



PERSPECTIVES

...on Building Better Non-profit Board Membership.

January's MUW Brown Bag Workshop featured John E. Hoffman Jr., volunteer and former Board member and treasurer of Monadnock United Way. The topic was views and advice on leadership succession. This month's *Perspectives* presents the highlights of that workshop:

Leadership succession planning is one of the most critical responsibilities of nonprofit organization governance and management. A responsible organization will have board approved policies in place, and reviewed regularly, for both CEO and board leadership succession.

A board, in consultation with the CEO, should establish and publish internally policies for each of three time-related scenarios: Emergency, short term, interim situations; Emergency, but permanent situations; and Long term, planned, succession. Annually, the board, or a designated board committee should review and assess the status of these policies with the CEO. The *BoardSource* treatise, *Chief Executive Succession Planning*, proposes that an effective emergency leadership management plan include the following elements:

- Individuals on the board with experience conducting an executive search and navigating leadership transitions.
- A senior professional staff member(s) or a source list of potential interim professionals with the skills and judgment to serve in a temporary capacity as the chief executive.
- An up-to-date job description for the chief executive.
- A key contact list to notify individuals of the leadership change and communicate transition plans.
- Procedures for conducting an effective search and selection process.
- An information system that enables the board chair to gain access to all critical information pertaining to the organization in the event of an emergency.
- An understanding of who should serve as the key spokesperson for the organization during this time.

In determining your own policies, consider the following situations:

Short Term, Emergency Management Policy

When it is anticipated that the CEO will return, the board or a board-authorized committee will designate a staff member to be in charge of overall operations on an interim basis, reporting to the board. Procedures should be spelled out for internal reporting lines.

Emergency Succession Policy

If it appears that an emergency situation will become permanent, an Emergency Management Policy should go into effect immediately while the board, or its authorized committee, carries out the following steps:

- Update the job description for CEO.
- Establish a search committee of board members, staff and outside representatives to approve the job description, identify qualified candidates, interview qualified candidates who have been screened by the consultant, and make a recommendation of a candidate to the full board.
- Consider the retention of a professional search consultant to advise and assist in the process.

Strategic and Planned Succession Policy

This policy should be carefully developed, in consultation with the CEO, well before any planned or announced retirement. The process should entail three stages:

Assessment and preparation. An organizational self-assessment, or strategic planning exercise dealing with planned leadership succession.

Recruiting. Similar to the process described above.

Transition. A plan to complete the succession while maintaining the operations and energy of the organization, including the timing and manner of announcement, and the nature of the retiring executive's ongoing relationship with the organization.

Board Leadership Succession

Boards also need to consider their own board leadership succession. Nonprofits should include development of policies and procedures for board leadership succession – a process that should be in operation long before the current leadership's term expires. A common trend is to establish a board Governance Committee which carries a broad mandate to develop policies and conduct oversight of the board's operations and could be responsible for considering board succession.

The Founder's Syndrome

No leadership succession issue is more charged with emotion than that of replacing the founder of a nonprofit organization, whether staff or board member. There are special challenges in the case of organizations subject to the common affliction of *Founder's Syndrome*.

Inevitably that time will come, and the well governed and managed agency will have devoted time preparing for that event. Outside help may be in order to assist with this delicate process. A well thought-through assessment of the organization, and where it stands in the traditional lifecycle of nonprofits, can provide a framework within which to approach this most challenging task. Ignoring this potential problem is a recipe for disaster.