

Planning to Succeed: Creating a Succession Plan

If your leader leaves, do you have a plan to avoid a crisis?

By Priscilla Rosenwald

A few months ago, the executive director of a small arts nonprofit felt a crisis coming on.

He enjoyed his work immensely but wasn't sure if the organization was the best vehicle for the kind of art he wanted to produce. Rather than bottling up his concerns, he brought them to his board members, who were supportive of his efforts to reconcile his artistic vision with the requirements of his position.

Still, it left the board with an unsettling question: "What do we do if he leaves?"

Avoid the Pitfalls of Departure

When a nonprofit leader leaves unexpectedly, it's a crisis point that—if handled poorly—can jeopardize an organization's operation. But organizations that prepare for

the unexpected find that succession planning eases transitions.

The reasons for a leader's departure affect an organization's response to it. Executives leaving for personal reasons provoke different questions than if they move to a competing organization. Moreover, an unforeseen health condition or death will add emotions of concern and grief to the situation.

If you're left without a leader, don't rush to action. Take your time, giving people the chance to talk about what's happened and come to terms with it. Communicate honestly with everyone, including paid and volunteer staff, board members, funders, and the community.

The Role of the Interim Executive Director

Appointing an interim director during the transition can help en-

sure stability and maintain the confidence of your stakeholders. Ideally, this person will function both as an executive director, leading the organization, and as a consultant, providing an external, neutral opinion on both process and substance. An interim is helpful during both planned, non-confrontational transitions and more volatile situations that involve firing an executive director. The board should require the interim leader to do the following:

- Keep the day-to-day operations of the organization moving forward.
- Provide leadership for staff, who may be worried about the future. Keep morale high.
- Assess financial stability, financial controls, and financial practices.
- Evaluate the organizational structure and all internal man-

If you're left without a leader, don't rush to action.

agement practices.

- Analyze program strengths and weaknesses.
- Provide consulting guidance to the board.
- Stabilize operations and the organization's reputation to help attract good candidates for the new executive director position.

When hiring the interim director, it's best to work with a contract period of at least three months, with negotiable renewal periods. You'll need three or four months to attract candidates, arrange interviews, and negotiate an offer. The hiring process may take even longer if the organization is perceived by potential candidates as being in disarray. An interim can continue to make organizational changes that make the job more desirable to candidates.

Done thoughtfully, the search process can turn a potential crisis into an opportunity to focus your mission and serve your community.

Be sure that new leaders fit into your culture.

Appointing an interim executive director will give you time to engage in self-analysis as you search for a replacement. Your work during this period can result in a greater awareness of your organization's strengths and challenges and a shared vision of where you want to go.

The Big Picture: Succession Planning

The best leadership succession plan ensures continuity, builds a legacy, and leads to an orderly transition. The key is to build a solid foundation well in advance of the actual succession date. Here are essential strategies:

- Make sure all the organization's leaders, including board members and senior managers, collaborate to develop a plan for exiting and incoming leaders.
- Set up a board-appointed search committee that could include staff representation. Have this committee examine the organization's vision. The vision statement should describe the organization in five years and the qualities required of a CEO to lead toward that vision.
- Build the senior team's business and leadership skills.
- Plan the development and retention of key staff.
- Document procedures to support the effective transfer of knowledge.

- Implement a strategic plan that includes succession planning.
- Identify gaps between required leadership and existing talent.
- Decide if a new leader can be promoted from within or if an external search is required.
- Evaluate your organization's culture, and be sure that new leaders fit into this culture.

No succession plan will answer all the questions that come up after a leader leaves. But a good plan will give people confidence that the most important answers have been considered. ■

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).

RESOURCES

Available at www.snpo.org/members:

- **Planning for Leadership Succession** (Vol. 22, No. 4)
- **Don't Be Caught with an Empty Bench** (Vol. 28, No. 1)
- **Don't Overlook Your Best Successor** (Vol. 25, No. 2)

Coming Up in *Nonprofit World*

- Why Your Employees Are Losing Motivation—and What to Do about It
- Creating a Climate for Innovation
- Who Are the New Interns, and How Can They Help You?
- The Night Your Nonprofit Died
- The *Real* Secret: Moving Beyond the Law of Attraction
- How to Present Training Workshops that Educate and Inspire
- How Can You Increase Your Donor Retention Rate?
- Boost Your Share of Corporate Sponsorships
- Self-Evaluation for Nonprofit Boards