergency success plan in place
- **Nearly half** indicate they lack the knowledge to create a plan

# No Emergency Succession Plan. Why?



Succession Planning Survey, 2013,  
Community Foundation for Greater Atlanta

# There's Good News

“Succession planning is a high priority for our organization. As the founder, nothing would make me happier than for our organization to be stronger when ... I am no longer in this position.”

# Even if there's still some Denial

“Succession planning is a high priority for our organization. As the founder, nothing would make me happier than for our organization to be stronger when *and if* I am no longer in this position.” (emphasis added)

# Why Do It?

- **Average Tenure of ED: 3-5 years**
  - [www.daringtolead.org](http://www.daringtolead.org) (2011)
  - [www.massnonprofit.org](http://www.massnonprofit.org)
- **75% of Executive Directors plan on leaving their position within five years.**
  - [www.compasspoint.com](http://www.compasspoint.com) Daring to Lead 2001, 2006, 2011
- **Of those, 50% will not seek new ED positions**

# Another Reason

33% of current executives followed a leader who was fired or forced to resign, *indicating the frequency of mishires*



# More Reasons

- **Stabilize your organization in an emergency**
- **Strengthen it when no departure immediately takes place**
- **Deepen clarity about mission and priorities**
- **Further develop talent**
- **Engage board in strategic talent development**
- **Deepen stakeholder relationships**

# ED Concerns

**“One of my main concerns is making sure that staff are being recognized, that they are growing, and that we’re retaining and developing the next cycle of leadership. I have nightmares about it. What if I got hit by a bus? What would happen?”**

Daring to Lead 2011, A Joint Project of CompassPoint  
Nonprofit Services and the Meyer Foundation

# 4 Myths of Succession Planning

- **Not needed until someone is ready to retire**
- **It's just for the CEO**
- **We can't plan. We can't afford bench strength**
- **If I invest in employee development, another organization hires them away**

# Getting Started

# Emergency Succession Planning Steps

- **Define terms – planned, unplanned, duration**
- **ID temporary interim leadership & authority**
- **List priority ED functions & temporary staffing**
- **Implement cross-training plans**
- **Communication Plan**
- **Location of key documents, passwords**

# Strategic Succession Planning Steps

- **ID talent needs to meet future outcomes & goals – board & staff**
- **Assess current talent – analyze gaps**
- **Create development plans – leadership, management, communications & functional skills**
- **Identify leadership development tools**
- **Include in sr. management evaluations**

# Departure Defined Succession & Transition

2-5 years in advance

start date

Prepare the Organization

Conduct the  
Search

Plan for Success

# Key Success Factors: Succession Planning

- **Board ownership and ED initiation of succession planning**
- **Commitment of the ED to developing an organization strong enough to survive 6months without his/her leadership**
- **Communication Plan**

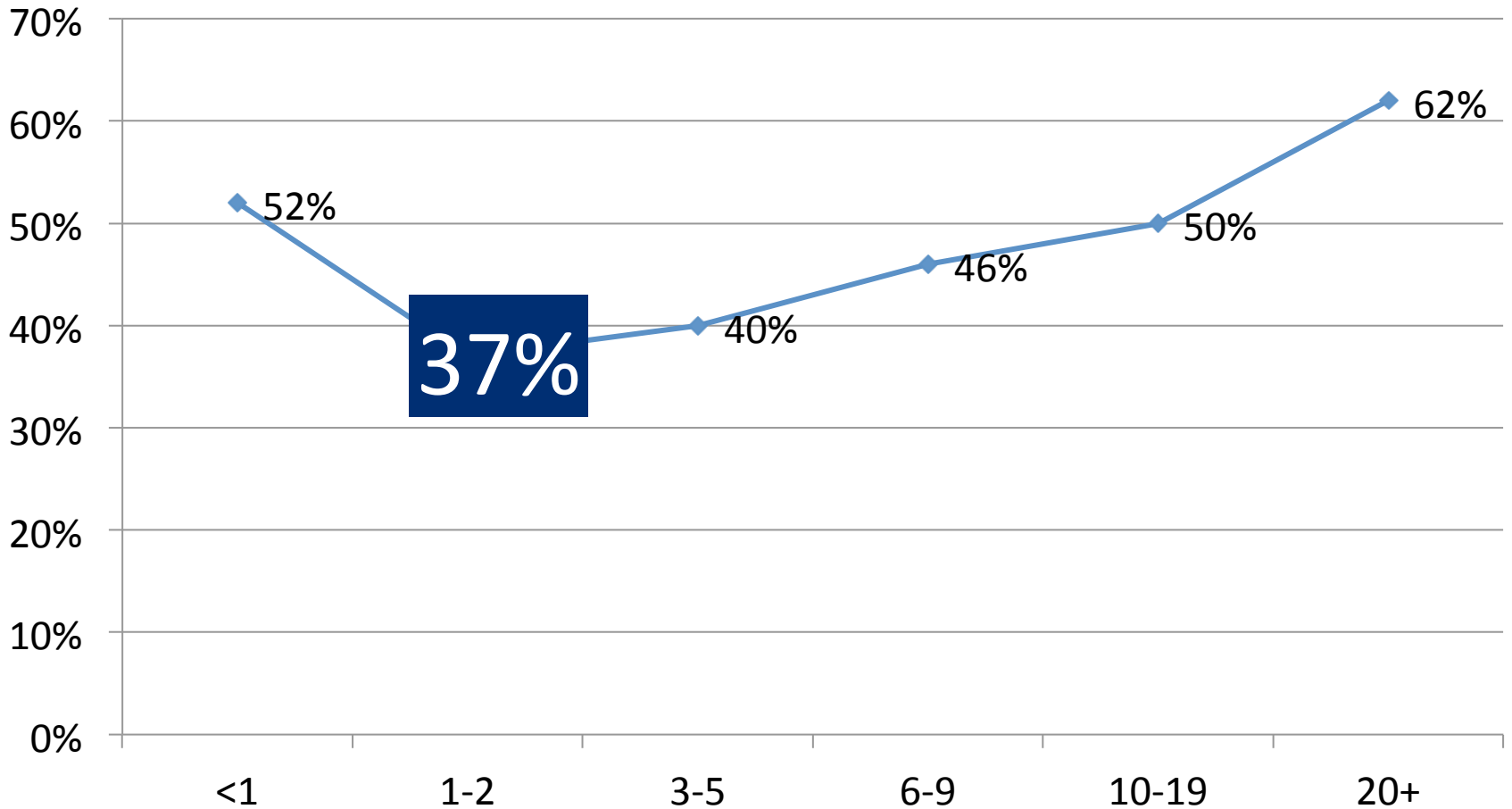


# Sample Plans

- **Texas Commission on the Arts has many tools on its website**
  - **Sample Succession Policy**
  - **Sample Succession Plan**
- **These samples are excellent outlines**
- **Not full strategic succession plans**

Transition

# Job Satisfaction Among EDs



Daring to Lead 2011, A Joint Project of CompassPoint Nonprofit Services and the Meyer Foundation

# Why are New Eds Unhappy?

- Fear of enormity of job
- Recognition that board does not understand the job the ED has to do
- New Eds frequently in smaller organizations; high turnover. Lack of reserves burns them out.
- Poor communication with the board about mutual expectations.

Why are New Eds Unhappy?

**NO ONBOARDING PROCESS**

# Key Success Factors of Transition

- **Active board participation**
- **Detailed orientation plan that includes introductions from board in a well-planned, well-timed manner.**
- **Total support from the board:  
Deflect end-runs**

# Selected MedShare Guiding Principles

- **18-month process to assure a broad base of organizational support for long-term success**
- **Flexible to assure responsiveness**
- **Establish mutual trust & confidence among stakeholders; care & candor**
- **Clarify, understand and modify expectations with regular feed-back on your performance**
- **You cannot fill two positions at once...**
- **Include & consider multiple constituencies**

# Welcome, Panel on Transition

- **Atlanta Ballet**
  - **Arturo Jacobus, Executive Director**
  - **Elizabeth Adams, Board Vice Chair**
- **MedShare**
  - **Meredith Rentz, CEO & President**
  - **Charlie Evans, Board Vice Chair**
- **Woodruff Arts Center**
  - **Virginia Hepner, President & CEO**