



Today's Session

- ▶ Succession planning = long-term sustainability
- ▶ Components of an effective succession plan
- ▶ Five options to begin building your plan
- ▶ Tools and resources

Succession planning develops your most important resource.



Key Stats

- ▶ 73% of nonprofits have no executive succession plan
- BoardSource
- ▶ 68% of nonprofit execs will leave within 5 years
- Bridgespan Group
- ▶ 46% of nonprofits have less than 3 months of operating reserves
- CompassPoint

**Good succession planning
is an effective form of
sustainability planning.**



Succession Planning for Whom?

- ▶ Not just the chief executive
- ▶ Not just the senior team
- ▶ Not just the paid staff





Create Conversation About Succession

- Take time to do it right
- Retreat setting is ideal





Create Conversation About Succession

- Talk about the assessment results
- What items seem most important?
- Take notes for future discussions
- Include senior team and key volunteers
- Shift to more generative questions



Generative Conversation

How does this organization demonstrate that it values our people?

What would it look like to develop human capital with the same energy we use in developing financial capital?

What is our reputation as a place to work? How does that influence our ability to attract new talent and supporters?

Generative Conversation

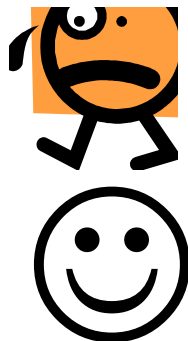
What should happen if our chief executive left without warning? What if other key positions were suddenly vacated?

What is the reputation of our board? Why?

What should be the path to becoming chair of our board?

Emotion

- ✓ Be Transparent
- ✓ Be Accountable
- ✓ Be Participatory
- ✓ Focus on the Mission






Plan for Sudden Vacancies



Nonprofit Information Inventory
Position Vacancy Strategies
Professional Interim Leadership

Nonprofit Information Inventory

- ▶ Update yearly during budget process
- ▶ Review vendor relationships
- ▶ Control the distribution
- ▶ Provide to incoming leader once status is formalized



Position Vacancy Strategies

- ▶ Annual performance reviews
 - Good communication
 - Updated job description
 - Look forward...
- ▶ Position contingency plans
 - Memo updated at each performance review
 - Include senior team, other key positions
 - Do planning with people (not to them)

Professional Interim Leadership

- ✓ Experienced leadership on short notice
- ✓ Objective resource for best practices
- ✓ More time to recruit and hire next leader
- ✓ Specialized skills to match situation
- ✓ Shock absorber to ease change
- ✓ Solve problems before next leader arrives
- ✓ Assist with search process



***Options for
Beginning Your
Succession Plan***

Create
Conversation
About
Succession

Plan for
Sudden
Vacancies

Adopt
Leadership Continuity
Policies

Retain and Motivate
Your People with
Good HR Practices

Build a
Resourced
Strategic Plan

Adopt Leadership Continuity Policies

- Chief Executive Succession Policy
- Regular compensation reviews
- Annual executive performance reviews
- Board self-assessment
- Board succession



Chief Executive Succession Policy

See template in resource materials
(not a substitute for legal advice)

Provides for

- Short-term absence
- Long-term absence
- Permanent vacancy

Chief Executive Succession Policy

- ✓ Annual review and board approval of policy
- ✓ Signed by all key participants
- ✓ Attach
 - Two org charts - current and provisional
 - Updated job description
 - Updated Information Inventory
 - Current list of board members
- ✓ Distribute as appropriate

Adopt Leadership Continuity Policies

- Chief Executive Succession Policy
- Regular compensation reviews
- Annual executive performance reviews
- Board self-assessment
- Board succession



Board Succession

- ❖ Term Limits
 - 28% of boards have no term limits
 - Most common term limits configuration
 - Two terms
 - Three years per term

BoardSource
Leading with Intent, 2017

Board Succession

- ❖ Term Limits
- ❖ “Career Path” to Board Chair Role
- ❖ Three Stages of Board Chair Role
- ❖ Chair-Elect Role in Work Groups



Retain and Motivate Your People

What type of employer
do you want to be?



Retain and Motivate Your People

Strong HR practices help...

- Protect the organization
- Set performance standards
- Promote succession discussions
- Develop people's skills
- Manage attrition



Key HR Practices (Partial List)

- ✓ Accurate job descriptions (including volunteers)
- ✓ Personnel file for each employee
- ✓ Budget for professional development
- ✓ Updated volunteer and employee handbooks
- ✓ Performance reviews that look back and ahead
- ✓ Regular compensation reviews
- ✓ Strong whistleblower protection policy
- ✓ Inclusive and equitable hiring practices

Leverage HR Practices for Succession Planning

- Small group discussion
*What HR practices would protect our people
and help them be more successful?*
- Engage board, other volunteers
and staff
- Update your practices
(and give credit for input)



Photo by Headway on Unsplash

Inclusive and Equitable Hiring Practices

- ✓ Inclusion/equity statement in job postings
- ✓ Build networks in diverse communities
- ✓ Push postings to more diverse audiences
- ✓ Drop non-essential skills and qualifications
- ✓ Post salary range, don't ask for salary history
- ✓ Ignore your bias about typos, resume design
- ✓ Diverse perspectives on interview committee
- ✓ Standardize interview process for all candidates
- ✓ Invite candidates to share additional info
- ✓ Consider what the candidate would add
(not how well they would fit)



Build a Resourced Strategic Plan

KEY QUESTIONS

How much does your strategic plan cost?

Does that amount include the cost to develop and support human capital?

How would you develop the human capital your plan requires?

What does your strategic plan say about the value of people and their impact on your mission?



Succession planning safeguards your mission.



**Succession planning develops
your most important resource.**



*Options for
Beginning Your
Succession Plan*

Create
Conversation
About
Succession

Plan for
Sudden
Vacancies

Adopt
Leadership Continuity
Policies

Retain and Motivate
Your People with
Good HR Practices

Build a
Resourced
Strategic Plan

Learning Into Action

- ▶ What's the best option for your organization to start with in building your culture of leadership continuity?
- ▶ Who will be your organization's champion for leadership continuity? How will you find and support that person?

Learning Into Action

SOME FIRST STEPS

- Talk to someone in your organization about this topic and find out what they think.
- Invite your board and senior team to complete and discuss the Leadership Continuity Self-Assessment.
- Share the Nonprofit Information Inventory with your Chief Executive or Board Chair.

Questions?

Randy Brinson

rbrinson@thirdsectorcompany.com