

Succession Planning 2

Emergency Succession Planning, and Charting Your Course

TESS REYNOLDS

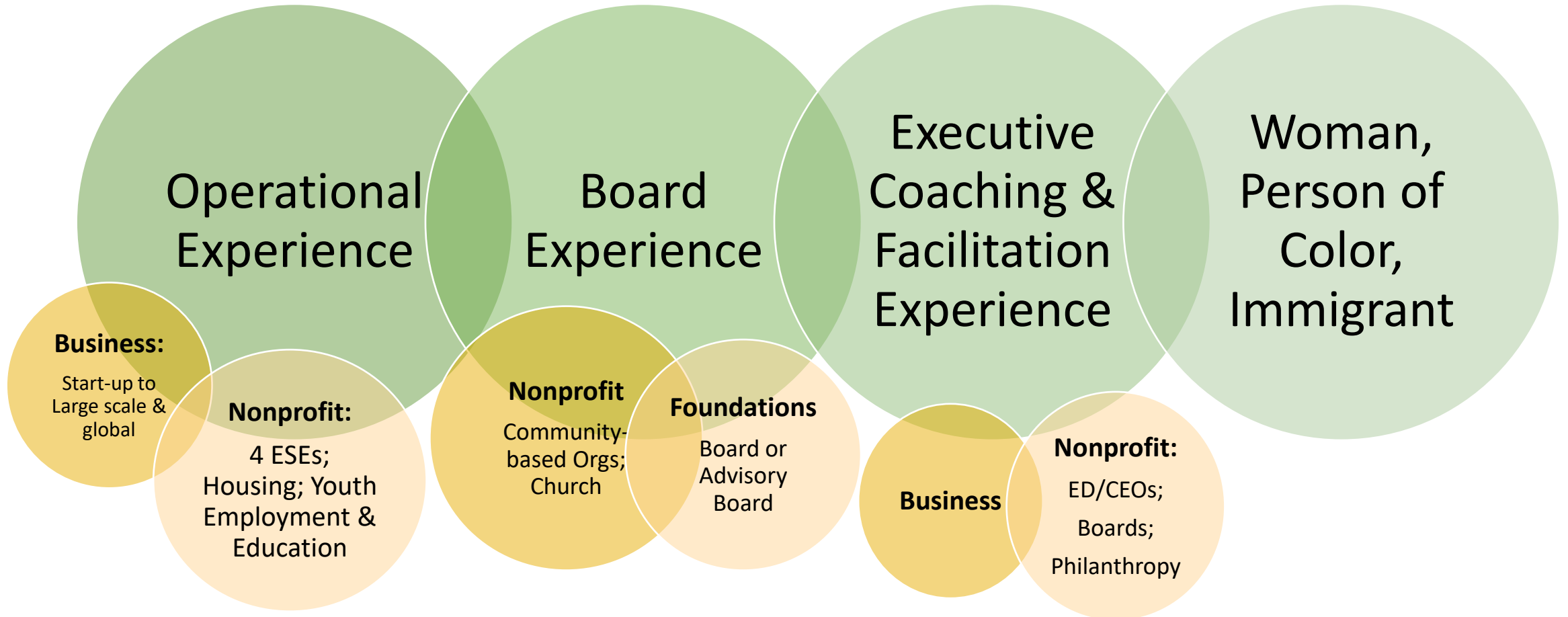
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REDF Succession Planning Workshops

#1: Intro to Succession Planning and Organizational Sustainability

#2: The Emergency Succession Plan (Oct. 26)

- What Constitutes a Leadership Emergency?
- Elements of an Emergency Succession Plan
- Developing your Leadership Pipeline with an Equity Lens
- Personal Readiness – continued work

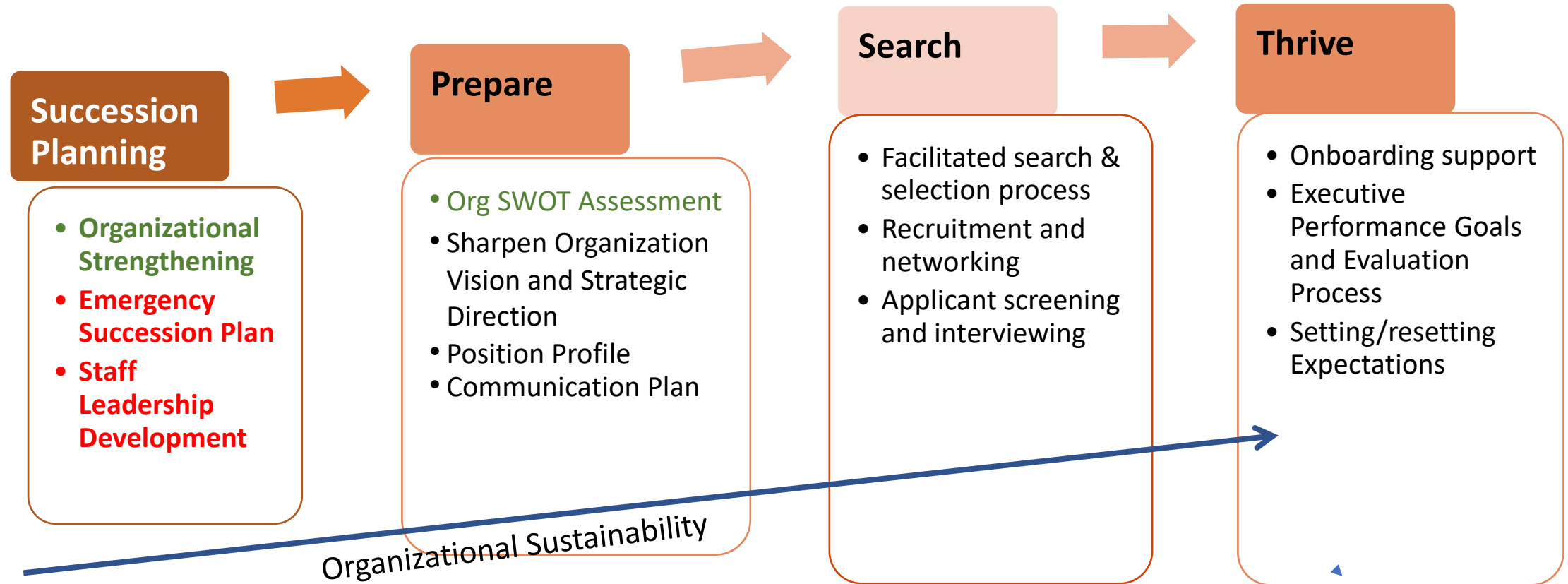
#3: A “Planned” Succession Plan (Jan. 2023)

- Pre-departure planning
- Communications plan
- Search firms, Interim ED/CEOs and more

#4: Bringing it Home – Q&A, Co-Leadership Models, etc. (March 2023)

The Organization's Executive Transition Process

Source: Third Sector New England



Pillars of Organization Sustainability

- **B**oard Effectiveness
- **E**conomic/Financial health
- **S**trategy
- **T**alent and Culture



Two Parallel Threads

From Session One

- Organizational Readiness
 - Homework: BEST Organizational Sustainability Assessment
 - Going Deeper:
 - Board Self-Assessment for Nonprofit Organizations, BoardSource
 - FMA Financial Sustainability Worksheets at Wallace Foundation Knowledge Center
- Personal Readiness
 - Homework: Personal Reflection Worksheet

Homework Report-Back: What did you learn?

1. Organization Self-Assessment

- How was your experience in completing the assessment? Did you do it solo or with your team?
- What did you learn?
- Which of the four areas will you or your org need to focus on?
 - Board Effectiveness
 - Economic/Financial Health
 - Strategy & Implementation
 - Talent & Culture

Responses to BEST Organizational Sustainability Assessment

Reflections about my Organization's Board Effectiveness

What additional indicators would be meaningful to assess my organization's Board Effectiveness?

2 responses

Understanding of the population we are working with. Understanding of importance of DEI so future board members representing BIPOC and lived experience communities are not tokenized.

Attending events (program, developing, etc) outside of board meetings & committees

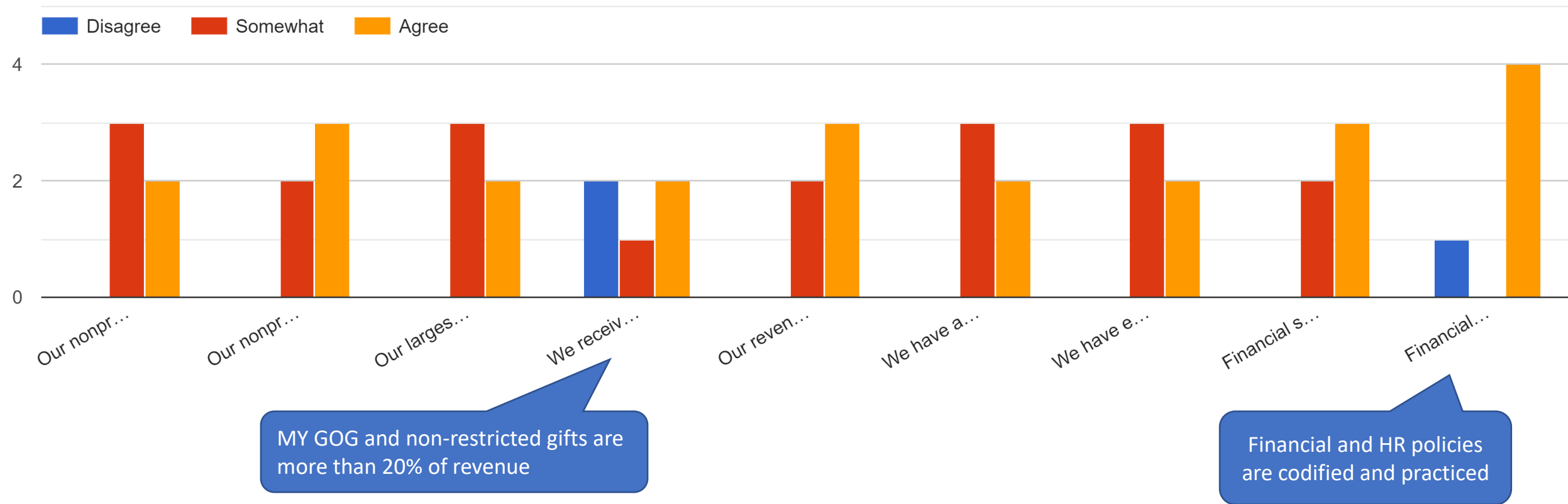
What are my takeaways and important next steps for improving my organization's Board Effectiveness?

2 responses

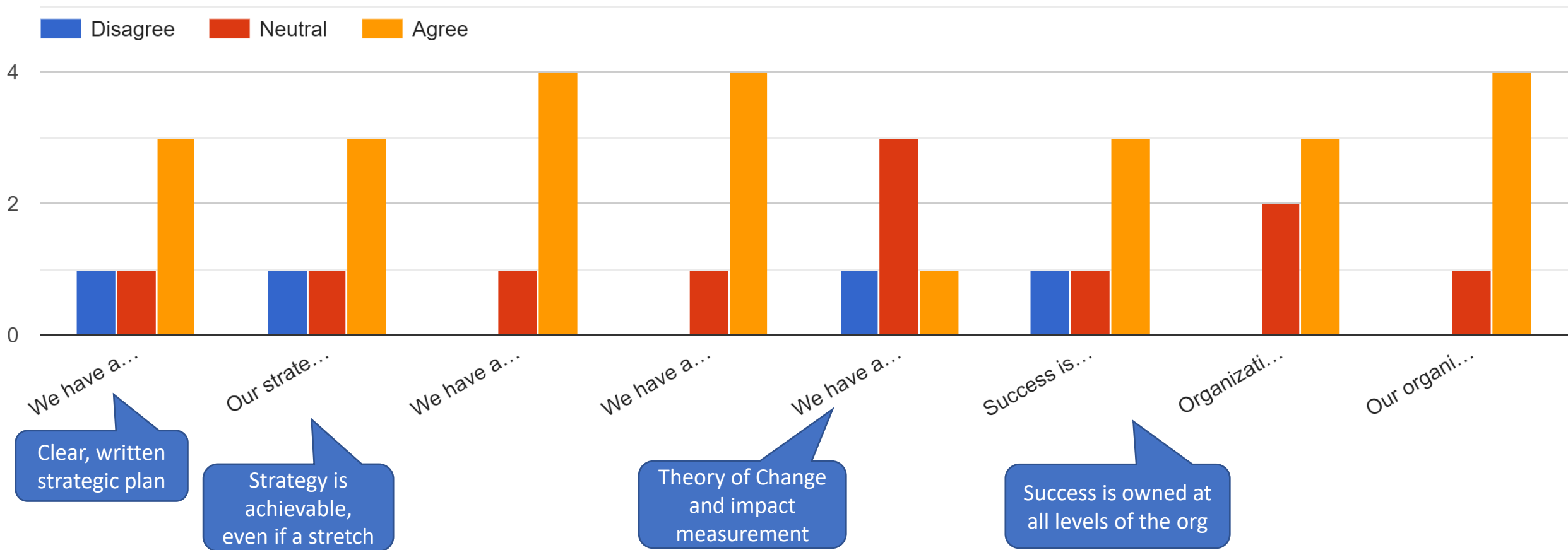
Ensuring new and existing board members get the coaching and training they need to govern and lead well.

Need to focus on succession planning for board

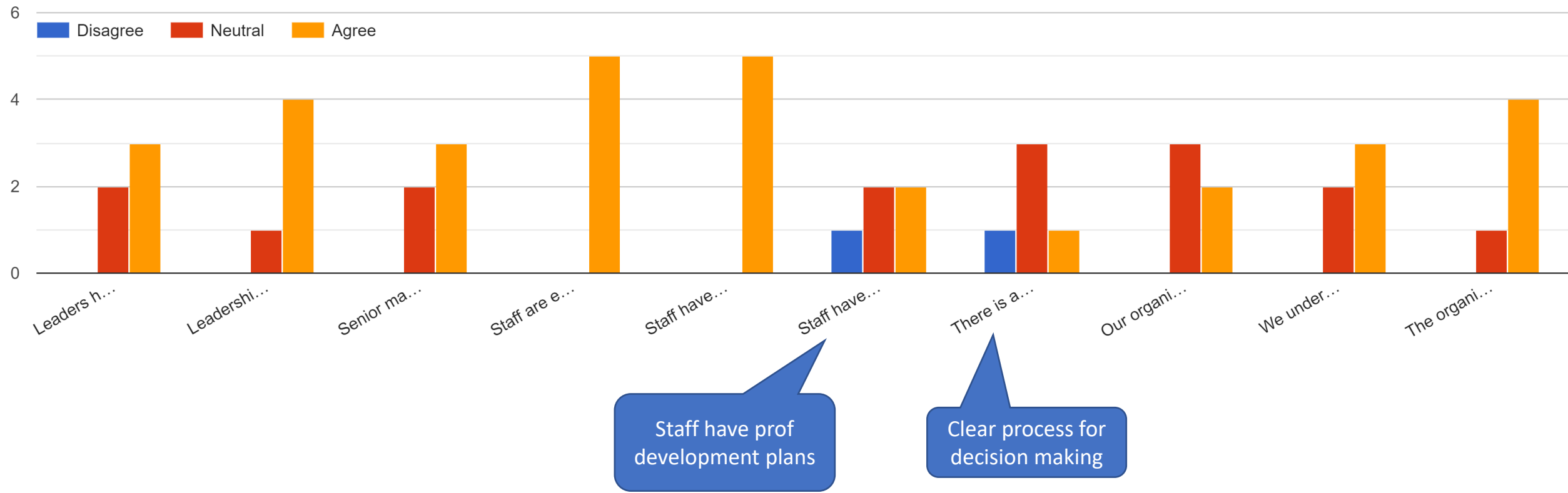
Economic / Financial Health Indicators of Organizational Sustainability



Strategy & Implementation Detailed ratings



Talent & Culture Detailed ratings



What are my takeaways and important next steps for improving my organization's Talent and Culture?

2 responses

I need to clarify internal leadership development opportunities

Refine decision-making frameworks/more consistently implement

Overall reflections after completing this assessment

Looking back to my answers on the Reflective Questions, what are my Top Three areas for improving our organizational sustainability?

3 responses

Strategy, Finance, Board

Leadership development, shared leadership practices and Board accountability

Board succession, unrestricted fundraising, impact measurement

Emergency Succession Plan

REDF Succession Planning Workshops

Session Two

October 2022

Emergency Succession Plan

What Constitutes a Leadership Emergency?

- Don't wait for an emergency!
- Consider *normal* life “interruptions” like parental leave...
- *Unexpected* life interruptions like accidents, surgery, diagnosis of life-threatening illness, etc.
- The need to care for a loved one facing the above “interruptions”
- Legal issues that force the CEO to step away (temporarily or long-term)

Emergency Succession Plan Scenarios

- Temporary, Unplanned, SHORT-TERM Absence of ED/CEO
 - E.g., sabbatical, medical leave, family leave, etc.
- Temporary, Unplanned, LONG-TERM Absence of ED/CEO
 - E.g., medical leave, short-term disability
- Unexpected Permanent Change in ED/CEO
 - E.g. Termination, Short-term notice of departure, Death or long-term Disability

What is an emergency succession plan?

- Appoints a specific acting successor or successors by role, defines their scope, designates their reporting lines, and identifies back-filled support.
- Typically lasts one to three months.
- Provides a way to continue delivering mission during an emergency absence.
- Provides time to make more thoughtful decisions on how to handle longer-term implications.

Elements of an Emergency Succession Plan

1. Communication Plan

- Board Chair is first point-of-contact in event of emergency succession
- Key Stakeholders – Staff, Volunteers, Funders, Government Contacts, Partners, etc. – order by priority

2. Information Inventory

3. Financial Oversight

4. Acting or Interim Management

- Acting Executive Director Authority and Compensation – could be staff or Board member
- Interim Chief Executive – usually from outside the organization
- Other Key Staff and Board Roles

5. Executive Search

- Search Committee – led by the Board
- Search Consultant(s) if needed

✓ Emergency Succession Plan should be approved and reviewed annually by the Board

➤ Recommended Template: <https://blueavocado.org/leadership-and-management/how-to-plan-and-execute-an-emergency-succession/>

Emergency Succession Plan Template

41 **Procedures and Conditions**

42 In the event of an unplanned absence of the CEO, the staff or Board Member who is first aware
43 of the situation should immediately inform the Board Chair (or another member of the
44 Executive Committee if the Board Chair is not available) of the immediate or soon to occur
45 absence. This plan is to be activated as soon as the absence occurs.

46
47 As soon as it is feasible, the Chair should convene the **Executive Committee**, preferably online or
48 by phone, to review the procedures prescribed in this plan. Any actions resulting from this
49 discussion should be communicated to the full board so that each member of the board of
50 directors is fully informed and engaged.

51
52 In the event that the CEO is unable to fulfill their duties, the position of Acting CEO will be filled
53 by the **[Position Title/Board Member]**. Should the standing appointee to the position be unable
54 to serve, the back-up appointee for the position of Acting CEO will be the **[Position Title/Board**
55 **Member]**.

56
57 Any Board Members serving in an Acting staff leadership role will **resign from / take a leave of**
58 **absence** from the Board of Directors for the duration of their acting staff role. That Board
59 Member will be eligible to be readmitted to Board of Directors by board vote **immediately/one**
60 **month** after leaving the acting staff role.

61
62 *It is possible to share leadership responsibilities for the short term. If this is the right solution for*
63 *your organization, delineating functions can make roles clear. If you can designate a single*
64 *Acting CEO, then please delete through line 69.*

65

Function	Who
example: Communication	Name
example: Overall financial, check signing & budgeting	Name

66

67 Acting shared leaders will meet by **phone/online 2x weekly** at a minimum to coordinate. Any
68 news deemed significant will be shared with the **Executive Committee / Board Chair / Full board**
69 via **email/board portal/virtual meeting**.

Emergency Succession Plan

Organization Information Inventory

- Secure passwords and log-in info
- Nonprofit Status
 - IRS Determination Letter, State Tax Exemption Certificate
 - Bylaws
 - Board Documents: Meeting Minutes; Terms, Officers and Committees; Board Matrix and Recruitment Process
- Key Contacts
 - Legal Counsel, Auditors, Insurance Brokers
 - IT Contractor, Internet provider, Security company, Landlord, etc.
 - Bank accounts and banking contacts; Investments broker/planner; etc.
- Program and client records – esp. those needed for public grants compliance
- Key Dates and Upcoming Deadlines, e.g. grant applications/renewals/reports; 990 filing, etc.
- Key Org Documents
 - Org charts, Mission & Values statements
 - Strategic Plan
 - Budget
 - Lease information, mortgage info, building deed, etc.

There is No One Right Answer

- Designate the full role to one person, or split the responsibilities?
- Helpful to plan for two possible acting successors, first and second
- Clarify roles and limitations, e.g. Acting/Interim ED/CEO will have the full responsibilities of the ED/CEO with the following exceptions:
 - Lower limit on spending approval or check signing?
 - Inability to fire staff without Board consultation?
 - Inability to change a budget without Board approval?
- Consider hiring to backfill gaps, e.g. hiring a consultant/contractor, hiring temps, engaging an executive coach, postponing projects
- Compensate staff for added work, e.g. temporary raise or a bonus upon satisfactory completion

Inputs to Consider for Possible Successors

- Core leadership competencies
 - Leading the organization: e.g. decision making, problem solving, etc.
 - Leading others: e.g., trust and collaboration, communication and influence
 - Leading oneself: growth mindset, self-awareness, motivation
- Skills, knowledge and expertise required for a specific role or field
 - Lived experiences
 - Goal achievement is consistently high.
- Core values and beliefs that all leaders in your org must embody and endorse in order to lead authentically and achieve impact
 - Promotes a learning environment
 - Advances justice, equity, diversity and inclusion (JEDI)
- Potential successor has desire and interest in professional development and growth assignments

Responsibility Splits are worth considering...

The Clarity Transitions Guide to Emergency Succession Planning

Appendix A: Succession Designees for Staff Leadership

In this section, identify the management positions that may need to be filled in an emergency situation.

Position to be Filled	Person Filling Position	Temporary Reporting Line	Limitations
example: CFO	J. Mendez	CEO/Acting CEO	Check signing to be designated to COO
example: Director of Programming	See responsibility split below		

Responsibility Split for Director of Programming

Re-create this table as often as needed

Function	Who	Temporary Reporting Line	Limitations
example: ABC Program oversight	B. Hoya	Report to CEO	Budget changes require approval
example: Data Management & reporting	L. Smith	Report to CFO	

Discussion

- What other inputs might you consider for possible successors?
- How do you learn about and surface “lived experiences?”
- How are JEDI values and beliefs lived out at your organization? What does it look like and sound like?

Another approach and tool from Propel Nonprofits...

Emergency Succession Plan Template for Nonprofit Leaders: Part 1 – Document Current Responsibilities

We consider this a “brain dump” guide. For each organizational area, list or describe the current status in the “as of” column and in the “by” column, detail any upcoming deadlines or next steps. Note items or actions that are high priority or that would need to be addressed immediately in the “special attention” column. You do not need to assign or transition roles in this part; the “who” will be covered in part 2.

	Category	As of <DATE>	By <DATE>	Items Requiring Special Attention
ORGANIZATION	Role of Executive Director			
	Board			
	Strategy			
	Mission, Vision, Values			
	Culture and Climate			
	Change Readiness & Adaptability			
OPERATIONS	Financial Health			
	People			
	Property			
	Communication			
	Infrastructure			
	Policies			
	Partnerships/Relationships			
	Volunteers			
PROGRAMMING	Development			
	Delivery			
	Evaluation			
EXTERNAL FACTORS				
OTHER				

Emergency Succession Plan Template for Nonprofit Leaders: Part 2 – Transition Key Management Responsibilities

After you’ve detailed where things are now, upcoming deadlines, and key priorities, it’s time to document who will do what should anything affect your ability to perform the above roles. The purpose of this part of the plan is to ensure continuous coverage of program management duties that are critical to the organization’s or program’s ongoing operations and sustainability. Since current status and next steps are documented in step one, use this guide to detail where relevant documents are saved, other relevant people involved or that need to be notified, etc. Once this is complete, share both parts of this plan with all relevant team members and set up a time to cross-train on key responsibilities or answer any questions they may have.

Key Responsibility	Description	Transition to:	Important information
Operations/ Facilities Management			
Fund Development			
Human Resources			
Financial Administration			
External Relationships/ Partnerships Communication			
Liaison to Board			
Staff Supervision			
Program management			
Others:			

Emergency Succession Plan Template for Nonprofit Leaders: Part 2 – Transition Key Management Responsibilities

After you've detailed where things are now, upcoming deadlines, and key priorities, it's time to document who will do what should anything affect your ability to perform the above roles. The purpose of this part of the plan is to ensure continuous coverage of program management duties that are critical to the organization's or program's ongoing operations and sustainability. Since current status and next steps are documented in step one, use this guide to detail where relevant documents are saved, other relevant people involved or that need to be notified, etc. Once this is complete, share both parts of this plan with all relevant team members and set up a time to cross-train on key responsibilities or answer any questions they may have.

Key Responsibility	Description	Transition to:	Important information
Operations/ Facilities Management		Marco	
Fund Development		Mira	
Human Resources		Marco	
Financial Administration		Marco	
External Relationships/ Partnerships Communication		Mira	
Liaison to Board		Mira	
Staff Supervision		Mona	
Program management		Mona	
Others:			

Ideally, succession planning becomes
part of an annual talent management cycle
– not just a “one-time-thing,”

Staff Competency Development:

Foundation for Succession Plans & Emergency Succession Plans

- Context:
 - Uncertainty is high on many fronts: revenue, demand for services, increasing costs, staff stability
 - Equity is a priority
- Advantages of competency development
 - Developing staff with succession in mind can promote equity
 - Motivating for staff – shows you value current staff
 - Promoting/hiring from within reduces operational disruption.
 - Internal talent costs less than external hires
 - Ultimately promotes organizational excellence and impact

Competency-based Approach to Succession Planning

1. Identify senior leadership roles that would benefit from a succession plan.
2. Establish a competency based approach for staff development. You may start with senior leadership roles – and eventually do org-wide.
3. Agree on what “great” looks like, with equity at the center of these discussions.
4. Prioritize 1-2 areas for focus.
 - Org-wide core competencies can drive development priorities
 - Use tools like the Eisenhower matrix
5. Craft development opportunities with intention, using models like 70-20-10.
 - 70% on-the-job learning and development
 - 20% learning from others, e.g. coaching, performance and peer reviews
 - 10% formal training, e.g. webinars, courses, masterclasses, etc.

Succession planning process following a competency-based development approach

1. Develop individual succession plan

- Identify possible internal successors and their likely timelines for being able to take on a leadership role

2. Create short-term replacement plan

- Mitigate against unexpected transitions or temporary leaves that can be highly disruptive

3. Consolidate individual plans into org-wide view

- Reveal trends and other implications – such as talent gaps, recruiting needs, and lack of diversity in the leadership pipeline

Succession Planning Worksheet

With Leadership Pipeline/Prof. Development Approach

Position and Name		Interim	Succession Plan		
Position	Incumbent Name	Short-term (1-3 mo) replacement	Ready-now Candidate	Ready in 1-2 years	Ready in 3+ years
<i>ED / CEO</i>					
<i>Chief Financial Officer</i>					
<i>Chief Development Off.</i>					
<i>Chief Program Officer</i>					
<i>HR/People Ops Director</i>					

Scenario

- **Jonas, the CEO**, is putting together an Emergency Succession Plan. He has no plans to leave the org, but he is dreaming about taking a sabbatical next year.
- **Jamil, the Chief Program Office (CPO)** would make a great interim, but in their annual reviews, Jamil has indicated he is not interested in becoming an ED/CEO. He loves leading programs but hates fundraising.
- **Joanne, the CDO**, is a go-getter and loves to close deals on grants and gifts. She loves the mission but has no patience for program work.
- The **Finance** staff is sharp but lean. There's a CFO and two accountants, one of whom is part-time. They have hired contractors in the past, when needed.
- **HR/People Ops** is a one-person shop. Josue leans on the office manager and the payroll accountant for staff support, and also leverages the pro bono employment attorneys.
- The **Programs** team has a number of star performers, notably the L.A. Program Director whom Jonas and Jamil think would make a great CPO and CEO someday.
- There are other stars below the director level. Stars are defined through the org's PiiQ HR system that measures performance against goals and against core competencies.

Succession Planning Worksheet Scenario

With Leadership Pipeline/Prof. Development Approach

Position and Name		Interim	Succession Plan		
Position	Incumbent Name	Short-term (1-3 mo) replacement	Ready-now Candidate	Ready in 1-2 years	Ready in 3+ years
<i>ED / CEO</i>	<i>Jonas</i>	<i>Jamil, Chief Program Officer</i>	<i>None (Jamil does not want the job)</i>	<i>Joanne, Chief Development Officer</i>	<i>L.A. Pgm Director</i>
<i>Chief Financial Officer</i>	<i>Jeri</i>	<i>None – hire interim</i>	<i>none</i>	<i>none</i>	<i>Accountant</i>
<i>Chief Development Off.</i>	<i>Joanne</i>	<i>CEO</i>	<i>none</i>	<i>Major Gifts Off</i>	<i>Grants Mgr.</i>
<i>Chief Program Officer</i>	<i>Jamil</i>	<i>LA Pgm Director</i>	<i>LA Program Dir</i>	<i>SF Pgm. Dir.</i>	<i>Education Mgr</i>
<i>HR/People Ops Director</i>	<i>Josue</i>	<i>CFO</i>	<i>Major Gifts Off</i>	<i>SF Pgm. Dir.</i>	<i>none</i>

Discussion

1. What might it look like to have equity at the center of these discussions (around emergency succession and leadership pipeline development)?
2. What other factors might you consider?

Personal Readiness

Homework from Workshop #1

2. Personal Reflection Worksheet

- a. What are the organizational implications to your leaving...esp. in terms of your vision for the organization's future?
- b. How ready are you, personally, for transitioning out of your role?
What personal barriers and opportunities do you see?
 - i. Financial barriers and opportunities
 - ii. Career Impact
 - iii. Health and wellbeing
- c. How ready are you, on a scale of 1 to 10, with 10 being ready to leave this year?

Personal Barriers to Leaving

Consider...

Career	Do I want retirement, or a new job, or a career change? Or something else?
	Is there a career move that would inspire and energize me?
	How important to me are my professional identity and status as an ED/CEO?
	Do I have the skills for a different kind of job?
Financial	Am I financially constrained?
	Have I established a financial plan for retirement? Do I have enough set aside?
	Can I restructure my debt and expenses? Would I consider moving to a lower-cost area?
	Can I afford to pay for my own health insurance? Am I eligible for Medicare/other benefits?
Health & Wellness	Am I ready to put my personal health and wellness ahead of my job/career?
	Am I concerned I am leaving some things undone? What will make me feel like I'm ending well?
	Do I believe there is no one who can do this job as well as I can?
	Am I ready to release my <i>identity</i> as leader of this organization?
	What brings me joy? What activities and people are life-giving for me?

Personal Barriers to Leaving

Barriers and Opportunities Worksheet

Career	Barriers	Opportunities
Financial	Barriers	Opportunities
Health & Wellness	Barriers	Opportunities

You Have an Emergency Succession Plan (ESP) -- Now What?

- Board's Role
 - Input
 - Approval
 - Annual review and updates
 - Leadership Team
 - Understanding and buy-in
 - Conduct Leadership Pipeline and Professional Development with ESP in mind
 - Integrating with Annual Reviews
 - Communication
 - With Impacted Staff
 - With All Staff
- ✓ A living document, not one-and-done!

Homework

1. Organizational Readiness

- Complete an Emergency Succession Plan for your organization before our third workshop in January.
- Discuss it with your leadership team.
- Have it ready for Board review and approval by Q1 2023 (*or your timeline*).

2. Personal Readiness

- Fill out the Personal Barriers and Opportunities worksheet, to supplement your Personal Reflection worksheet from Session One.
- Schedule that “mini-retreat” to reflect on your own personal readiness.

Questions?



Future Workshops: A Sneak Peek

#3: A “Planned” Succession Plan, Jan. 25, 2023

- Whether or not the ED has an transition date in mind
- Pre-departure planning – more personal readiness “stuff”
- Transition Plan and Communications plan
- Search firms, interim ED/CEOs, and more

#4: Bringing it Home, March 29, 2023

- Implications for Founders
- Co-Leadership
- Q&A
- and more...

Your Topics/Questions for Session 4

- Succession Planning: Implications for Founders
- Co-Leadership: Pros and Cons
- ?
- ?
- What topics have we discussed that you'd like to dig deeper into?
- What other topics related to succession planning would you like to discuss?

Tess Reynolds Consulting

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- DBA On-Hand Leadership Partners
- Executive Coaching
 - Many POCs in their first ED/CEO role – some are Co-EDs
 - Some ED/CEOs transitioning out of their roles
 - Some seasoned leaders facing rapid growth and change
- Board Development
 - Governance, Roles and Responsibilities
 - Board Self-Assessment Survey
 - Board Recruitment Process
 - Board Fundraising
 - Becoming a Generative Board
 - Board Retreat Facilitation
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