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# Project Pointers

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## Executive Succession Planning

As promised, **executive succession planning** is the focus of the next few editions of Project Pointers. The topic regularly pops up in conversations, but often in the context of "something we need to get to eventually." After talking with many nonprofit leaders about this need, I have decided to develop programming and facilitation around this theme.

As part of this development process, I will be meeting with a small group of highly regarded nonprofit executive directors in January. They will be sharing their ideas for topics and approaches to content delivery. I am thrilled to have their support and will look forward to sharing planning program offering details as they evolve.

It's been an interesting fall! Rarely have I worked on such a wide range of projects and topics at the same time: strategic planning, a strategic realignment process, organizational health assessment considerations for federal grant applications and project management consultations. While diverse, they all relate to **organizational readiness**, which is exactly where we begin our discussion of succession planning.

*Note: Constant Contact is having many technical issues. Please know that any formatting errors are a result of their inability to resolve them. If you are unable to open or read any section of interest, please let me know and I will attempt to forward the information in a different manner.*

## **Executive Succession Planning: Why?**

Please keep in mind the two types of executive succession plans: those addressing **emergency** transitions and those addressing **planned departures**. Future editions of the newsletter will discuss each in more detail, as nonprofits need both.

You may be wondering why a succession plan is even necessary. If your nonprofit is blessed with a great staff and board, it's easy to assume that these competent people will kick into gear if necessary. The reality may be just the opposite: a high level of stress may prevent even the most competent people from responding to an executive change. The plan can actually reduce stress and provide reasoned security for those involved. Just as a life insurance policy frees family members to live more freely, an organizational "insurance policy" frees emotional and financial resources for improved client service delivery. The best way to ensure stability is to plan for a transition before you have one on the horizon.

## **Are You Ready?**

Before crafting the documents that will address emergency or planned departures, review the internal landscape and these nine readiness factors:

1. **Strategic Plan.** The strategic plan should creatively balance the organization's long-term hopes and dreams with concrete dates and measures. Succession should be an integral component, not an unrelated footnote. A leader's qualities and strengths profoundly drive any nonprofit's focus on mission and client outcomes. At the same time, the board should be able to separate an individual executive director from its goals and objectives. The strategic plan offers an objective, written path that is not tied to personality. The inclusion of succession planning quietly reminds the board and director to focus on the executive role vs. the person.
2. **Program effectiveness.** You may have recently completed a highly structured analysis of mission fit and competitive position, topics covered in previous newsletters. If you have not examined these in the last two years, now is the time. This readiness factor is essential for smooth, intelligent transitions. Simply, what is needed in the

community and is your nonprofit the best one to meet those needs? Avoiding this review places the organization at risk for any type of succession issue.

3. **Board engagement.** The board is responsible for initiating and completing succession planning. While the executive may encourage the group to make this a priority, he or she cannot create and monitor the plan. As a central part of readiness and strategic planning, the board may need a self-assessment around the topic. Its stage of development may need a self-assessment around the topic. Its level of development and engagement will, of course, influence the quality of the results. In many cases, a transition consultant will be helpful.
4. **Financial stability.** It is difficult to imagine a financially unstable organization creating a meaningful succession plan. No doubt, some nonprofits that refuse to face economic reality have an illusionary plan on paper. If your organization does not have a clear sustainability plan, it will be more difficult to shepherd a positive executive transition. Make sure audits are complete and that program expense nuances are fully understood. The development staff may suggest changes to the fundraising efforts to assist with readiness. Also, talk with funders about your financial health - they are often an underappreciated resource during leadership shifts.
5. **Systems and documentation.** Get that infrastructure in shape! The value of good administrative and compliance systems will be obvious during an executive transition. If policies and procedures are outdated, update them with an eye toward supporting both emergencies and planned departures. It is unrealistic - and inhumane - to expect a new leader to work well if the administrative ground is shaky. Employee records, donor databases, Sarbanes-Oxley, best practice, audits and compliance with accreditation and government guidelines require a timely review. And, of course, current job descriptions are mandatory. Often, the executive director's job description is the one that is overlooked year after year and it should reflect current conditions and responsibilities.
6. **People.** Are your staff and volunteers prepared to support a new leader? And, are you committed to developing your best employees? This may be the ideal time to review staff competencies and move employees from one set of

responsibilities to another. Some may benefit from coaching or special training. With staff and volunteers, think about ways to build a culture of appreciation that regards them as assets, not problems. Volunteers not only fulfill many tasks but serve as ambassadors in the community. If they are not supervised and supported well, the transition period may be complicated by public grumblings of unhappy volunteers. It is also important to create a link between the strategic plan and each volunteer's duties. Keep your best people strong.

7. **Partnerships.** Think about how the absence of your leader would affect a room full of other executive directors. Can you visualize the success of your programs without your current executive director? So often, formal partnerships flow from existing, informal executive relationships. Try to identify those partnerships that depend on a specific leader, and then begin reframing that alliance. Move other senior managers into some of the tasks and spaces between the two organizations and think about sustaining the initiatives with others. Next, consider those alliances that are not so tied to the incumbent executive director and see what strengths or lessons might be transferred to the first set. If a transition would impede your ability to continue the partnership, address this early. It may be that this exercise leads you to consider a strategic realignment.
8. **Organizational emotional health.** We often can feel a nonprofit's dysfunctionality when we walk in the door or walk down the halls. If opera-level drama is palpable, vice presidents refuse to work with each other, the front line staff is repeatedly rude to clients . . . probably not an ideal climate for welcoming a new executive. Also, the current executive director may have created an environment that mirrors her or his unresolved personal issues so strongly that the board cannot think or plan past the incumbent's quirks. And, all of this may be more complicated with a founder. Again, the board must rise above emotions, designing succession plans that are not personality-driven. Then, the board must provide space and tools to support employees and volunteers as they adapt to a new management style and perhaps expertise.
9. **Marketing and communication.** People will talk - and an emergency or planned succession is a big deal - and should be. Rather than responding to questions or

reacting to rumors, try to anticipate what would interest your various audiences and trumpet that information. If you do not have a communications plan, consider the value of creating transition communication points before you need them and list the strategic steps you would take.

The above points may be difficult to consider in the midst of daily interruptions and challenges. If so, then the various readiness gaps should be addressed before a succession plan is needed. If an emergency occurs or an executive director suddenly announces that she is retiring, the transition process in itself will be consuming -- best be ready for the inevitable.

The January edition of Project Pointers will outline emergency succession planning steps. In the meantime, I hope the balance of the year is rich, complete with rewarding holidays.

Happy Thanksgiving,



### Resource Highlight

Not surprisingly, I have been reading many articles and books on succession planning lately. I particularly want to recommend [Losing Your Executive Director Without Losing Your Way: The Nonprofit's Guide to Executive Turnover](#) by Carol Weisman and Richard I. Goldbaum. The book was published by Jossey Bass in 2004.

## Workshop Announcement Save the Dates!

February 18 and 25, 2011  
Both from 9 AM to 1:00 PM

**Federal Grants: Ready, Set, Go!**  
Offered by NKU's Institute for Nonprofit Capacity

This workshop will benefit decision-makers from small and mid-sized nonprofits who are considering or preparing for federal grants.

As part of this two session workshop, Marta will address issues of organizational readiness and five other presenters will deliver solid content related to securing federal grants.

Please check NKU's Institute for Nonprofits Capacity soon for program and registration details

## **Project Management Workshops**

### **Marta's *Successful Project Management* Workshop**

will be offered on

**Thursday, December 9, 2010**

**9:30 a.m. - 12:30 p.m.**

**at The Health Foundation of Greater Cincinnati**

**3805 Edwards Road, Suite 500, Cincinnati, OH 45209**

**Register online at: [workshop registration](#)**

**The *Successful Project Management* workshop**

will also be offered on

**April 5 and December 8, 2011**

**Registration for these workshops will begin in January, 2011**

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