

Leadership Succession Planning: Don't Wait!



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silence your
cell phones.**



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NONPROFIT LEADERSHIP CONFERENCE

Leadership Succession Planning: Don't Wait!

SPEAKER:

Patty Ioas, CPA, CMA



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*Planning for the Nonprofit
Organization of the Future*



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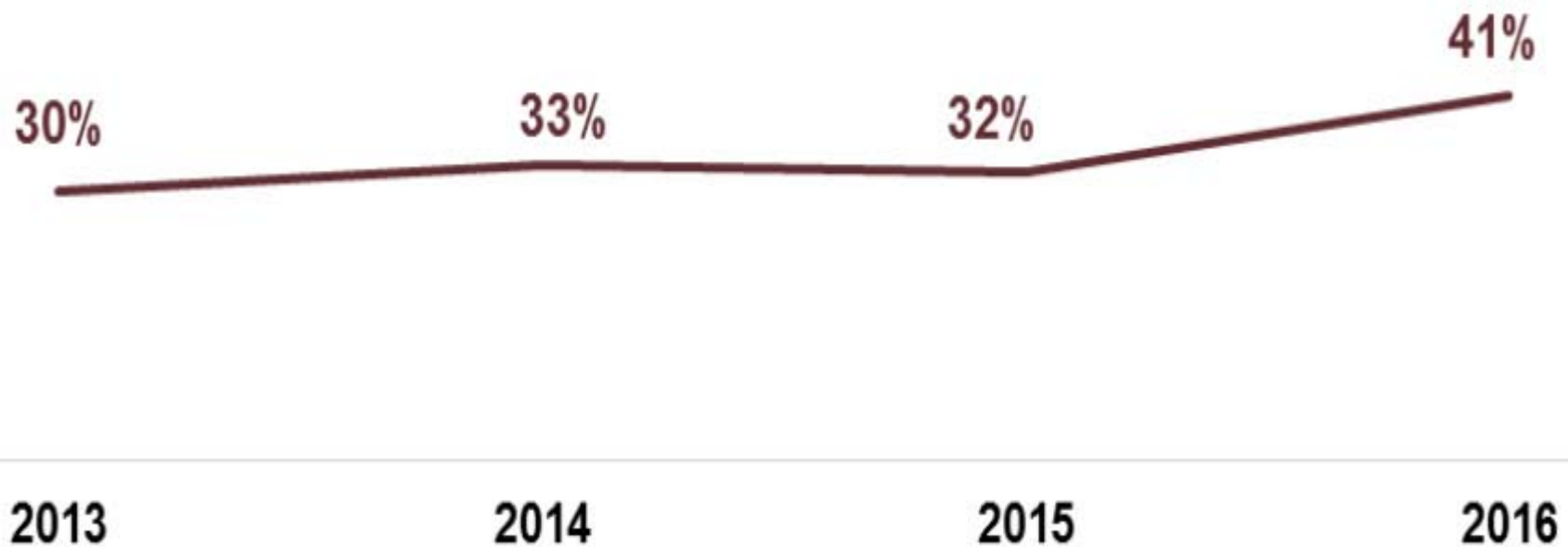
Leadership Succession Planning: Don't Wait!

Agenda

- Importance of Succession Planning
- Possible Alternatives
- Executive Director
- Board Leadership
- Developing a Plan
- Call to Action

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Leadership Succession Planning



Source: 2016 Nonprofit Employment Practices Survey

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Why is Succession Planning Important?

The lack of a formal succession plan may negatively impact an organization's ability to effectively prepare for leadership transition and risk an organization's sustainability.

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Why is Succession Planning Important?



Ralph R. Smith is senior vice president of the Annie E. Casey Foundation, a private philanthropy dedicated to helping build better futures for disadvantaged children in the United States.



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Why is Succession Planning Important?

“Nonprofit organizations that care about getting results and having an impact on the children, families, and communities they serve – especially in a time of shrinking resources and growing need – must be intentional, focused, and deliberate about leadership transition and development.”

--Ralph Smith



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Why is Succession Planning Important?

- Clients, consumers, patients depend on the services provided by the organization.
- Services may be difficult to obtain elsewhere due to economic or other restrictions.
- Opportunity for “planned” transformative change
- Opportunity to capitalize on talents/traits of a new leader, based on the future direction of the organization

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Possible Alternatives

Corporate – Public and Private Companies	Nonprofit Organizations
Family Owned – Transition to Next Generation	Identify an existing employee who is a candidate for the position.
Sell the Company to an outside buyer	Identify a candidate from outside the organization and hire them with the intent of transition.
Merger with another Company	Collaborate or consolidate with another nonprofit organization.
Sell the Company to employees	

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Executive Director

- Strategic
- Planned departure
- Unexpected departure



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Executive Director

DONOR DEVELOPMENT
BUSINESS MANAGEMENT
KNOWLEDGE OF INDUSTRY
TEAM BUILDING STRATEGIC
VISIONARY
LEADERSHIP
MISSION
DRIVEN
EXPERIENCE
COMMUNITY FIGUREHEAD
PROGRAM EXPANSION ETHICAL
FUNDRAISING
FISCAL RESPONSIBILITY



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Executive Director - Challenges

- Decreasing population of qualified candidates
- Growing number of organizations
- Demands of position
- Compensation



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Board Leadership

- Board's role - outlining the succession plan
- Recruiting, hiring and oversight of the executive director
- Mentor to executive director
- Annual board agenda item

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Board Leadership

- Board Matrix
- Identifying potential board members
- Decrease in number of qualified board members



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Developing a Plan



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Developing a Plan

- Organization specific
- Align with strategic plan
- Board engagement
- Leadership succession team

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Developing a Plan

- Transition consultant (outside help)
- Develop/review job description
- Timeline
- Written Plan



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Developing a Plan

- Identify candidates
- If external search, nature of search
- Candidate evaluation form
- Post-hiring transition plan

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“Consultants who assist charities that have lost a chief executive say that such planning can prevent or greatly lessen the many problems that nonprofit groups often face when the executive director leaves: decreased contributions, program cuts, confusion over the direction of the organization, flagging employee morale, and other challenges.”

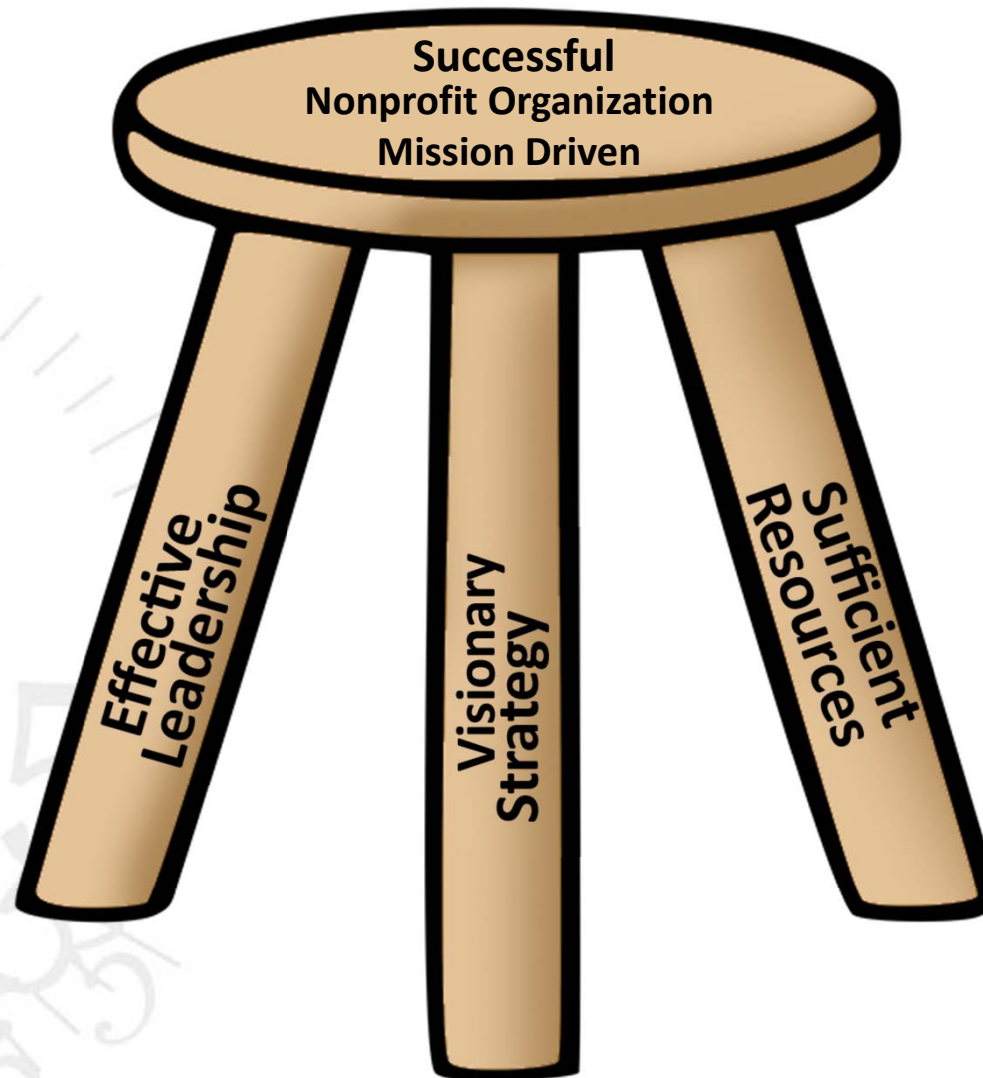
Holly Hall

Planning Successful Successions

The Chronicle of Philanthropy, 2006



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Call to Action

- Develop a Plan
- Review/Update existing Plan
- Complete questionnaire
- Review of board matrix
- Board meeting agenda item



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Questions?

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