



Steady Leadership for Unsteady Times: *Mastering Succession*



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GUIDING GROWTH | UNLOCKING POTENTIAL



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- **18 years as a nonprofit professional in NY & NC**
- **13 years as In-House Executive Director & Interim Exec for small & medium-sized nonprofit orgs**
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- **Owner & Principal Consultant: ESO Nonprofit Consulting since 2022**



Succession Planning

What the heck?

1

Why the heck?

2

How the heck?

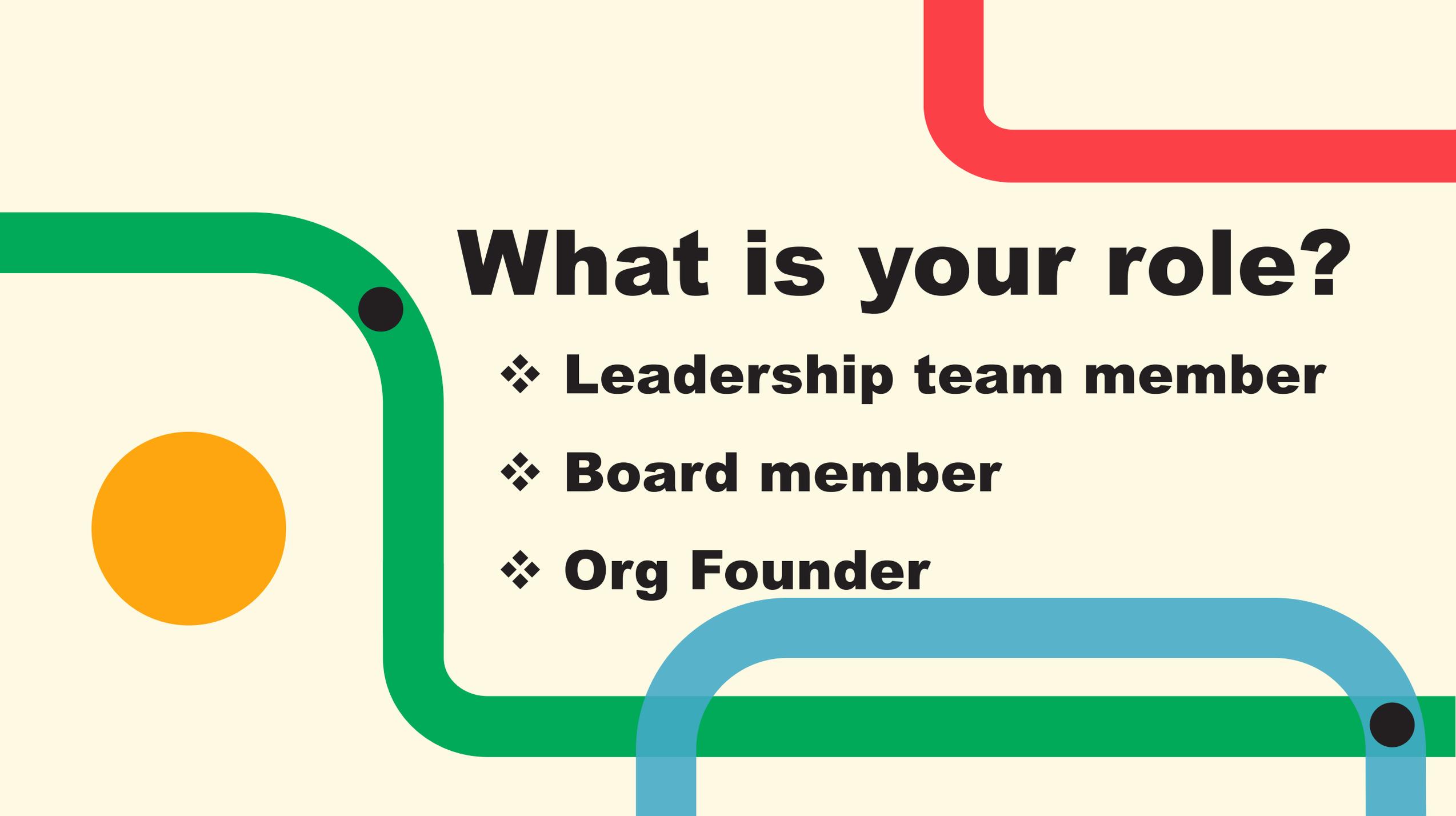
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Who & When the heck?

4

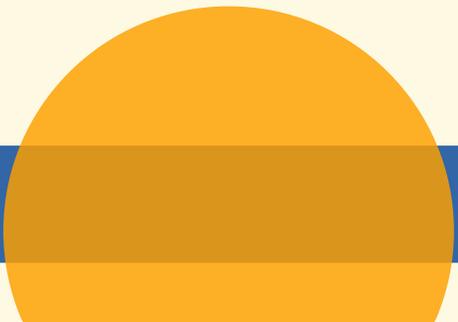
Q&A

5

A decorative graphic on the left side of the slide. It features a thick green line that starts from the top left, curves down and right, then continues horizontally. A blue line starts from the bottom right, curves up and left, then continues horizontally, overlapping the green line. A red line starts from the top right, curves down and left, then continues horizontally. An orange circle is positioned to the left of the green line's curve. There are two black dots: one on the green line at its curve and one on the blue line at its curve.

What is your role?

- ❖ **Leadership team member**
- ❖ **Board member**
- ❖ **Org Founder**





What is a succession plan?

A succession plan is how an organization prepares for *inevitable* leadership change



Come again?

SUCCESSION PLANNING

=

SUSTAINABILITY PLANNING



A - what?

- **A best practice that should be part of your leadership's on-going management of the agency**
- **Proactive vs. reactive**
- **A way to integrate building infrastructure into your operations**



Oh, I get it now

**A succession plan is a gift to
your future organizational self**



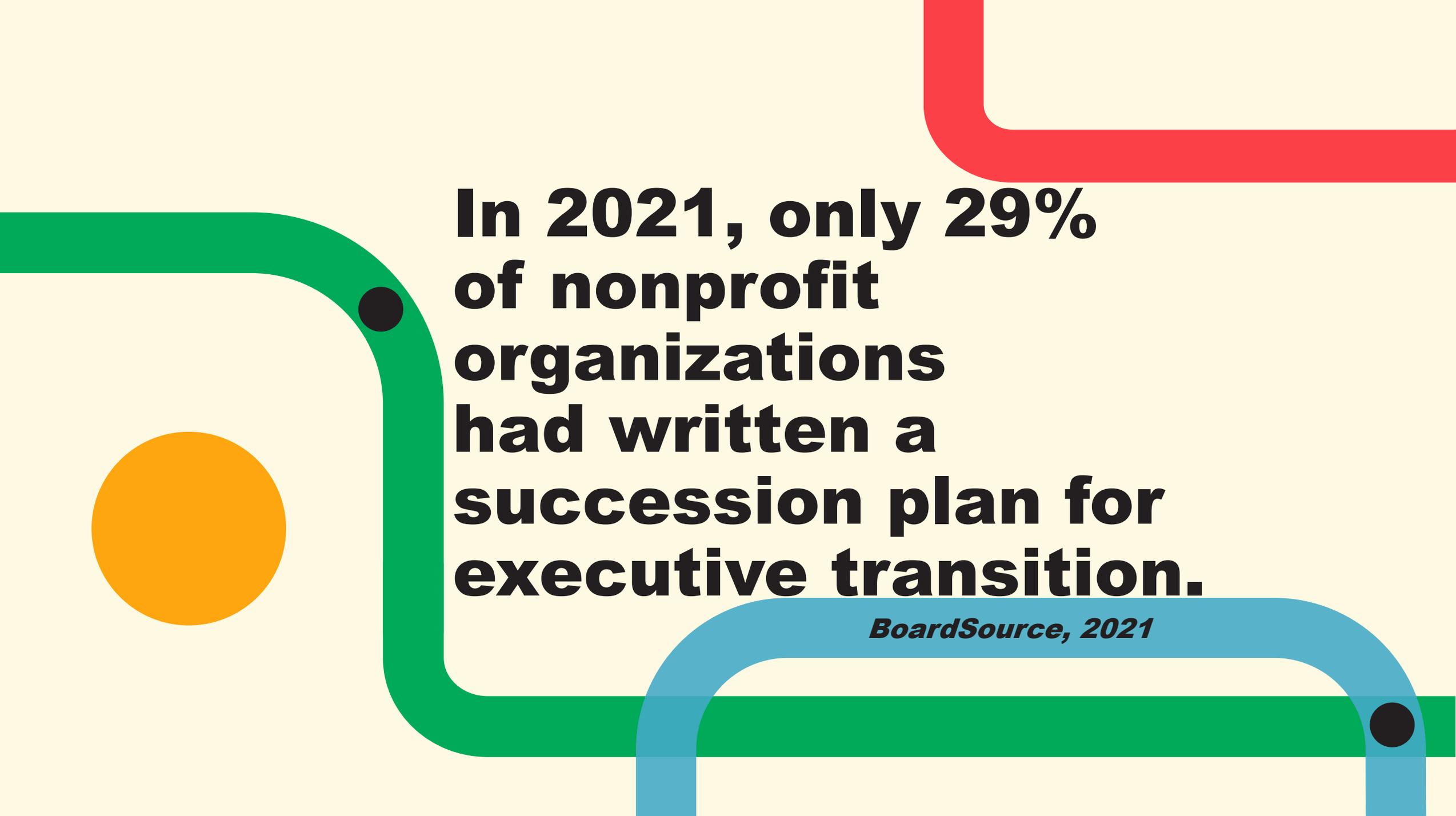
Why?

- **CONTINUITY**
- **Institutional knowledge & relationships**
- **Long-term organizational sustainability**



Why, but more

- **Mitigate disruptions to**
 - **Program delivery**
 - **Employee morale**
 - **Equitable delegation of duties and responsibilities**
 - **Security for those left after an exit**
 - **Community confidence**
 - ***The 'D' word***



**In 2021, only 29%
of nonprofit
organizations
had written a
succession plan for
executive transition.**

BoardSource, 2021



Money and time to fix it

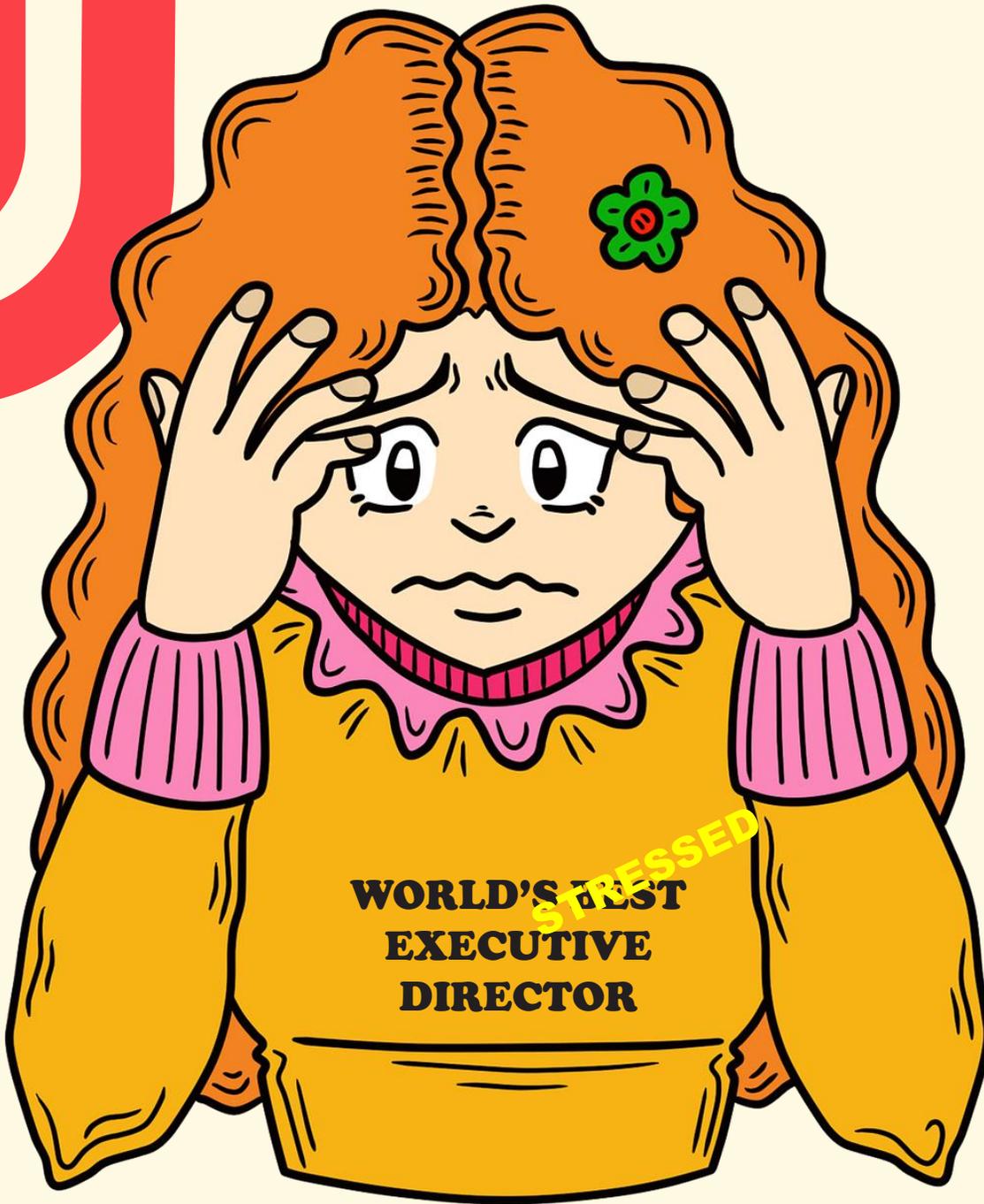
Org just flying by seat of pants



So, why don't we have one?

**Discomfort with the topic from both
the executive director
and the board**

A succession plan is NOT an executive search

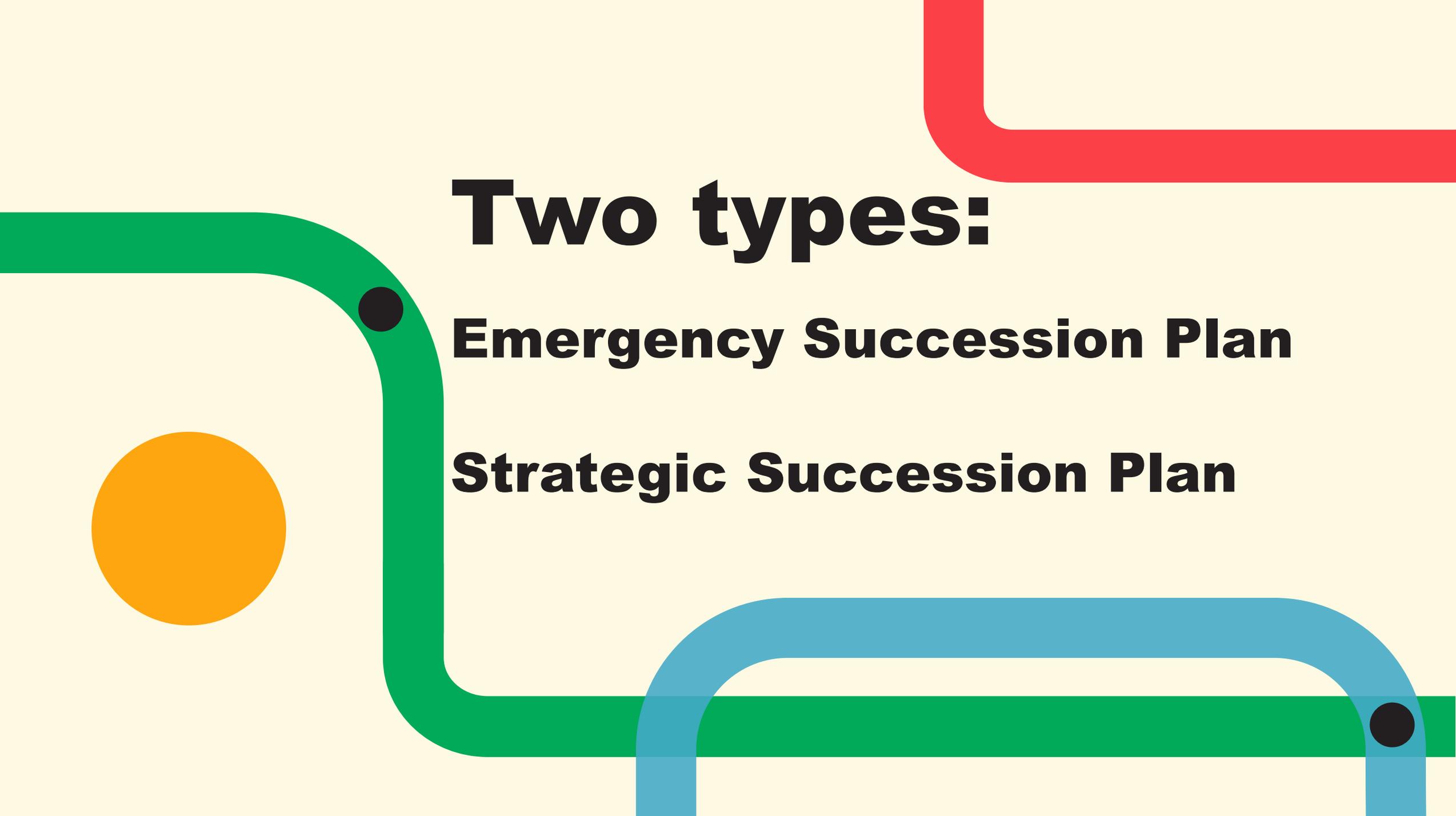


**WORLD'S MOST
STRESSED
EXECUTIVE
DIRECTOR**

A decorative graphic consisting of thick, rounded lines in green, blue, and red. A green line starts from the left, curves down, then right, then up, and finally right again. A blue line starts from the bottom, curves up, then right, then up, and finally right again. A red line starts from the top right, curves left, then down, then left, and finally down again. An orange circle is positioned on the left side of the green line. Two black dots are placed on the green line: one on the first curve and one on the final horizontal segment.

**Executive Director to Board Chair:
“I think we need a
SUCCESSION PLAN.”**

**Board Chair:
----!!!!----**

A decorative graphic on the left side of the slide. It features a thick green line that starts horizontally from the left, curves 90 degrees down, and then continues horizontally. A thick blue line starts horizontally from the left, curves 90 degrees down, and then continues horizontally, overlapping the green line. A thick red line starts horizontally from the left, curves 90 degrees down, and then continues horizontally. An orange circle is positioned to the left of the green line's first curve. There are two small black dots: one on the green line at the top of its first curve, and another on the green line at the end of its second horizontal segment.

Two types:

Emergency Succession Plan

Strategic Succession Plan

Emergency Succession

Use in the event of an **UNPLANNED**, possibly **SUDDEN** exit

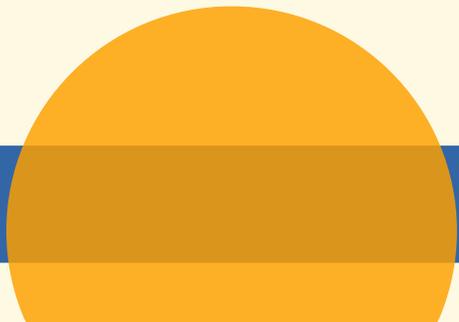
- **Short-term, unplanned absence**
 - (a few weeks to 3 months)
- **Long-term, Unplanned absence**
 - (over 3 months but not longer than 6 months)

Strategic Succession

A planned, transparent leadership transition

Assumes at least 1 month transition time

- **Founder**
- **Long-time (founder-like) Executive**
- **Very short-term Executive**





BREAKOUT

- **Leadership roles in your organization**
 - **Identify 2-4 key roles**
 - ***1 non-leadership role***
 - **Primary responsibilities of each role**
 - **Identify critical responsibilities for each role**
 - **Internal candidates that could be cultivated**

Emergency succession plan

- **Emergency backup plan**
- **Rapid transfers of duties & authorities**
- **Cross-training opportunity**
- **Bolster the leadership capacity of the org**
- **NOT overburden staff left behind**



Emergency Succession Plan

Key Components:

- **Identify key leadership functions**
 - **Deadlines**
 - **Contacts**
 - **Passwords/account numbers**
 - **Emergency contacts for board and staff**
 - **Details of program partnerships**
 - **Details of operational and admin practices**
 - **Limits to operational/admin practices**





Emergency Succession Plan

- **Essential job functions**
 - **Task/project responsibilities & reporting structure**
 - **Day-to-day:**
 - **Financial management**
 - **Paychecks, immediate items**
 - **Program delivery**





Emergency Succession Plan

- **Identifying emergency reporting structure**
 - **Temporary delegation of authority**
- **Identify qualified backup managers who can step in**
 - **Job titles and designation, not names of people**
 - **Associate Director/Deputy Director**
 - **Clinic Manager/Practice Manager**
 - **COO/CFO**
 - **Development Director/Program Director**

Advantages: share org knowledge, leadership training; transparency





Emergency Succession Plan

- **Change training and on-boarding for each staff member to include back up duties**
- **Inform backup managers that they will be trained on these responsibilities**
 - **And WHY**



Nonprofit HR 2023 Social Impact Talent Retention Practices survey, 49% cited, “Lack of professional development” or “lack of opportunity for upward mobility/career growth” as a reason for voluntarily resigning from their org.





Emergency Succession Plan

Communication matrix

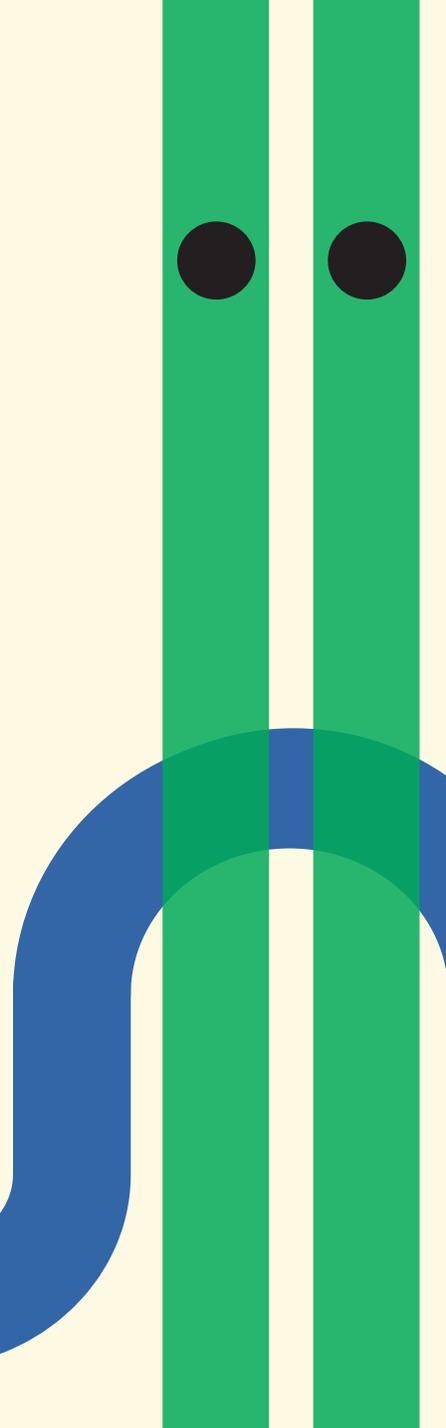
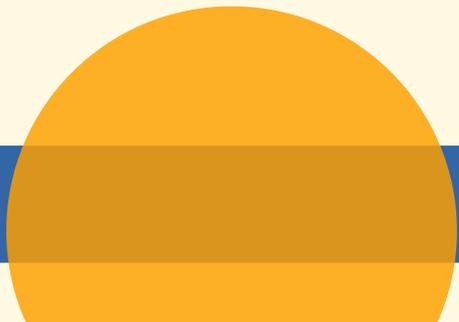
- **Internal and External communication plan**
 - **Who speaks on behalf of the organization?**
 - **Who do we need to communicate with?**
 - **Who does the communication?**
 - **How do we communicate with them**
 - **And when?**



Strategic succession plan

- **A roadmap for steps to take the day after the Executive gives notice**
- **A governing document for the board of directors**

PREPARE -> SEARCH -> MAINTAIN = THRIVE





Strategic Succession Plan

Key components: emergency succession plan + strategic succession plan

Prepare

- **Transition committee**
 - **Not specific people, but roles**
- **Role of the transition committee**
 - **Execute the plan!**
- **Communication plan**
 - **Use for any transition-related announcements**
 - ***See matrix***



Strategic Succession Plan

- **Consider: who is tomorrow's leader?**
 - **Build in reflection time**
 - **Acknowledge cultural norms, values, behaviors that impact org's success**
- **Review current job description**
 - **Use current strategic plan to inform this review**
 - **Modify job description if necessary**
 - **Modify role if necessary**
- **Determine role of outgoing exec in transition process**



Strategic Succession Plan

- **Interim Executive**
 - **The plan should specify if the org will hire an Interim Exec**
 - **List of potential Interim professionals or firms**
 - **List of internal candidates (roles)**
- **Ideally pair with talent management and leadership**
 - **Best for larger orgs with multiple reporting layers**



Strategic Succession Plan

Search

- **Determine hiring method**
 - **Search firm/Job board/Partnership/Fiscal sponsor**
 - **Ensure diverse pool of candidates**
 - **What is required of candidate?**
 - **How many interviews and with whom**
- **Market analysis**
 - **Salary**
 - **Candidate pool**
 - **(can be done by a search firm)**



Strategic Succession Plan

- **Conduct search**
- **Interviews**
 - **Include staff, volunteers, funders, external stakeholders**
- **Background checks, references**
- **Contracting**
- **On-boarding**





Strategic Succession Plan

Maintain=Thrive

- **Designate primary contact to maintain relationship with outgoing Exec**
 - **Board chair, transition committee chair**
 - **Work with outgoing ED to document org info**
 - **Log out, change accounts, credit cards**
- **Care for outgoing Exec**
 - **Announcement**
 - **Goodbyes, celebrations, last days**
 - **Benefits**



Strategic Succession Plan

- **Manage relationship with Interim Exec**
 - **Contracting**
 - **Role, expectations, limitations**
- **Manage onboarding of Incoming Exec**





Using Interim Leadership

- **Rare opportunity to bring in professional leader**
 - **No lead up or training time**
 - **Ready to go day one**
 - **Ability to assess & recommend**
- **Use 6-12 months to assess org and determine best leadership for current environment**
- **Help board and staff work through issues**
 - **Identify issues, help board and staff work through them**
 - **Allows for stronger platform for incoming Exec**
- **Allows for thoughtful conversations about next steps**
 - **Adjustments, how to sustain and grow**
- **Onboard new Exec**
- **Set up incoming Exec for success**
 - **Allows new ED to come in fresh and ready to go&grow**
- **Help offboarding outgoing Exec**
 - **Logistics**
 - **Manage culture change**
 - **Mourn or celebrate**





Who & When?

- **Board of Directors and strategic planning committee**
 - **Executive leadership**
 - **Include staff perspective**
- **Use the strategic planning retreat for succession planning**
 - **Revisit & reassess annually**
 - **Review at start of board year**
 - **Include new board members and any new officers**



Summary

The end product for a succession plan will be in two parts:

First:

An emergency planning document that includes a step-by-step operating procedure that the board and organization can follow in the event of an emergency exit.

Second:

A strategic planning document that includes a step-by-step operating procedure that the board and organization can follow in the event of a planned executive exit. This plan should include strategic initiatives that support leadership development in order to support an organization's future goals and maintain leadership continuity.



→ COMMUNICATION BREAKDOWN

The table below outlines who, when and how we communicate important news

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STAKEHOLDERS	WHO DELIVERS	HOW DELIVER	WHEN DELIVER	FOLLOW UP	NOTES
LEADERSHIP TEAM	Exec & Board Chair	In person	Jan. 4	yes	@morning meeting
STAFF	Exec & Leadership team	In person	Jan. 6	basic plan	@full team meeting
FOUNDATION CEO	Exec & Board Chair	Zoom/In person	Jan. 4	for final interviews	include foundation top staff
STRATEGIC PARTNER					
MAJOR DONOR					
PATIENTS/CLIENTS					
GENERAL PUBLIC					

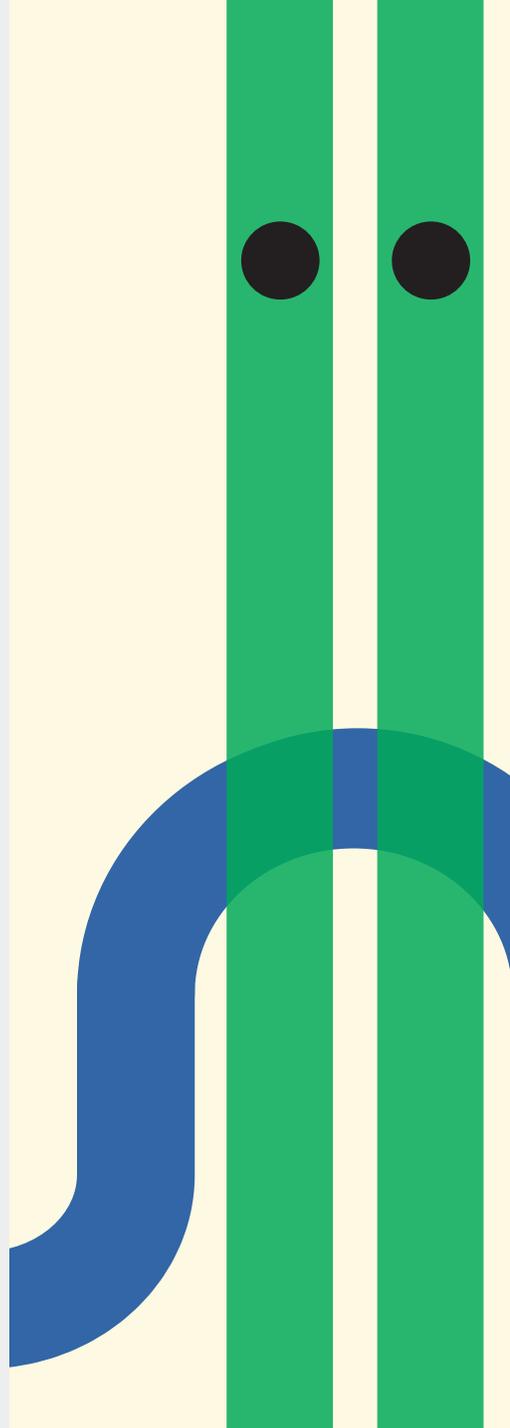
STRATEGIC SUCCESSION PLAN MATRIX



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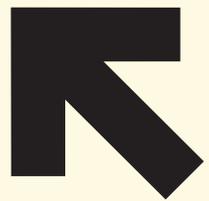
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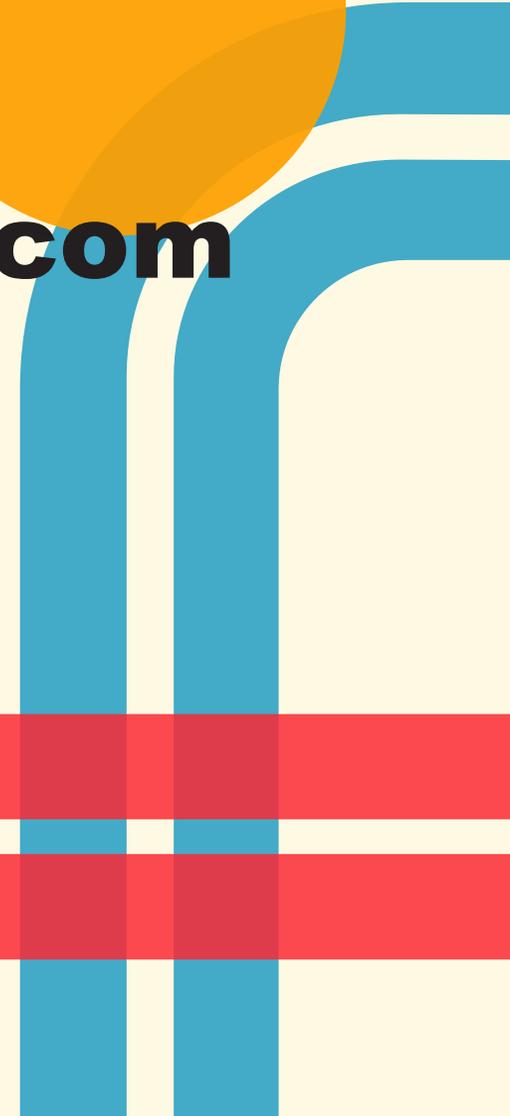
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