

# What to Do Before a Long-Term Leader Departs

*By Priscilla Rosenwald*

**Your organization's future depends on planning for leadership transition.**

**N**onprofit leaders will be leaving their organizations at a staggering rate in the next few years. Many are long-time leaders or founders. Succeeding such a leader can be especially challenging for the new chief executive. The organization's sustainability depends on how the board, departing leader, and staff manage the transition. Let's look at how two organizations handled this challenge.

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## Organization A: Founders Look to the Future

Organization A, a nonprofit research organization, was founded in the early 1990s by two women who had been consultants in the field. As founding directors, they shared all aspects of leadership and were directly involved in delivering the work. Like most founders, they set strategic direction and, for all intents and purposes, directed and led the board. Over time, they built a team but, like many founders, struggled with delegation.

The co-directors had been in their roles for two decades when they began to think about career transition for themselves. One director wanted to leave the organization to pursue a range of activities while continuing to work on occasional research projects. The goal of the other co-director was to stay in the organization and take a senior-level research role.

These leaders knew they needed a transition plan to ensure their legacy and the organization's future. They began by strengthening the board and preparing board members for leadership and governance. Over time, the board stepped into a more active governance role, although the founding leaders continued to create the agenda and lead board meetings.

The board formed a transition committee and began looking for a new leader, expecting their search to go smoothly. But, to their surprise, they weren't able to find the right successor. After a frustrating, disappointing search, they hired a consulting firm to help them. The consultants quickly figured out why the search wasn't going well. There were two major problems:

- Candidates were worried about following in the footsteps of such long-term leaders. They were even more concerned about coming into an organization that retained one of the founders in a leadership position. The transition committee hadn't even considered this problem and, thus, hadn't addressed it with candidates. The consultants helped the committee confront this issue so that they could discuss it openly in interviews with candidates and mitigate candidates' fears.
- The organization's leaders knew the organization needed to change in order to grow. But they hadn't articulated the kind of leader needed to effect this change. The consultants worked closely with the board and staff to identify the key competencies required in their new leader. The consulting team also set up change management workshops for board and staff members. These workshops clarified the change process and gave everyone a chance to talk about the anxieties that are natural during a major transition.

Ultimately, a candidate with extensive leadership experience was hired. He facilitated a number of changes that strengthened the organization, increased revenues, expanded staff, and provided entree into new areas.

## Organization B: The Founder Leaves No Legacy

Organization B, a large nonprofit that develops training programs, is a vivid example of what happens when leaders don't plan for succession. Its founder had led the organization for over three decades. He had personally selected all members of the senior leadership team. No one served as a "number two" or deputy to the founder.

When the high-profile founder decided to step down, he formed an internal search committee. This committee was made up entirely of board members; there was no staff input or representation, and the exiting leader insisted on helping to select his successor. Minimal stakeholder input was sought, and the search was conducted without the guidance of a search professional.

Crisis set in when the board selected a candidate without the exiting leader's approval. After trying unsuccessfully to block the hire, the leader refused to participate in events planned to honor his tenure and welcome the new leader. Moreover, he openly disparaged the new leader within their professional networks.

After the founder left, a multitude of problems surrounding finances, funding, and staff competencies surfaced. Board succession hadn't been planned, and the end of the current board chair's term coincided with the departure of the founder. This meant that the new chief executive and new board chair were forced to navigate the rocky waters together.

In desperation, the organization hired a consulting firm. The consultants collaborated with the board to develop a transition strategy. They also provided coaching to help everyone through the transition.

Six months have passed since the founder left. The major legal and financial issues have been addressed and are approaching resolution. The board is strengthening the role of its executive committee. The new chief executive has incorporated a fresh vision for a changing organization. He has kept the organization from failing. But it is far too late for anyone to rescue the legacy of the original founder.

## Lessons Learned

The experiences of Organizations A and B offer critical lessons. Here are the keys:

- Be sure the board is fully informed about financial and operational matters. Have a clear board succession plan in place.
- Obtain feedback from stakeholders when assessing the chief executive.

- Create a transition committee that is led by the board and includes staff input.
- Develop a succession strategy for the chief executive. Tie it to your strategic plan. Address succession issues frankly and honestly.
- Clearly define the role of the departing leader during and following the transition. It is ill-advised for the former leader to serve on the board. If the ex-leader plans to continue with the organization in any way, draw up a contract making it clear that it won't be in a decision-making role.
- Consider retaining consultants to help manage the more challenging aspects of transition.
- Provide coaching for the leadership team and new executive throughout the transition process.
- Initiate your succession strategy *before* the planned departure of your chief executive. 

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*Priscilla Rosenwald (prose@leadrecruit.com) is founder and principal of Leadership Recruiters, an executive search firm specializing in recruitment and development of executive talent for nonprofit organizations (www.leadrecruit.com).*

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**The Key to Building Productive Teams** (Vol. 21, No. 4)

**In Search of the White Knight: Finding the Perfect Consultant** (Vol. 17, No. 6)

**Hiring an Interim Executive Director** (Vol. 29, No. 5)

## Warning Signs

Founder's syndrome can occur whenever a leader is in place for a long time and begins to accrue disproportionate power. Indications of the resulting organizational dysfunction include:

- The organization is overly identified with the leader.
- No succession plan exists.
- The leader is at the center of all decision-making.
- The organization becomes reactive, rather than proactive, and there is little input from staff or board into decisions.
- Staff are valued for their loyalty rather than their ideas, ensuring that the leader is surrounded by cheerleaders rather than challengers.
- There is limited professional development of the staff, which re-enforces and solidifies the leader's influence.
- The board's role is to "support" the leader rather than lead the organization. The board doesn't probe financial or programmatic questions.
- When the leader decides to depart, the mad scramble to address succession is often done with a sense of panic and urgency. As staff haven't been developed professionally, there is no chance for an internal succession. Ideally, the board would create an interim leadership plan, allowing time to identify organizational and leadership challenges with a focus on the future. But this is often not the model embraced by founder-led boards as they rush to fill the leadership vacuum.

If your organization shows any of these signs, it's time to take steps to reverse the dysfunction. You may need to bring in an outside facilitator to smooth the process of change and ensure your organization's future.