


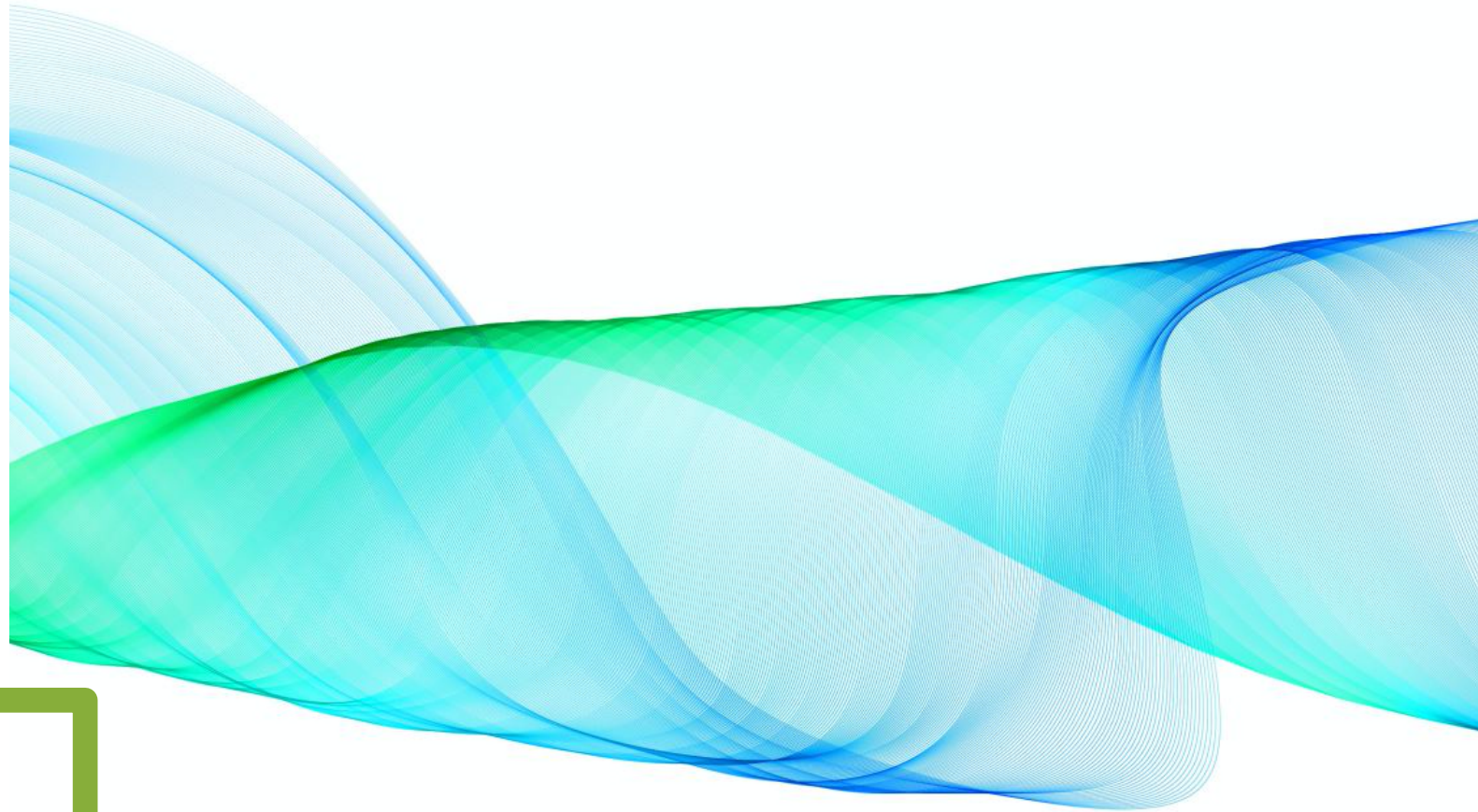


Emergency Succession Planning

Get Ready, Stay Ready!



Joelle A. Murchison
ExecMommyGroup LLC
Michael Négron
NEGRON Consulting




Introductions





Agenda

- Introductions
 - Objectives/Expectation Setting
 - Succession Planning Defined
 - Exercise - Breakout Groups
 - Types of Succession Planning
 - Focus on Emergency Succession Planning
 - Case Study - Breakout Groups
 - What's Next
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Objectives

- Introduction to the three types of succession planning
- Review of succession checklist document/best practices
- Next steps for crafting your own Emergency Succession Plan



What Is Succession Planning

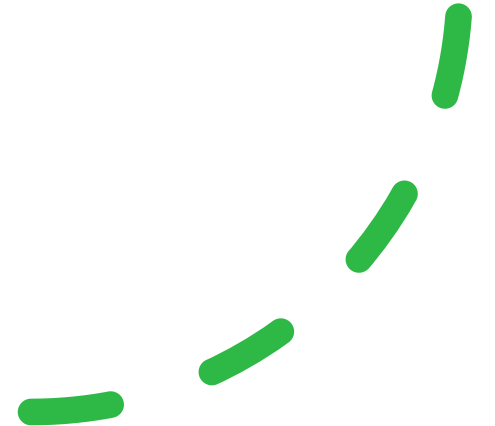
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- An ongoing, dynamic process that helps an organization to align its organizational goals and its human capital needs.
 - Succession planning is not a one-time event centered on an executive transition, planned or unplanned. Instead, it is a planning process seen through the lens of time.

Benefits of Succession Planning

- Aligns organizational development with strategic vision
- Builds leadership capacity of team
- Develops pool of potential leadership successors
- Opportunity to diversify organization's leadership
- Ensures leadership efficiency

Compelling Reasons Why We Need to Plan

- More than one in ten executive director jobs turns over each year.
 - That number is expected to climb as the baby-boomer generation--many of whom founded core organizations in their communities 20 to 30 years ago--begin to reach retirement age.
 - A study by the Annie E. Casey Foundation found that a majority of executives will leave their positions in the next five years.
- Founders comprise nearly a third of executive directors, and over half of small non-profits (under \$1 million) are led by founders.
- The world is constantly changing!



What's Happening Around Us

We are in a
global
double
pandemic!

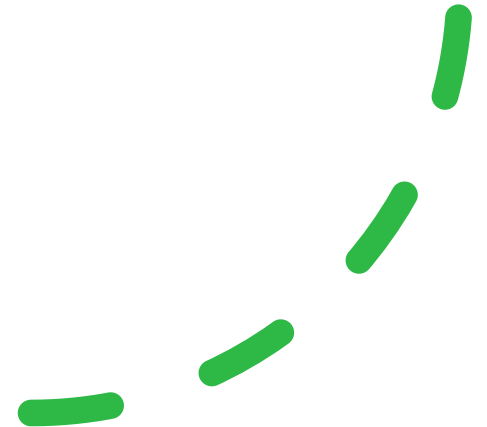
**Needs of
clients and
employees
are
changing**

**We are in a
global
double
pandemic!**

**Our new
normal is
yet to be
defined!**

What Holds us Back

- Life happens!
- Limited human and financial resources
- Not an institutional priority
- No process in place – or no one knows about it
- Focus on the individual, not the organization
- Leadership does not want to deal with it
- Safety in the status quo
- No talent development plan
 - Bias and lack of honesty in evaluations
 - Mentoring skills are not developed



Let's Talk About it!

Exercise: Readiness Questions

- Who would step in should your organization's leader suddenly not be available?
- Will the organization lose institutional knowledge and contacts if your executive were to suddenly leave?
- Does your organization have a centralized resource for important contacts and documents?

Succession-Planning Readiness Questions



A nonprofit organization's board of directors is responsible for overseeing the transition of an executive leader and ensuring that the organization is well positioned to successfully continue its operations during a change in leadership. Poorly managed executive transitions can reduce organizational sustainability and program effectiveness. In worst case situations, poor transitions also can put an organization out of business. The following questions should act as the first step in measuring your organization's readiness for succession planning.

1. Is your organization in a position to implement a succession plan that was previously adopted and approved?
2. If your executive is suddenly unable to serve, or retires, have you identified candidates for the job?
 - If the answer is yes, is that talent prepared? Do they have the required leadership style, financial knowledge, contacts and necessary experience to take charge of the organization and continue to provide clients and funders with uninterrupted services?
3. Would your organization be able to sustain a decline in income or fundraising activities without the executive? Is the executive the primary fundraiser? Do board and staff work with the executive to maintain relationships with funders?
4. Do funders trust that the organization can succeed without the current executive?
5. Does the board have the right mix of talent to effectively hire a new executive for your organization? How committed and supportive is the board to the success of the executive?
6. Will the organization lose institutional knowledge and contacts if your executive were to suddenly leave?
7. Is the executive's current level of responsibility realistic, or has the executive, in good faith, taken on too much responsibility at the expense of staff development? What skills need to be replicated in the new executive versus those that could be developed among staff or board members?
8. Does your current executive understand and possess skills and expertise necessary to lead your organization in today's resource constrained-world?
9. Are there other positions besides the executive that would leave the organization vulnerable should they depart? If so, what plans are in place to address their departure?

Three Types of Succession Planning



Strategic Leader
Development



Departure Defined
Succession Planning

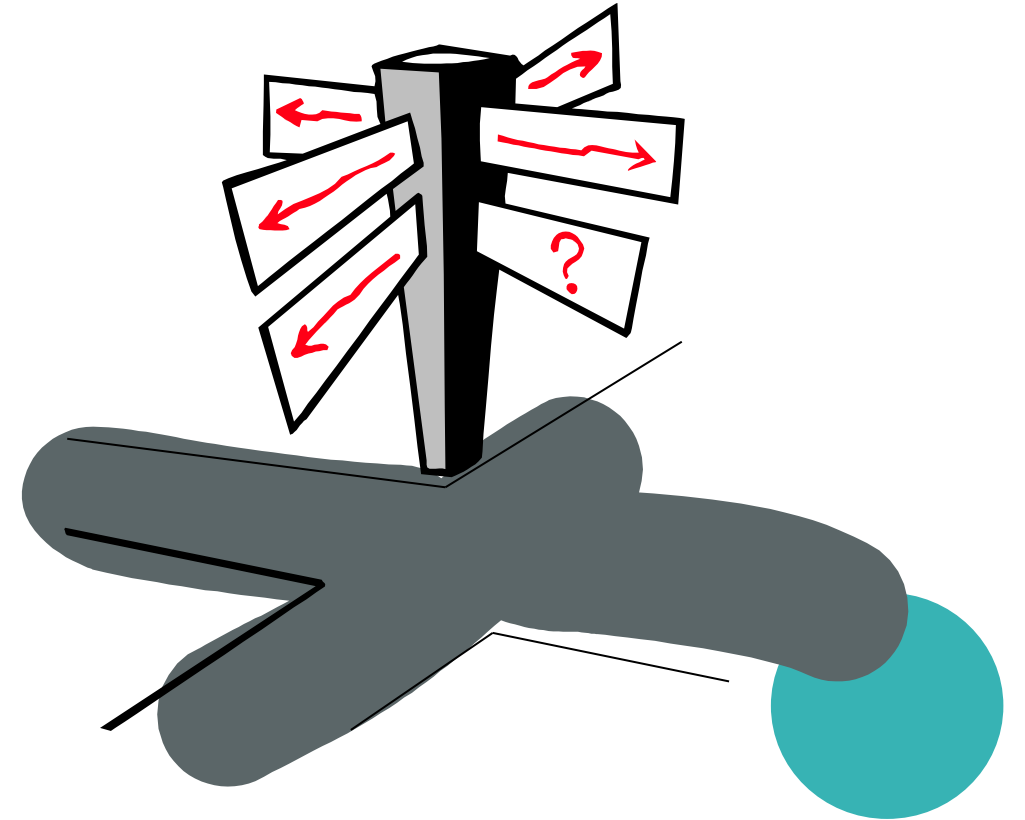


Emergency Succession
Planning

Strategic Leader Development (SLD)

Begins with Strategic Planning

- **Vision:** What is the organization's strategic vision?
- **Skills:** What competencies do we need to get there?



Strategic Leader Development (SLD)

Leadership Development

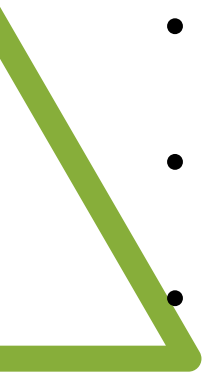
- Who will acquire the competencies & how?
- How do we back them up?
- How will we share leadership & decision making? (i.e., become a TEAM)





Long Term Succession Planning

Identify and Develop the Leaders of the Future

- 
- Preserving the history, traditions, core values and culture of the organization
 - Focus on the mission, not the leader
 - Custom build the leader to fit the future
 - Provide leadership at every level
 - Retain the best and the brightest
 - Personal commitment to core values
 - Performance evaluations
 - Align style, motivation toward personal growth
 - Supervision
 - Skill building/training
 - Setting expectation
 - Mentoring
 - Personal development plans

Departure Defined Succession Planning


- Thoughtful planning and activities to ensure *organizational sustainability*
- Attention to the *personal and professional issues* of the departing Executive Director





Mid-term Succession Planning

Orderly Transition

- Revisit core values
 - Define culture
 - Understand expectations of key staff
 - ID member and customer needs
 - Know strategic issues of the future
 - SWOT of the organization
 - Environmental scan of the environment of the future
 - Determine needed capabilities
- 

Emergency Succession Planning

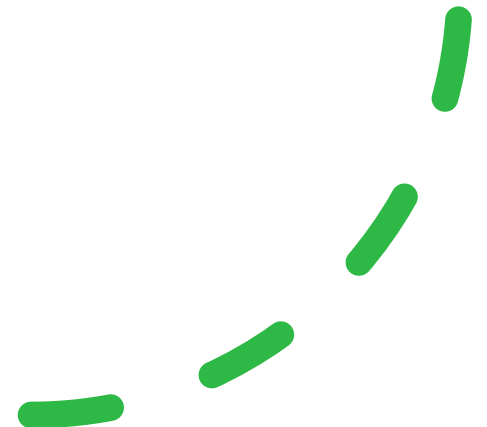
Definition: Preparing for an unplanned departure

- A risk-management best practice
- Creates a more “leaderful” agency
- Emphasizes collaboration



Short-term Succession Planning: Being prepared for the 'Win the Lottery'

- Written plan with specific assignments, directions and recommendations
- Annual Process with the leader (ED/CEO) and a Board committee
- Purpose is **confidence building** for Board, staff and membership
- Temporary/Short-Term



Case Study

Steps to Address Emergency Succession with No Formal Plan



Should the organization unexpectedly (with no plan in place) be faced with the need to immediately replace the senior executive, the following steps are recommended:

1. The board's executive committee convenes to address the following and make a recommendation to the board:
 - a. *Identify the key spokesperson* for the organization until the new executive is hired.
 - b. *Draft communication plan*, refer to step three of the *Emergency Succession Plan*.
 - c. *Agree on process to hire new executive*. Decide whether or not to conduct an outside search or promote from within without considering external candidates. The recommendation should be to conduct an outside search, unless an internal successor has been identified and previously approved by the board. An external search or previous identification of an internal successor demonstrates the board's commitment to find a qualified replacement and facilitates a smooth transition for the new executive. Expectations of potential internal successors and candidates should be managed in order to avoid turnover during the hiring process.
 - d. *Identify interim executive and recommend additional temporary compensation*. In a small organization this could be a board member or qualified volunteer.
 - e. *Define the interim executive's responsibilities, authority and decision making limitations*. Also define any additional functions that should be handled by a second manager (e.g., director of clinical programs could also be the contact for healthcare funders.)

- f. *Identify board support and supervision of the interim executive*. Determine who will be the primary contact for support and supervision. Schedule regular meetings to discuss organizational issues. The board chair is often the primary point of contact for the executive.
- g. *Identify executive search task force committee* to facilitate the hiring process and present final candidate(s) to the board for approval. In smaller organizations this may be the executive committee along with one or two select staff members.
2. Executive search task force committee facilitates the recruiting and hiring process by completing the following steps:
 - a. *Update the executive job description* to ensure the right person is identified to lead the organization into the future. Refer to *step one of the Emergency Succession Plan*.
 - b. *Outline and implement process to recruit and select new executive*. This will include identifying candidate sources, selection criteria, interview steps and team, reference/background checks, compensation range, hiring package, communication of new executive and transition plan. Agencies should leverage board and volunteer expertise when possible.

Now What?

1. Do we fill the leadership position from the outside or promote from within—i.e., the “unofficial successor” who has worked alongside the leader during the past several years?

2. What are we really looking for in a new leader? **Should we consider new requirements from those possessed by the departing leader?**

3. How do we address concerns by the current leadership staff who may be nervous about a new leader/team member joining the organization?

4. How long should we plan for the process to take?

5. What do we do in the interim? Do we need an acting/interim in the role? If so, what does that look like in terms of compensation, authority and decision-making responsibilities for all staff?

6. Who will serve as the organization’s main contact?

7. What action do we need to take to ensure that current funders do not get nervous about the leader’s departure?

Emergency Succession Planning

The First Five Steps



Identify critical staff functions



Name a backup for each function



Develop a cross-training plan for backups



Identify who would become acting or interim for identified roles



Specify monitoring & support role for the board and senior staff for the acting/interim role(s)

The First Step: Emergency Succession Planning

Being prepared
for the 'Win the
Lottery' Crisis

Board Responsibility (especially in the case of an ED/CEO/BdChair departure)

- commit to prepare
- commit to assess leadership needs
- plan to appoint interim leadership
- internal transition plan (time frame, role of the transition committee)



The First Step: Emergency Succession Planning

Being prepared
for the 'Win the
Lottery' Crisis

Documentation of Key Information

- Establish a database with notes that is accessible
- List of major contacts
- Standard operating procedures
- Board minutes
- Financial files/audits
- Key reports
- Quirky idiosyncrasies important to the organizational success



The First Step: Emergency Succession Planning

Being prepared
for the 'Win the
Lottery' Crisis

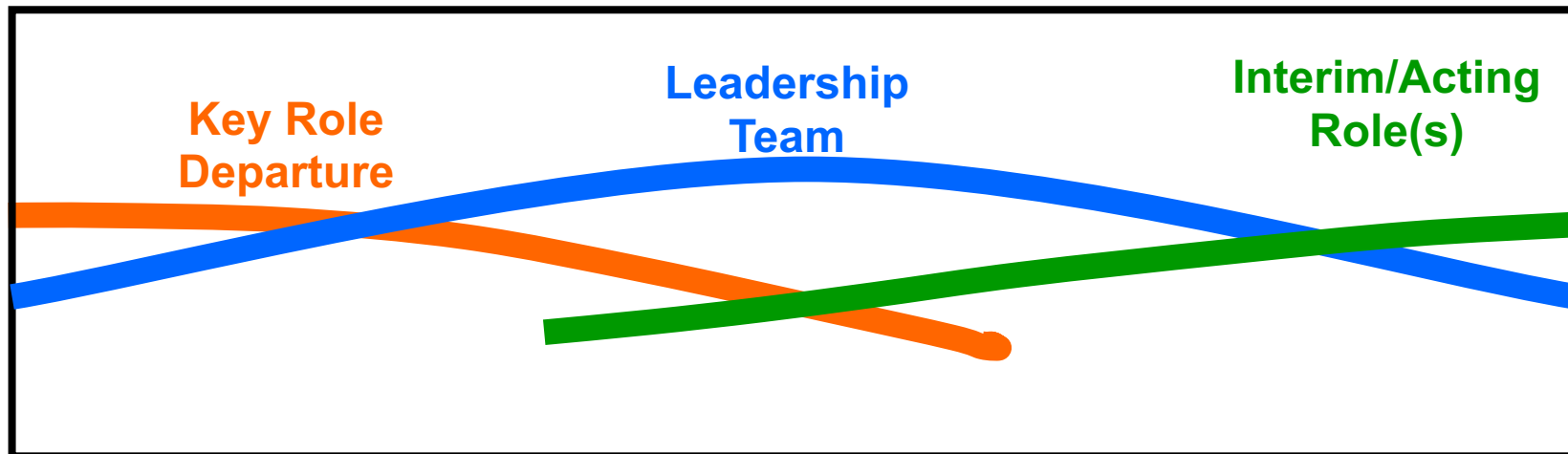
Win the Lottery transition list (Leader recommendations)

- who replaces within – or –
- list of consultants you trust
- executive recruiters



The Leadership Team Steps Up

- Puts a committee in charge
- Attends to its own succession planning
- Addresses vulnerabilities/gaps
- Sets future directions/opportunity to hit the "re-set" button
- Identify and recruit a replacement who fits the future



Five Things Not to Miss



Leadership Team (Board/Staff) ownership & actions



Committees' inclusion in future planning



Collaboration - Full team engagement in planning



Openness to organizational truths



Hope for the future

Succession Readiness Checklist



The image shows a document titled "Emergency Succession Plan For" with a line for "(Organization Name)". The document is from the "center for nonprofit advancement" and includes a disclaimer statement. The text on the page is as follows:

center for nonprofit advancement
STRENGTHENING NONPROFITS IN GREATER WASHINGTON
EDUCATION • NETWORKING • ADVOCACY • BUILDING POWER

Emergency Succession Plan For

(Organization Name)

Leadership plays an essential role in the success of a nonprofit organization. And a change in Chief Executive leadership is as inevitable as the passing of time.

This document will help a nonprofit organization recognize that planning for unplanned or temporary leadership change is a best practice—in line with other plans nonprofits regularly complete (e.g., strategic plan, communications plan, fundraising plan). An Emergency Succession Plan can bring order in a time of turmoil, confusion and high-stress.

This is a template. Feel free to adapt to make it appropriate for your organization. Action items or areas for tailoring are noted with a line or a "P" symbol.

The term "Executive Director" is used throughout this document to address the Chief Paid Staff Member. Should your organization use a title other than Executive Director, feel free to use the title as directed by your organization's bylaws or practice.

May this process bring your organization peace of mind in your day-to-day work.

Disclaimer Statement: This document is provided as guidance for a nonprofit organization facing a change in leadership. It should not be regarded as a substitute for legal advice or counsel. The advice of a competent attorney should be sought any time a nonprofit is considering policy changes or activities that may affect the legal status or liability exposure of the organization.

This document was developed by the Center for Nonprofit Advancement.
www.nonprofitadvancement.org
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<http://www.niqca.org/documents/Emergency Succession Plan Template.pdf>

Succession Readiness Checklist

The Board of Directors of _____ (Organization Name) recognizes that this is a plan for contingencies due to the disability, death or departure of the Executive Director. If the organization is faced with the unlikely event of an untimely vacancy, _____ (Organization Name) has in place the following emergency succession plan to facilitate the transition to both interim and longer-term leadership.

The Board of _____ (Organization Name) has reviewed the job description of the executive director. The job description is attached. The board has a clear understanding of the Executive Director's role in organizational leadership, program development, program administration, operations, board of directors relationships, financial operations, resource development and community presence.

Succession Plan in Event of a Temporary, Unplanned Absence: Short-Term

A temporary absence is one of less than three months in which it is expected that the Executive Director will return to his/her position once the events precipitating the absence are resolved. An unplanned absence is one that arises unexpectedly, in contrast to a planned leave, such as a vacation or a sabbatical. The Board of Directors is authorized (or authorizes the Executive Directors) of _____ (Organization Name) to implement the terms of this emergency plan in the event of the unplanned absence of the Executive Director.

In the event of an unplanned absence of the Executive Director, the Deputy Director (or other highest ranking staff member) is to immediately inform the Board Chair (or highest ranking volunteer board member) of the absence. As soon as it is feasible, the Chair should convene a meeting of the Board or Executive Committee (☑ choose one) to affirm the procedures prescribed in this plan or to make modifications as the Committee deems appropriate.

At the time that this plan was approved, the position of Acting Executive Director would be: _____ Name, _____ Title.

Should the standing appointee to the position of Acting Executive Director be unable to serve, the first and second back-up appointees for the position of Acting Executive Director will be: _____ Name
(1) _____ Name
(2) _____ Title.

If this Acting Executive Director is new to his/her position and fairly inexperienced with this organization (less than _____ months/years), the Executive Committee or Board of Directors (☑ circle one) may decide to appoint one of the back-up appointees to the acting executive position. The Executive Committee or Board of Directors (☑ circle one) may also consider the option of splitting executive duties among the designated appointees.

Information and Contact Inventory for _____ (Organization Name)

Knowing where your organization's key information is located is critical so that if an emergency succession should occur, your organization would be able to quickly continue work in the most efficient and effective way.

	Onsite Location	Offsite Location	Online URL
Nonprofit Status			
IRS Determination Letter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IRS Form 1023	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bylaws	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mission Statement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Board Minutes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporate Seal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Financial Information

Employer Identification Number (EIN) #: _____

Current and previous Form 990s

Current and previous audited financial statements

Financial Statements (if not part of the computer system and regularly backed-up)

State or District Sales-Tax Exemption Certificate

Blank Checks

Computer passwords

Donor Records

Client Records

Vendor Records

Volunteer Records*

*Note: Nonprofits that are heavily volunteer-based may need to know the following information about their volunteers who they are, how to contact them (home/work phone, email, cell, etc.), where they live/work, expertise, special skills, or any information related to their usefulness or willingness to help the agency (for example, volunteer Jane Doe can walk to our satellite office, lift heavy boxes and knows CPR).

Auditor

Name: _____

Phone Number/Email: _____



Do Now,
Do Next.....



Based upon what you have experienced today, what step will you take **NOW**?



Collectively as a staff, what based upon today's learnings can you do **NEXT** to change the culture of the organization?

Questions?



JOIN MY NETWORK



Joelle Murchison



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