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Project Pointers

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Spring finds me excited and focused. Having spent much of the last year doing my own business planning, the implementation steps of those creative ideas are both fun and rewarding. For example, I am thrilled that eight of our best human services leaders will be meeting with me regularly for mutual professional development and support. And, I'm currently working with two exceptional nonprofits that are actually doing what we all know we should be considering in terms of program analysis, proactive revenue diversification and partnership explorations. I am regularly moved by their heart and courage in facing tough decisions for the benefit of future clients. Add to this mix other great projects...well, life is good, even in the midst of so many challenges.

I also have been gratified by the amount of interest in succession planning, a topic that continues to be explored in this issue of Project Pointers. While the previous newsletters focused on emergency succession plans, this issue addresses planned departures.

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Departure-Defined Succession Planning

Even five years ago, our professional literature was filled with references to aging Baby Boomers and the large number of CEO openings on the horizon. In many cases, these departures have been delayed because of the economy. Personal and organizational finances created a new reality, with directors serving longer during more difficult times. The topic has become even more threatening for some as directors compete for funding and survival. While this anxiety is understandable, planning ahead can help reduce it.

The board is responsible for initiating succession planning and should avoid a rushed process. One-third of executive departures are involuntary. If a director is forced out, the value of a solid, emergency succession plan will be immediately felt. If the resulting two-thirds of departures are anticipated, the leadership change brings the perfect opportunity to strengthen the organization. An effective board creates a transition plan that ensures a rewarding, peaceful exit for the current leader and an inspirational entrance for the new one.

Ideally, the board knows the CEO's personal and professional plans. It is not unusual for a director to share plans two or three years in advance of leaving, but the board is responsible for asking if the topic does not come up. Longer term succession planning is especially important when the leader is viewed as being inseparable from the nonprofit, when various stakeholders cannot imagine the organization without its tenured, strong leader.

Nonprofit leaders generally **set their own departure times and the reasons vary widely**. If a leader leaves suddenly to take another position, the board will primarily rely on emergency succession guidelines in the absence of a pre-determined departure document. In many cases, the executive has a longer term departure in mind. The incumbent's skills and interests may no longer align with the agency's strategic direction, or the person wants a job that is less pressured. Some want to work in a different environment for variety and personal growth, some are seeking traditional retirement. And, it is not always easy to know when it is time to leave. A sensitive board chair can encourage the leader to discuss thoughts and feelings. Once the departure decision has been made, however, the board turns its attention to the organization's health in the years ahead.

Readiness

We covered key organizational readiness issues for emergency succession plans in previous newsletters. Not surprisingly, they also apply to planned departures -- with some special emphasis. A current strategic plan serves as the foundation for this process and it essentially outlines the skill set required for the next CEO. In addition, the organization's infrastructure and financial health should be reviewed, with an eye toward program effectiveness and sustainability. An organizational audit might be undertaken if "looking at the whole package" instead of a few functions makes more sense. Once this audit has been completed, the board will make plans to address any gaps between current conditions and future vision.

The Committee

As soon as the departure date has been set, the board will form a **succession planning committee**. A board member usually serves as chair of this group of five or six people. Other committee members include representatives from the board and perhaps an informed community member or former client. The CEO should not be a member of the committee, although she or he may be asked for input occasionally.

When it comes to including **staff** on the committee, succession experts do not agree. Some feel strongly that staff members add enormous information and insight. If invited, they should be selected based on "big picture" thinking skills and have the ability to see beyond their own departments. Other content experts advise against including staff, believing they cannot remove their individual needs and roles from the process. If this choice is made, a process for gathering staff input needs to be built in from the beginning.

Many organizations develop their own emergency succession plans, devoting about twenty hours to the process. But a planned, departure-defined succession plan is difficult to create without assistance. It will take far more time, energy and emotional distance to clearly assess organizational needs. Even if the board and staff complete much of the ground work, an outside **volunteer or executive transition consultant** can guide the overall process under the committee and board's direction. With a departure date in mind and external support in place, the board can expect a smooth flow of steps over time.

Internal Successor

Strategic leadership development is a key succession strategy. While organizations may develop senior staff for both humane and practical reasons, growing their leadership skills to a CEO level is unique. Has the board identified a potential successor to the current leader? If not, are there obvious persons whose talents might be expanded over time? In general, it is best to name the next executive at the same time the current executive's departure date is announced. Sharing this plan too early can lead to confusion about who is in charge, and either person's transition plans may change. Again, while the CEO may have a preference for one candidate, the board selects the next leader.

If there is no internal candidate, then the succession committee makes plans for an executive search. The next issue of Project Pointers will address this and other related topics. Until then, enjoy the promise of spring and sunlight.

Best Wishes,



Succession Planning for Human Services Organizations

Marta will offer a series of small group sessions **starting September 27** and continuing through the fall and winter. Executives will be invited on an individual basis to a session that ensures balance and diversity across organizations.

Ninety-minute sessions will be held at the American Red Cross Cincinnati Regional Headquarters. Leaders are encouraged to attend with the board chair, incoming chair or another executive committee member.

The session will include:

- Types of succession plans and which you need
- Tips for encouraging your board to begin or improve succession planning
- Organizational readiness

- Related staffing issues
- Template for developing your emergency succession plan
- Framework and checklist for planned departure succession planning
- Individual, confidential follow-up phone consultation with Marta (scheduled at your convenience)

Invitations and registration information will be available soon.

In the meantime, please contact Marta for details:

marta@martabrockmeyer.com or 859.851.7089.

Federal Grants: Ready, Set, Go!

Thursday, June 2nd 9:30 AM to 4:00 PM
Offered by The Health Foundation of Greater Cincinnati

This workshop will benefit decision-makers from small and mid-sized nonprofits who are considering or preparing for federal grants. Both CEOs and development staff will learn new ways to approach and secure federal grants - attending as a team will improve opportunities.

As part of the day-long workshop, Marta will address organizational readiness and three other presenters will deliver solid content related to securing federal grants.

Register on line at: [workshop registration](#)

Project Management Workshop

Marta's *Successful Project Management Workshop*

will be offered on

Tuesday, December 8, 2011

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](#)