the nest group

nonprofit • executive

succession • transition
What’s Your Plan for When Your Leader Unexpected Leaves?

Tuesday, October 29th | Non-Profit Day 2019 | Erie, Pennsylvania
We are a group of 6 consultants, each with 25+ years of experience in the nonprofit leadership area. Our partnership of consultants focuses on helping organizations to prepare for inevitable leadership transitions -- whether intentional or unintentional, to strengthen them, and to support new leadership through their onboarding and first six months as organization leaders.
Sara Jane Lowry, Managing Partner of The Nest Group, is from Sara Jane Lowry Coaching & Consulting, and specializes in organizational capacity building, board development, external relationship building, strategic planning, and executive coaching. She has been in the nonprofit sector for 25 years, some of which were as CEOs, CFO, and Director of External Relations. She has helped clients to raise millions of dollars, build new buildings, and create endowments.
The Nest Group

Wendy Burtner Owens, Partner has built a career helping nonprofits develop strong foundations for growth. Her training and advising services are built on 25 years of experience including leading several human service organizations, a corporate foundation, a public-private economic development partnership and 4 years as the director of grant maker relations at GuideStar. Wendy facilitates regional Executive Boot Camps, and executive coaching.
Workshop Agenda

1. Introductions
2. Four Ingredients of Emergency Transition Preparation
3. Succession Planning
4. Worksheet Overview
• What’s your name?
• What’s the name of your organization?
• What’s your role with your organization?
• Why are you here?
• What’s your experiences with executive transition.
5 Reasons Why You Should Plan for an Emergency Transition

1. To prevent institutional knowledge and relationship losses
2. Internal hires get up to speed faster and cost less
3. Capacity issues to cover for a departing leader responsibilities
4. Minimize the risk of failure
5. Leader wears multiple hats, not easy to pick up their role
• New Board Chair
• Performance Evaluation of Chief Executive
• Crisis involving the Chief Executive
• Significant Board Turnover
• Significant Staff Turnover
• A “Founder” Overstaying Effectiveness

What could trigger an emergency transition?
4 Ingredients of Emergency Transition Planning

- Risk Management
- Communications Planning
- Interim Management
- Financial Management
• Who is the communications lead?
• Who is on the communications committee?
• Who will write the messaging?
• Who will deliver the message?
<table>
<thead>
<tr>
<th>Priority Level</th>
<th>Stakeholder Name and Organization</th>
<th>Vehicle for message</th>
<th>Internal Communications Lead</th>
<th>Other Org Contacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>Major Funder</td>
<td>Phone Call</td>
<td>Board Chair</td>
<td>Development Director</td>
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<tr>
<td>Secondary</td>
<td>Program Partner</td>
<td>Phone Call</td>
<td>Program Lead</td>
<td>Program Committee Chair</td>
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<tr>
<td>Tertiary</td>
<td>Landlord</td>
<td>Email</td>
<td>Operations Lead</td>
<td>Finance Chair</td>
</tr>
</tbody>
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Emergency Transition Financial Management

- Finance Transition Team

Purpose: to ensure financial management standards are kept during a time of emergency transition in order to protect the financial resources of the organization.

- Board Treasurer
- Accountant/Outside contractors
- Staff?
- Auditor?
<table>
<thead>
<tr>
<th>Account</th>
<th>Bank and Account Manager Contact Info</th>
<th>Account Number</th>
<th>Log-in Information</th>
<th>Who has access? Signatories? Other notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking</td>
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<td>Savings</td>
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<td>Investment</td>
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<td>Credit Card</td>
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<tr>
<td>Other</td>
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</tbody>
</table>
- Grants
  Foundation and Government Funders

- Financial Management policies and procedures relating to:
  - Retirement Accounts (IRS 5500)
  - Endowment
  - Investments

- Review current financial policies and recommended changes or updates, etc.

- Audit
Emergency Transition Planning

Interim Management

- Remember the hiring process can take time (months).
- Questions to ask:
  - Does our organization have available expertise in-house to address specific change management issues?
  - What is the extent and timing of the change required?
  - How urgent is our situation?
  - Is our position specification for the position currently well-defined, or are there significant transition issues that must be addressed before we can pursue a permanent solution?
• Who are you considering and why?
• What skills do you hope they have?
• Is that person a caretaker (keeps things running) or are they a disrupter (will change what hasn’t been working and improve things?)
• How long will the role last?
• Who will take on their responsibilities if they assume the leader role?

Are you considering an internal candidate?
Emergency Transition Planning
Risk Management

- General Risk Assessment Checklist
  - Keys, parking passes, etc.
  - Insurance
  - Legal Issues - is there any exposure
  - IT - passwords, computers, etc.
  - Severance/lawsuit issues
- What ideas do you have?
• The difference between executive transition and succession planning: Are they the same?

• Transition is what you do after the leader has left.

• Succession is creating the conditions for the incumbent leader to succeed, understanding your current & future strategies, leadership development within the organization, and having firm foundation and board in place.
Who is responsible for succession planning?

Board responsibilities:
- Strategy
- Vision
- Understanding the job of the chief executive
- Selecting, supporting, evaluating the executive

Executive responsibilities:
- Understanding what conditions would be needed for the next leader
- Legacy
- Succession and leadership development within the organization
Climate for Success

- Understand the Job of the Chief Executive
- Agree on Expectations
- Develop an Emergency Transition Plan
- Establish Evaluation Process for Chief Executive
- Conduct Board Self-Assessment

Chief Executive Succession Planning Cycle
Summary

- The Four Ingredients of an Emergency Transition Plan
  - Communication
  - Financial
  - Interim Management
  - Risk Assessment
- Take home template for writing your own emergency plan
- Succession Planning Cycle
Discussion

- What did you learn
- What are your key takeaways
- Questions?

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