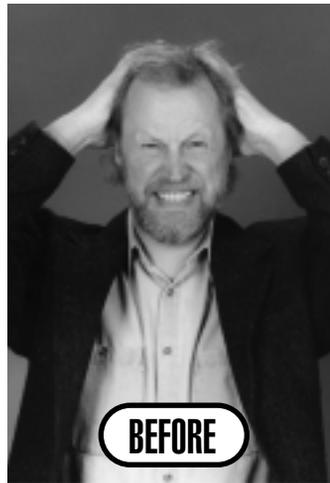


# Founder's Syndrome

How Founders and Their Organizations Recover



Young nonprofits often get stuck when their founders thwart growth. Here's how to avoid this dangerous syndrome.

BY CARTER MCNAMARA

**T**o continue to meet the needs of their clients, or customers, new nonprofits must evolve through a life-cycle change. This change is from entrepreneurial, seat-of-the-pants growth to planned and managed development. However, this development can't continue without first establishing a stable administrative infrastructure. Developing this infrastructure usually requires the founder's leadership style to change from highly reactive and individualistic to more proactive and consensus-oriented.

Many founders can't make this transition. As a result, the nonprofit remains managed according to the founder's personality rather than in a way that provides reliable services to customers. Often the organization experiences the same problems over and over again. For example, plans aren't implemented. Money keeps running out. Board and staff members quickly come and go. The nonprofit struggles from crisis to crisis, and no one seems to know what's going on.

Eventually, funders or other stakeholders confront the founder about the nonprofit's recurring problems. Often the founder becomes increasingly anxious and defensive and resorts to blaming board members, staff, and funders. Without ongoing coaching and support, it's likely that the founder will be replaced or, even worse, the nonprofit will fold.

There are actions that founders and board members can take to avoid these tragic outcomes. Start simple, but start.

## TROUBLESOME TRAITS AMONG FOUNDERS

Founders are dynamic, driven, and decisive. They carry a clear vision of what their nonprofit can be and are passionate about meeting their customers' needs. Often these traits are strong assets for getting the new nonprofit off the ground. However, founders' traits often become major liabilities. Here, for example, are founder characteristics that commonly lead to trouble:

- Founders are highly skeptical about planning, policies, and procedures, which they see mostly as impediments to getting things done.

- They tend to make reactive, crisis-driven decisions with little input from others. They react to most problems with the lament, “If only I had more money.”
- They attend mostly to fundraising and generating new ideas for services.
- They count on whomever seems most loyal and accessible, and they motivate by fear and guilt without realizing it.
- They hold staff meetings mainly to report crises and rally the troops.
- They see their boards primarily as a source for fundraising, and they sometimes work to remove board members who disagree with them.

If the founder’s leaving would cause the nonprofit to fold, the board hasn’t been doing its job.

## TRAITS OF DEVELOPED LEADERS

Leaders of lasting organizations have experienced many changes and managed to develop their organizations and themselves along the way. Developed leaders have the following traits:

- They appreciate plans and budgets as guidelines which make them more responsive to their customers’ needs.
- They make proactive decisions based on mission and affordability.
- They make staffing decisions based on staff members’ responsibilities, training, and capabilities.
- They value board and staff members for their expertise and feedback.
- They sustain strong credibility among customers and related service providers.

## PRINCIPLES TO DEVELOP LEADERSHIP

Eventually, most founders realize they must change the way they operate. Many go on to develop their leadership style to the next level, understanding they must change from within. Those who make a successful transition are willing to do the following:

- They don’t blame themselves or others. They understand that the recurring problems aren’t their fault and that they’re doing the best they can.

- They are willing to ask for and accept help.
- They communicate often and honestly (this is sometimes difficult for crisis-driven, “heroic” leaders).
- They engage in stress management and have a good balance between their personal and professional lives.
- They are patient with themselves, their boards, and their staff.
- They regularly take time to reflect and learn, particularly about their value in service to others.

## ACTIONS FOUNDERS MUST TAKE

Mature nonprofits follow certain management practices. These practices develop systems which take over for the seemingly inexhaustible energy originally needed to get the nonprofit off the ground. The management practices are also the framework for developing effective leadership skills.

Founders’ first reaction may be that these activities are additional work when there’s already too little time and too few resources. Actually, the practices provide additional time and resources by helping the nonprofit work smarter rather than harder. Research shows that the most rapid growth for an organization occurs after it has developed mature management practices.

Each nonprofit follows the practices according to its own needs and nature. They aren’t developed overnight and are never done perfectly. They should be followed to the extent that they are supportive, not restrictive.

The nonprofit might consider applying for a capacity-building grant to fund development of the following practices. Note that these practices fall into five areas and are interrelated:

- 1. Ensure a customer-driven organization.** Regularly ask customers what they need and how the organization can meet their needs. Establish straightforward ways to evaluate all services. Start with basic questionnaires to gather customers’ impressions. Interview several customers to get the “story” behind their experiences.
- 2. Set direction through planning.** Conduct regular and realistic strategic planning with the board and staff. Focus on the top three or four issues facing the organization. Although most nonprofits scope strategic plans to the coming three years, focus careful planning on the next 12 months. Establish clear goals, strategies, objectives, and timelines.

# HOW TO GET THE FEEDBACK YOU NEED

**F**eedback is vital in evolving from a highly reactive founder-run organization to a stable, consensus-oriented one. To develop your organization's leadership style, you need feedback from your customers, employees, board members, and all others who have a stake in your organization's future.

The solution to getting needed feedback is to ask "one-finger" questions, say Sam Deep and Lyle Sussman in their latest book, *Power Tools: 30 Management Inventions You Can Use Today*. Here's how:

Imagine that you're holding up your index finger and begin your question, "What's the *one* thing. . .?" *Example:* "What's the *one* thing I could change in my behavior that would help me be more effective on the job?"

By asking for feedback that way, you increase the *probability* of a response because you don't give your listeners the option not to reply. You increase the *validity* of the answers you get because those you question are likely to fix on one of their most urgent concerns. One-finger questions also prompt people to react in a helpful way. They give people choices, and people like choices.

Here are some questions you can use to get feedback from:

## Your Employees

- "What's the *one* thing I can do to help you succeed even more?"
- "What's the *one* behavior you'd like to see more of in me?"
- "If I set aside time each day to do *one* thing that I'm not doing, how would you suggest I spend that time?"

## Your Board

- "What's the *one* expectation you have of me that I fulfill less well than the others?"
- "What *one* thing do you think we need to do to work together better?"
- "What *one* thing that I do helps you the most?"
- "What's the *first* thing I would need to change to become a better leader?"

## Your Customers

- "What's the *one* thing we can do that we're not doing now to give you the most exceptional service imaginable?"
- "What is the *biggest* dissatisfaction you've had with us?"
- "What's *one* way we can do it better next time?"
- "What's the *first* thing you tell others about our organization?"

From *30 Management Inventions You Can Use Today*, published by Addison Wesley Longman, as noted in *Communication Briefings*, 1101 King Street, Suite 110, Alexandria, Virginia 22314.

**3. Organize resources to meet goals.** Develop job descriptions with staff input to ensure mutual understanding of responsibilities. Develop staff-driven procedures for routine but critical tasks.

**4. Motivate leadership and staff to meet goals.** Delegate by helping people understand the purpose of tasks. Get their input on how tasks can be accomplished. Give them the authority to complete the tasks. In regular staff meetings, celebrate successes. Bring in customers to tell staff how the organization helped meet their needs.

**5. Guide resources to meet goals.** Share management challenges with the board and ask for policies to guide management. From the strategic plan, develop an operating plan which sets direction for the coming year. Develop an associated budget to earmark funds needed for the operating plan and set fundraising goals. Conduct regular performance reviews with staff to ensure organizational and staff needs are being

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met. In regular staff meetings, share information and conduct day-to-day planning.

## ACTIONS BOARDS MUST TAKE

Making this change in leadership style is usually confusing, lonely, and stressful for the founder. The board can be the founder's greatest source of help. Here are actions for the board to take:

**1. Understand and take full responsibility for the role of board member.** Insist on focused board training to review the roles and responsibilities of a nonprofit governing board. Undertake

a yearly self-evaluation of the board to ensure it is operating effectively.

**2. Don't be part of the problem!** Don't take on the traits of the crisis-driven founder and staff or, worse yet, just "numb out." Meet consistently and make decisions based on mission, planning, and affordability, not on urgency. Avoid any quick fixes, such as hiring an associate director with "people skills." Such solutions don't address the real problem and may make things even worse.

**3. Keep up people's hopes.** Be sure board and staff members communicate regularly with each other (through appropriate channels). Remind each other that the recurring problems are the result of your success and that current changes are to serve your customers' needs. Note that people's morale will improve as they perceive stability, security, and progress.

**4. Support the founder with ongoing coaching and affirmation.** Founders change to the extent that they feel safe, understand the reasons for change, and accept help along the way. Establish a board personnel committee to provide ongoing coaching to the founder (but not to replace the founder's responsibilities and accountabilities). Include at least one or two experienced nonprofit leaders on this committee. Note that the founder isn't changing roles but priorities.

**5. Make sure plans are carried out.** Don't hold the founder to always doing what's in the plan or budget. But do hold the founder to explaining deviations and how the organization can afford them.

**6. Set up professional-development and evaluation plans for the founder.** Include input from the founder. Be consistent with the founder's accountability for carrying out plans or explaining deviations from them. Evaluate the founder according to whether strategic objectives are met.

**7. Monitor key indicators of successful change.** Look for evidence that change is going well. Such signs include: sound finances, stable staff turnover, timely achievement of plans, ongoing communication between the founder and board, and—perhaps the most useful indicator of all—positive feedback from customers.

**8. If problems recur, take action.** If, after attempting to follow the above suggestions, the same problems recur over the next six to nine months, then take major actions regarding the founder's position in the nonprofit. (If the founder's leaving would cause the nonprofit to fold, then the board hasn't been doing its job all along.)

## IN THE END

Some founders give their greatest gift when they convert their dream to reality. For such founders, the best thing may eventually be to leave the nonprofit. However, great leaders never leave without ensuring that the organization survives their leaving. A sound transition plan, mutually developed with board and staff, assures the organization is passed on to capable hands.

But not all founders must leave. If they can embrace and manage change, they can continue to lead the organization successfully long after their dream becomes reality. They can see the nonprofit become a stable and well-respected organization with a resilient and farsighted leader. ■

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Nonprofit World • Volume 16, Number 6 November/December 1998  
Published by the Society for Nonprofit Organizations  
6314 Odana Road, Suite 1, Madison, WI 53719 • (800) 424-7367