

# 2024 NONPROFIT LEADERSHIP CONFERENCE



**May 8, 2024**  
**Minneapolis**



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May 8, 2024  
Minneapolis

MINNESOTA  
COUNCIL OF  
NONPROFITS

## Thanks to our conference sponsors:



HUMPHREY SCHOOL  
OF PUBLIC AFFAIRS  
UNIVERSITY OF MINNESOTA





# Think You're Prepared?

## Creating Readiness for Executive Transitions

Wednesday, May 8<sup>th</sup>, 2024 | MCN Leadership Conference | Alex Clark (he/him)

# Our Learning Objectives

Upon completion, participants will:

- be equipped to discuss transition readiness with their board and executive leaders
- know of techniques to assess transition readiness within their organization
- have access to resources that can assist them and their organization in fostering transition readiness

# Before we start...an invitation

Please stop me at any point. This is a shared space for conversation and learning.

If you have any need of accommodation, please feel free to flag me down during our "neighbor chats" or text me at 612-845-5125.

Please use a mic when sharing or posing a question.

# Neighbor Chat

Pair up with your neighbor and discuss the following questions.

- There are many great options during today's conference....

...What brings you to this session? What makes this a topic of interest to you?



# What is a Leadership Transition?

# A Working Definition

A leadership transition is:

The set of activities related to planning, preparation, and managing the transition from employing one executive leader to a successor.

Frick, J. (2011). Succession planning & leadership transition. Communities in Schools.

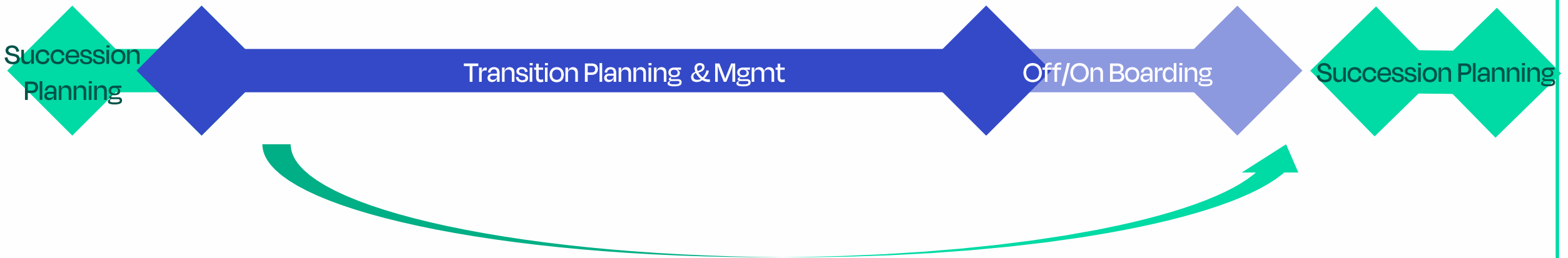




# Related Terms



# Transitions Can Look Like This...



# ...This...



# ...This...



# ...And This.



Canva. @elif-atays-team

# The Reality (from our perspective)

There is no right or wrong way...

...there are only different outcomes.



# Why is This Topic Relevant?

# The Nonprofit Succession Paradox

100%

Need a plan

70%

Paradox

*noun* : a situation, person, or thing that combines contradictory features or qualities.

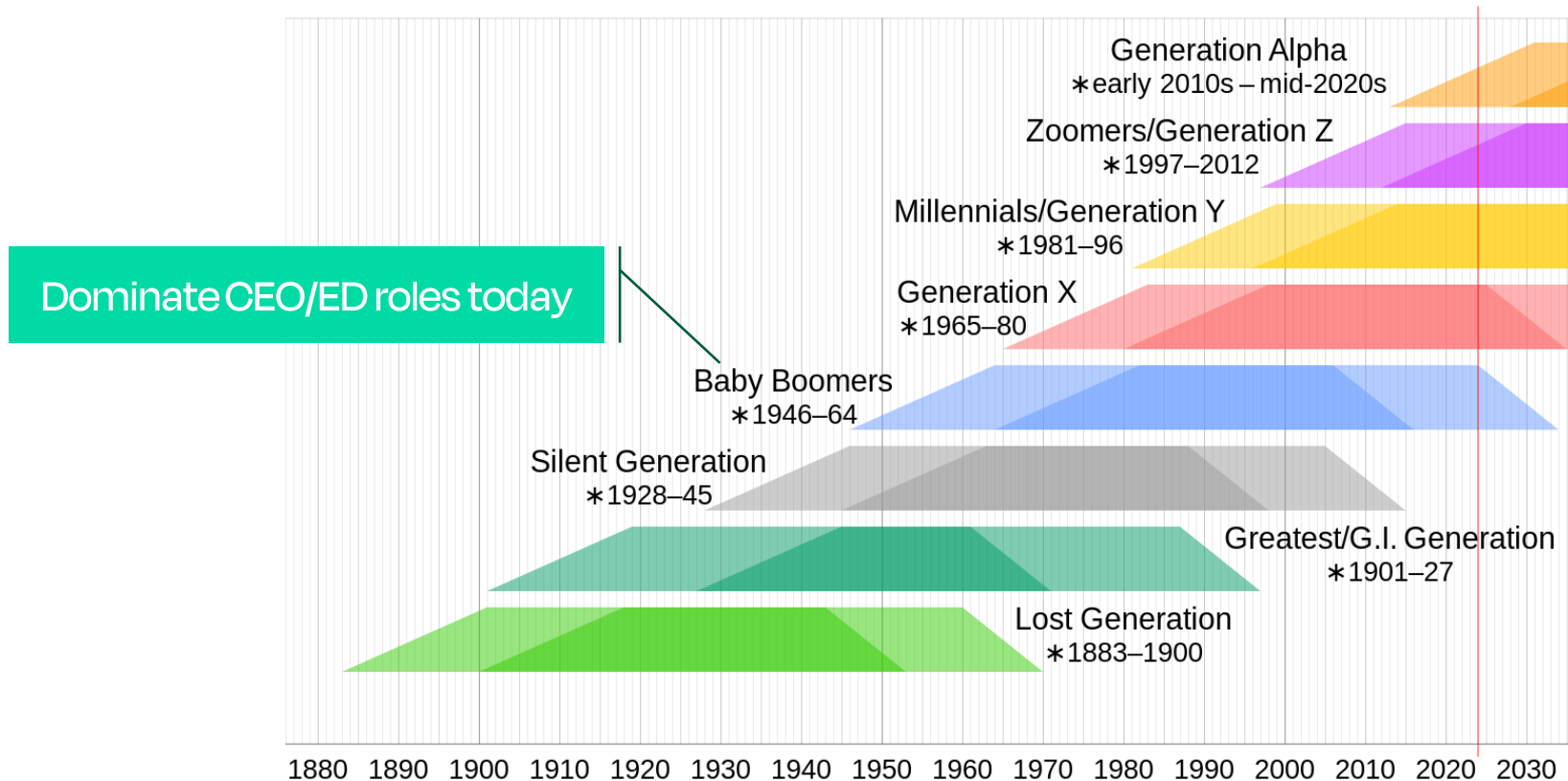
29%

Do any planning

Froelich, K., McKee, G., & Rathge, R. (2011). Succession planning in nonprofit organizations. *Nonprofit Management & Leadership*, 22(1), 3–20.

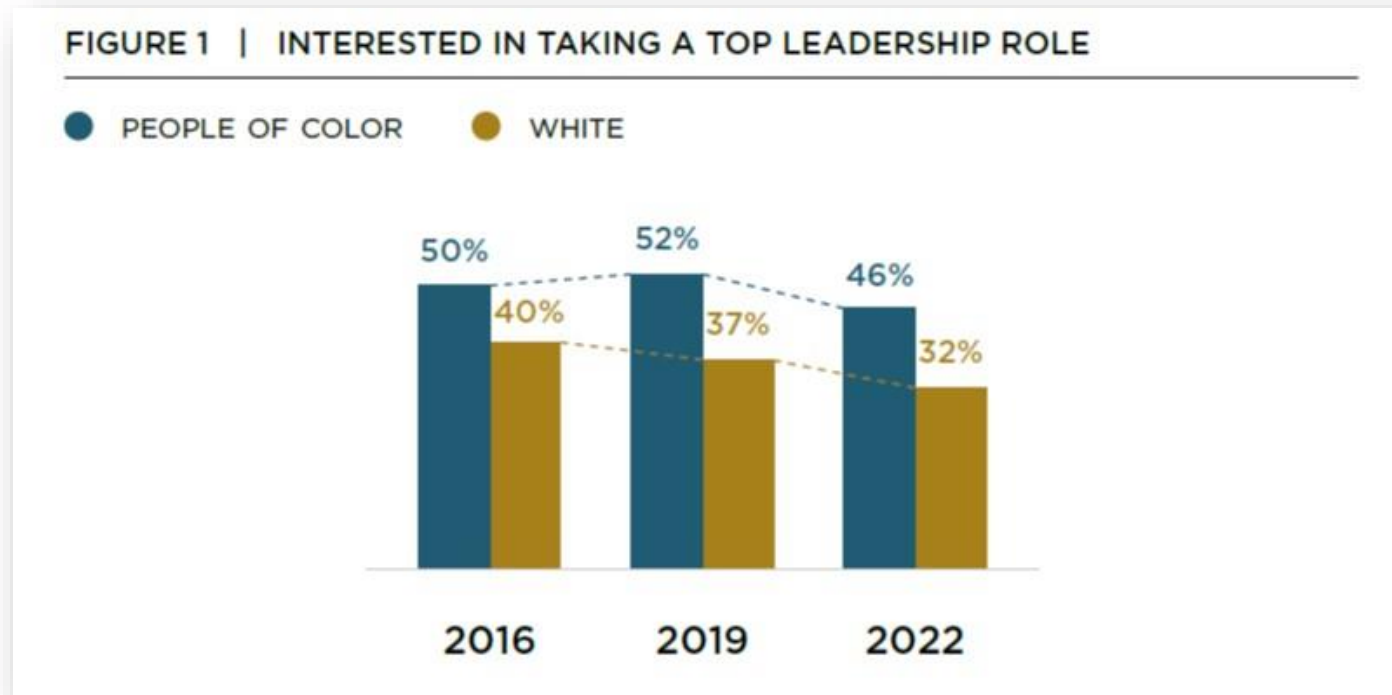


# The Generational Shift Is On



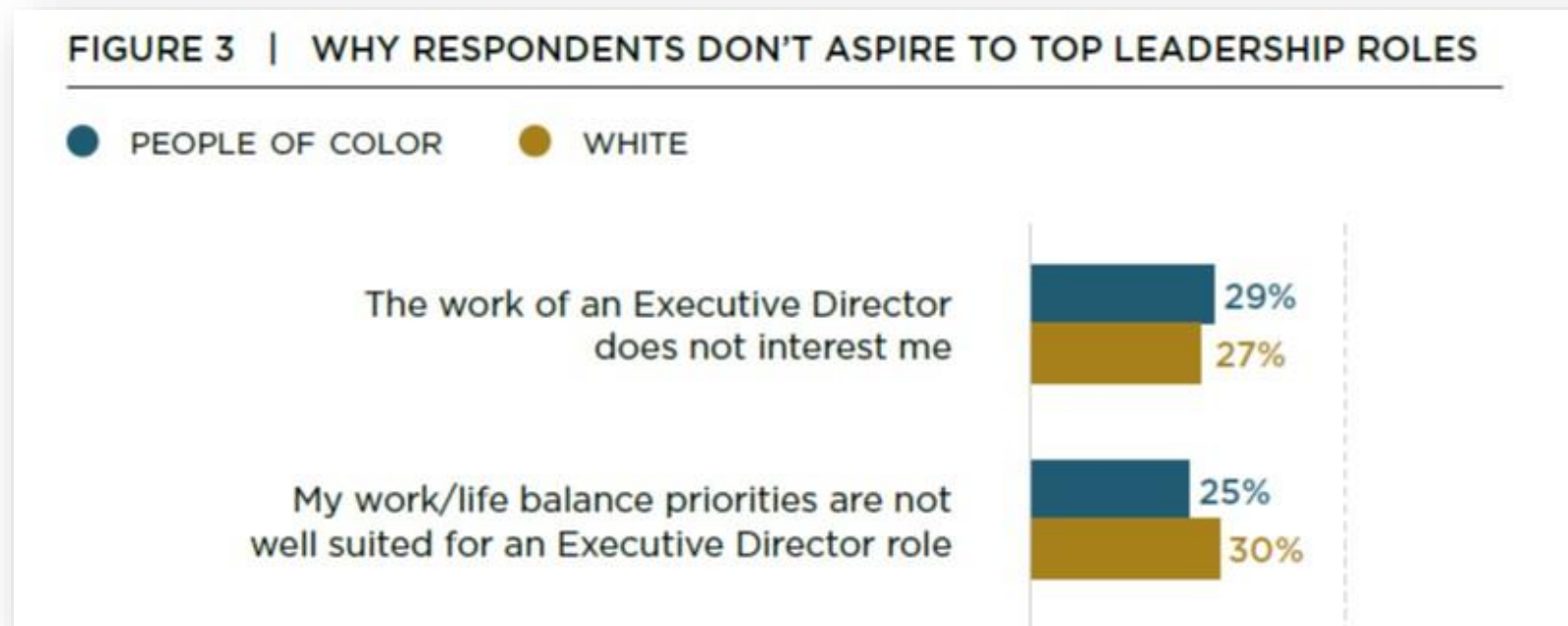
McKee, G. & Froelich, K. (2016). Executive succession planning: Barriers and substitutes in nonprofit organizations. *Annals of Public & Cooperative Economics*, 87(4), 587–601.

# Interest Is Waning



McKee, G. & Froelich, K. (2016). Executive succession planning: Barriers and substitutes in nonprofit organizations. *Annals of Public & Cooperative Economics*, 87(4), 587–601.

# Why Is Interest Waning?



The Push and Pull: Declining Interest in Nonprofit Leadership (2022). *Building Movement Project*

# The Rise of the “Glass Cliff”



“Women and diverse candidates achieve leadership roles during periods of crisis or downturn when the risk of failure is highest.”

[Illustration by Carmen Deñó](#)

Cook, A.; Glass, C. (1 May 2013). "Glass Cliffs and Organizational Saviors: Barriers to Minority Leadership in Work Organizations?". *Social Problems*. 60 (2): 168–187.

# The Nonprofit Succession Paradox

100%

Need a plan

70%

Say it's important

29%

Do any planning

Froelich, K., McKee, G., & Rathge, R. (2011). Succession planning in nonprofit organizations. *Nonprofit Management & Leadership*, 22(1), 3–20.

# Neighbor Chat

Why might leadership transitions often go undiscussed or unplanned?

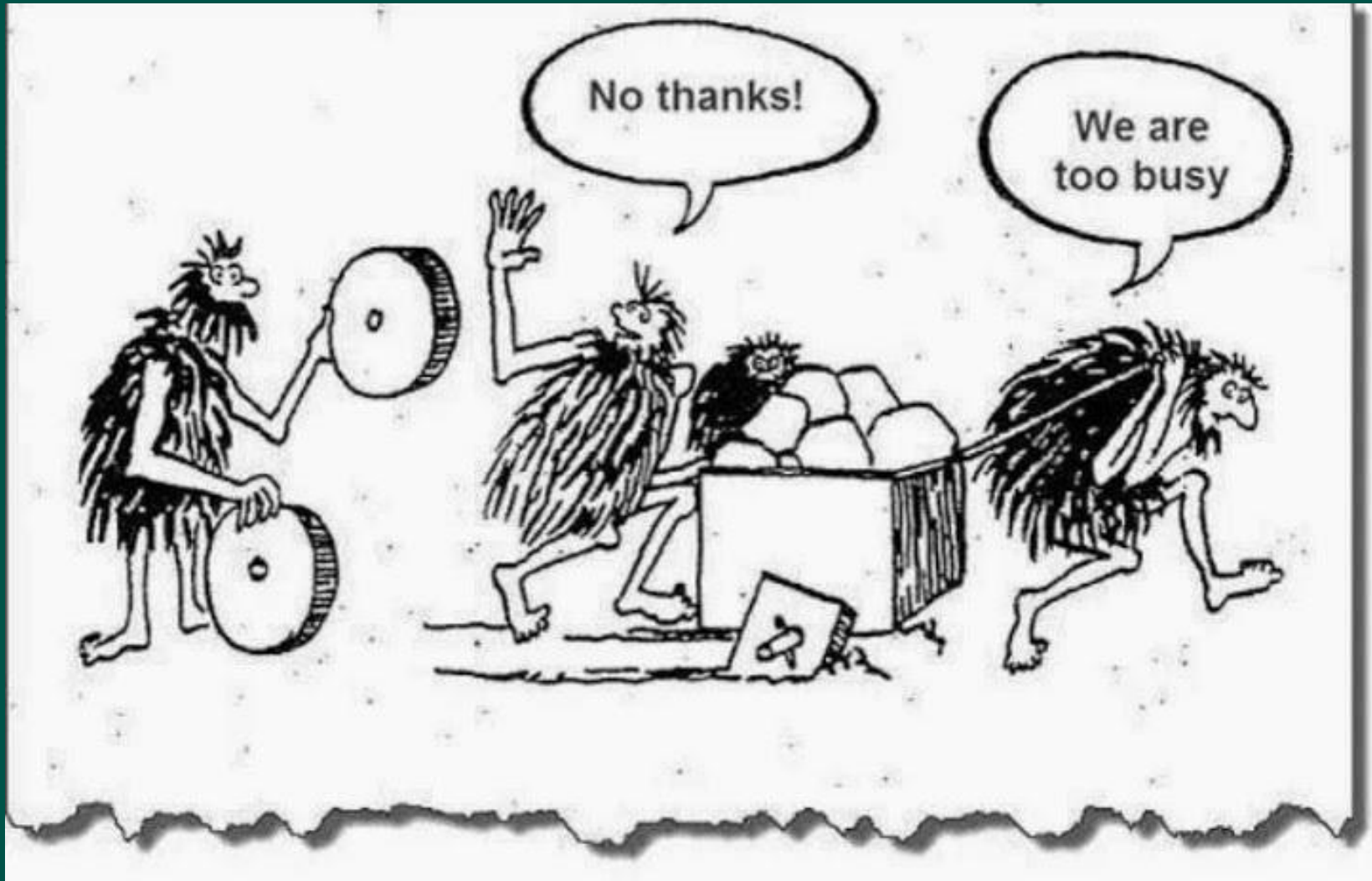
What's hard about this topic?

# It's Just Plain Hard



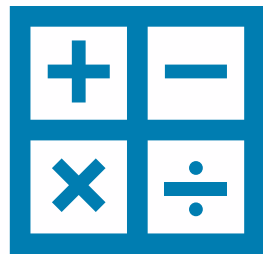
Horowitz, B. (2014). *The Hard Thing About Hard Things*. Harper Collins.

Photo from Pixabay.





# Oversimplification

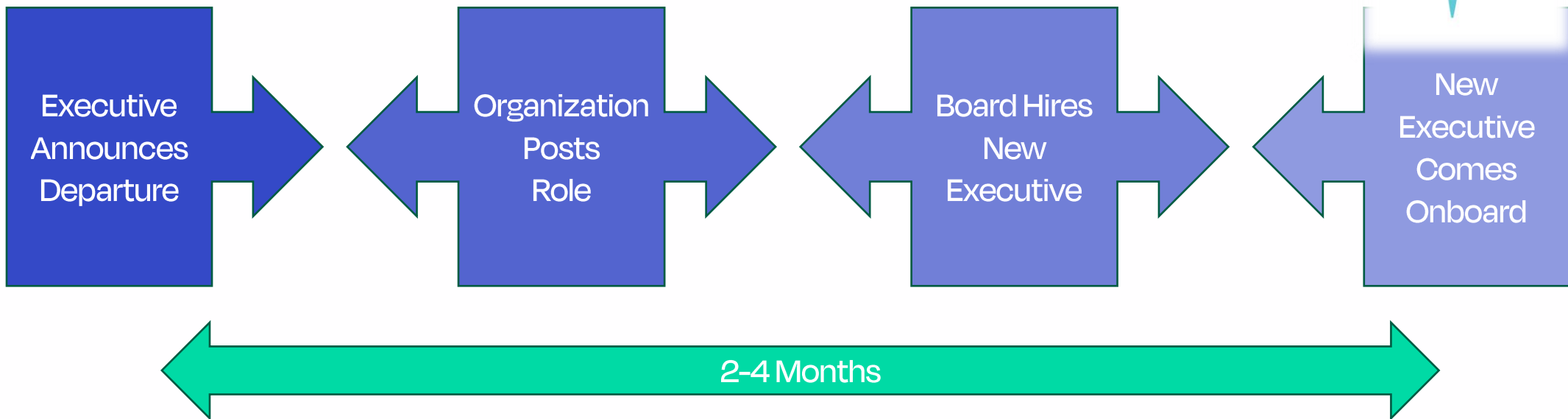
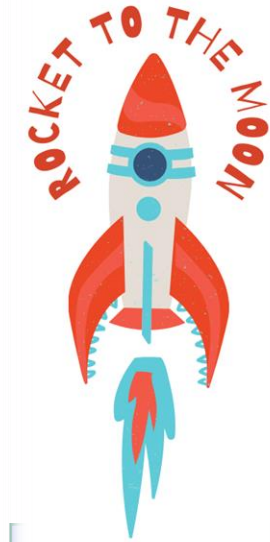


$$(x + a)^n = \sum_{k=0}^n \binom{n}{k} x^k a^{n-k}$$

Research suggests boards hesitate or resist a focus on transition readiness because of perceived or simplistic assumptions about a transition process

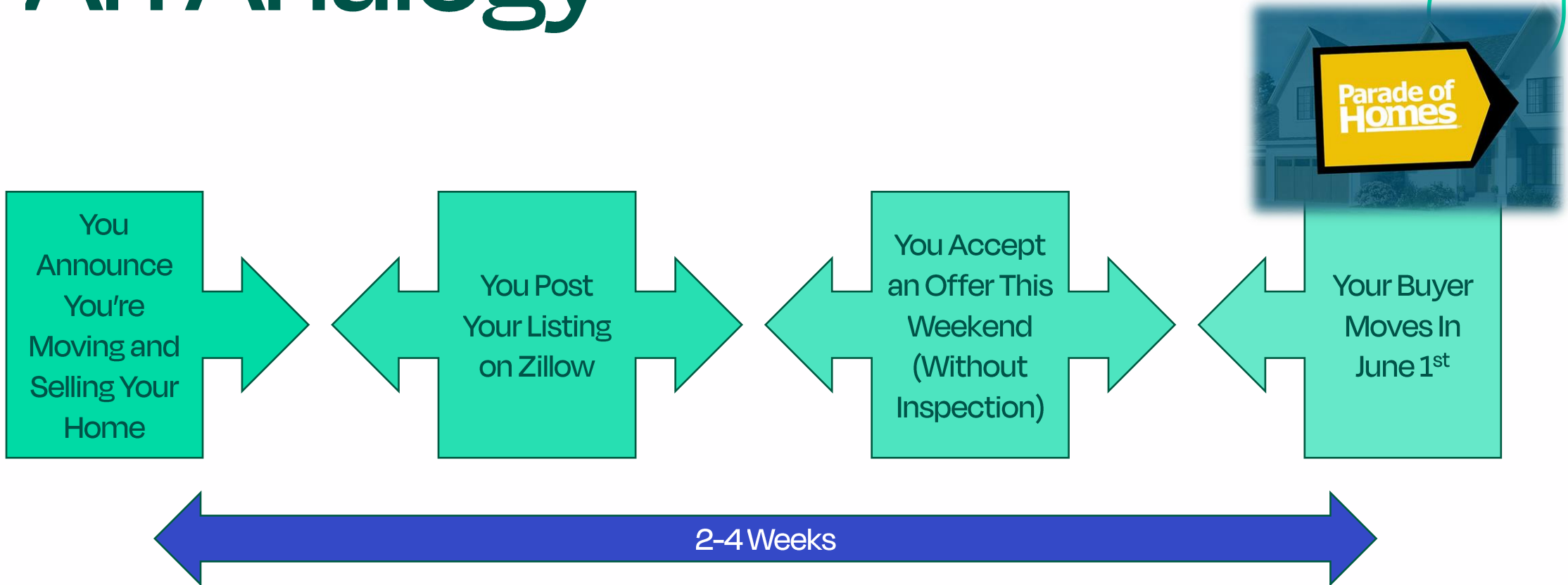
Froelich, K., McKee, G., & Rathge, R. (2011). Succession planning in nonprofit organizations. *Nonprofit Management & Leadership*, 22(1), 3–20.

# A Common Mindset

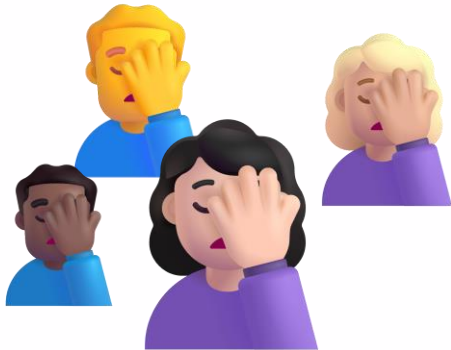


Canva. @LonaFactory

# An Analogy



# The Impact



Boards and CEOs often report boards were ill-prepared for a leadership transition after the fact

## Common Outcomes

- organizational instability
- weakened leadership
- friction with external partners

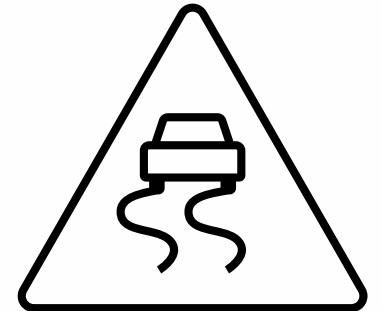
Bozer, G. & Kuna, S. (2013). Israeli perspective on nonprofit executive succession planning. *International Leadership Journal*, 5(3), 10-27. <https://t.ly/gFID6>  
Carman, J. G., Leland, S. M., & Wilson, A. J. (2010). Crisis in leadership or failure to plan? Insights from Charlotte, North Carolina. *Nonprofit Management & Leadership*, 21(1), 93-111. <https://doi.org/10.1002/nml.20014>  
Frick, J. (2011). Succession planning & leadership transition. *Communities in Schools*. <https://www.t.ly/12HI->



# Derailers and Common Pitfalls

# Where To Exercise Caution

- Timeline delusions
- Overlooking role clarity and negotiation among board and staff
- Trying to do everything before the transition
- Doing nothing before the transition
- The outgoing leader is not really ready to depart
- Insufficient communication and partnership between the board chair and the executive
- Under communicating to interested parties
- Assuming staff have no role in the process
- Thinking about the next leader relative to the current leader
- Over-emphasizing the "who", under-emphasizing the "how"



# Creating Transition Readiness

# What Are We Talking About?

## Defining Transition Readiness

The process of *intentionally* developing the conditions for success

where the outgoing leader can leave well,

the incoming leader is effectively set up for success,  
and

the organization can thrive (or at a minimum, manage).



# (Re)Framing Your Transition.

# Turnlane Philosophy

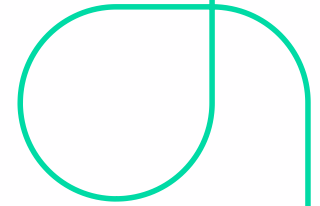
## From

A moment of  
instability

## To

A catalyst for intentional  
transformation

# How You Orient Matters



- Go slow to go fast
- Organization as organism – relationships are the lifeblood
- Intention > Efficiency
- Mission as a superpower
- Organizational context is an often overlooked yet invaluable ingredient



# Roles & Responsibilities



# The Nonprofit Conundrum

- Boards are responsible for hiring and managing the CEO/ED
- CEOs/EDs tend to have a dominant role in the strategic execution and operations of a nonprofit
- Boards sometimes defer to the CEO/ED on a range of topics (especially true for legacy leaders)
- Practicing good governance includes the Board staying out of management...
- ...but transitions require consideration of several management topics and factors...
- So...what are the roles and responsibilities required to uphold good governance and management boundaries?

McKee, G. & Froelich, K. (2016). Executive succession planning: Barriers and substitutes in nonprofit organizations. *Annals of Public & Cooperative Economics*, 87(4), 587–601.

# Board Roles & Responsibilities

Example

	Board	Board Chair	Executive Committee	Transition Committee	Selection Committee
Role(s)	Hold ultimate accountability for a well-managed, transparent, and values-aligned transition process.	Lead the board and participate in transition-related committees.	Bring forward relevant topics and votes to the board.	Guide the organization through the entirety of the transition process.	Identify, evaluate, and recommend the best candidate to lead the organization forward as the new executive.
Responsibilities	<ul style="list-style-type: none"> <li>• Develop succession plan</li> <li>• Appoint transition and selection committees</li> <li>• Define outgoing CEO role in transition</li> <li>• Resource transition process</li> <li>• Vote on the proposed hire</li> <li>• Support incoming hire</li> </ul>	<ul style="list-style-type: none"> <li>• Partner with the outgoing executive</li> <li>• Communicate to all relevant parties</li> <li>• Facilitate board discussions and votes</li> <li>• Participate in (or lead) transition and selection committees</li> </ul>	<ul style="list-style-type: none"> <li>• Assess need for interim leadership</li> <li>• Have representation on transition and search committees</li> <li>• Monitor transition progress</li> <li>• Negotiate employment terms of incoming executive</li> </ul>	<ul style="list-style-type: none"> <li>• Develop and maintain a detailed transition plan</li> <li>• Identify and select a search firm</li> <li>• Develop a job profile and narrative</li> <li>• Engage with the selection committee</li> <li>• Update the board</li> <li>• Onboard the new hire</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct in depth search for potential candidates</li> <li>• Review resumes, conduct interviews, assess candidates</li> <li>• Make a recommendation to the board regarding the final selection of the new hire</li> </ul>



# Management Roles & Responsibilities

Example

	CEO/ED	Senior Leadership Team	Senior HR Leadership	Staff
Role(s)	Support the transition process in ways that mitigate instability and create conditions for ongoing success.	Foster stability and continuity within the operation and organizational culture.	Provide general support to the management team and the board.	Continue to deliver on the organization's mission and maintain operational responsibilities.
Responsibilities	<ul style="list-style-type: none"> <li>• Partner with board chair</li> <li>• Communicate to internal parties</li> <li>• Create transition-related deliverables (exit memo, relationship map, knowledge transfer plan)</li> <li>• Assist board and committees <b>as requested</b></li> </ul>	<ul style="list-style-type: none"> <li>• Engage in the transition process <b>as requested</b> by the board</li> <li>• Support the outgoing and incoming executives</li> <li>• Bring continuity to the staff and organization</li> </ul>	<ul style="list-style-type: none"> <li>• Support succession and transition planning as requested</li> <li>• Advise the board and committees on how the organizational values and leadership model inform the search</li> <li>• Partner with the transition committee on onboarding the new hire</li> </ul>	<ul style="list-style-type: none"> <li>• Support succession and transition planning <b>as requested</b> by board and senior leadership</li> </ul>



# Neighbor Chat

On a scale of 1-10, how clear are the transition-related roles and responsibilities within your organization today?

(1 = not at all clear, 10 = extremely clear)

How did you land on that number? What observations lead you to that 1-10 rating?

# Transition Planning



# A Transition Plan

A sound plan helps create the conditions for a successful transition, which includes:

- the outgoing leader leaving well,
- the incoming leader being effectively set up for success, and
- the organization being able to thrive (or at a minimum, manage).

This is what transition readiness looks like.

# Steps Toward Readiness



**Step 1: Assess Your Current State**

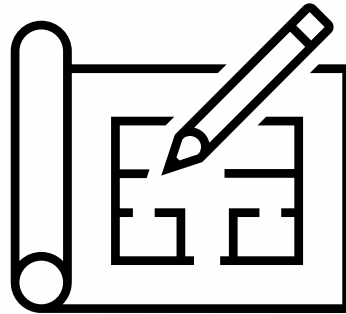
**Step 2: Build a Transition Plan to Account for Transition Risks**

**Step 3: Resource Your Plan Like Your Mission Depends On It**

**(because it might)**

# Your Plan

The precondition  
to developing a  
high-impact  
transition plan



is in depth  
knowledge of your  
organization's  
current state

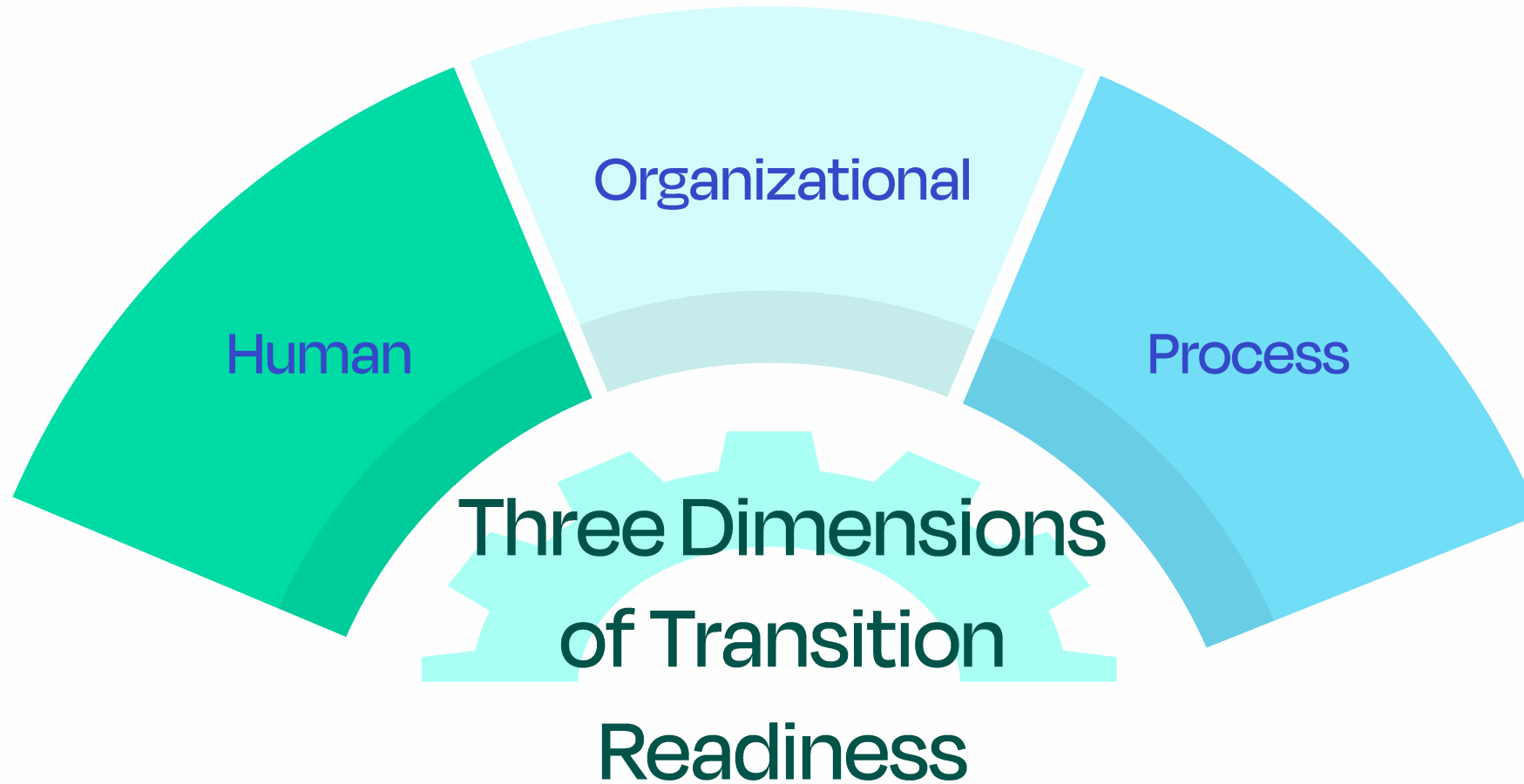
# Step 1: Current State

## Assess Your Current State

An assessment of the organization's current state establishes a foundation for informed decision making related to your transition.

# A Working Framework

Example



# Human Dimension

Factor	Board	Staff
<b>Culture</b>	What adjectives would you use to describe our board culture? What are some examples of that in action?	What adjectives would you use to describe our organizational culture? What are some examples of that in action?
<b>External Partnerships</b>		
<b>Engagement</b>		
<b>Capacity</b>	To what extent do we have a board that brings the skills, experiences, and time required to practice sound governance?	To what extent do we have a staff that brings the skills, experiences, and gifts required to operate with success?
<b>Succession</b>	I envision being on the board role in 1-2 years.	I envision being with the organization in 1-2 years.
<b>Board-Staff Partnership</b>		



# Organizational Dimension

Factor	Board	Staff
Business Model	On a scale of 1-10, how well does the board as a whole understand our business model?	On a scale of 1-10, how effective is our current business model?
Planning (MVV, Strategy)		
Financial Management & Development		
Advocacy		
Programming	What changes are needed to our programming to meet evolving and growing community needs?	What changes are needed to our programming to meet evolving and growing community needs?

# Process Dimension

Factor	Board	Staff
Governance		
Decision Making	What is the process for conducting discussions and making decisions at board meetings?	How are big, important operational decisions made? How is input gathered?
Role Development and Clarity		
Systems, Policies, and Procedures		On a scale of 1-10, how well developed are the organization's systems, policies, and procedures?
Feedback Loops and Norms		

# Is It Really Necessary?

The primary purpose of conducting a transition assessment is to:

Establish a foundation for informed decision making

A comprehensive transition assessment helps:

This seems to pretty necessary

- Shape your executive role profile
- Identify work to be completed *after* the leadership change

# Step 2

## Build a Transition Plan Based on Your Current State

Your assessment will indicate where you are entering transition from places of strength and places of risk.

A transition plan should specifically address the risks that are most pressing and relevant to the transition.

# Human Dimension

Factor	Board	Staff
Culture	What adjectives would you use to describe our board culture? What are some examples of that in action?	What adjectives would you use to describe our organizational culture? What are some examples of that in action?
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# Organizational Dimension

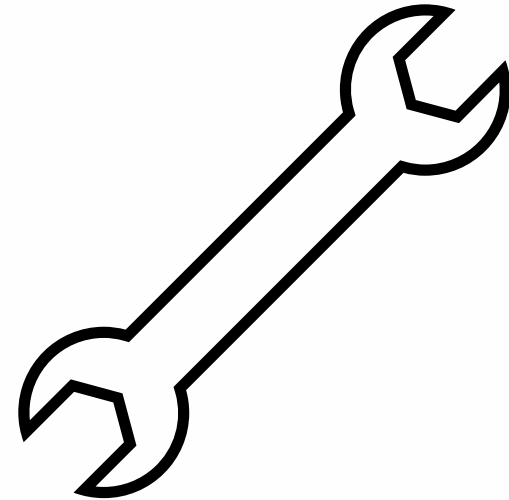
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Feedback Loops and Norms		

# Your Toolkit

- Failure scenario “back-tracking”
- Outgoing leader relationship map
- Staff engagement plan
- Search partner criteria development
- **Outgoing leader legacy plan**
- Outgoing leader exit memo
- Incoming leader onboarding plan





# An Example



## **EXAMPLE – CEO Legacy Plan**

**Purpose:** To bring intention and attention to the CEO's final months and weeks with the organization.

**Goal:** Shape and intentionally design the final 12 months with the organization, including time allocation and desired recognition/celebrations.

### **Questions**

<b>Topic/Area</b>	<b>Question</b>
<b>Work to Be Completed</b>	What are your highest priorities before your June 2024 departure?
	What are you most confident about accomplishing before your departure? Least confident?
	What issues can best be resolved with your institutional knowledge and relationships?
	What issues should be addressed to help a new leader get off to the best possible start?
	What does an amazing final month look like? Final week? Final day?
<b>Work Not to Be Completed</b>	What issues or items would best be addressed by the new leader? Do you have all the information you need to decide on those issues/items?
	What personnel changes might you need to consider ahead of the transition? Which ones should wait for the new leader?
<b>Support</b>	What do you need from the board over the next 12 months?
<b>Search Process</b>	What are your thoughts and preferences about your role in the search process? Are you clear about how you would prefer to be involved? Informed?
<b>Recognition</b>	How do you <i>want</i> to be recognized by the board? By staff?



# Your Toolkit

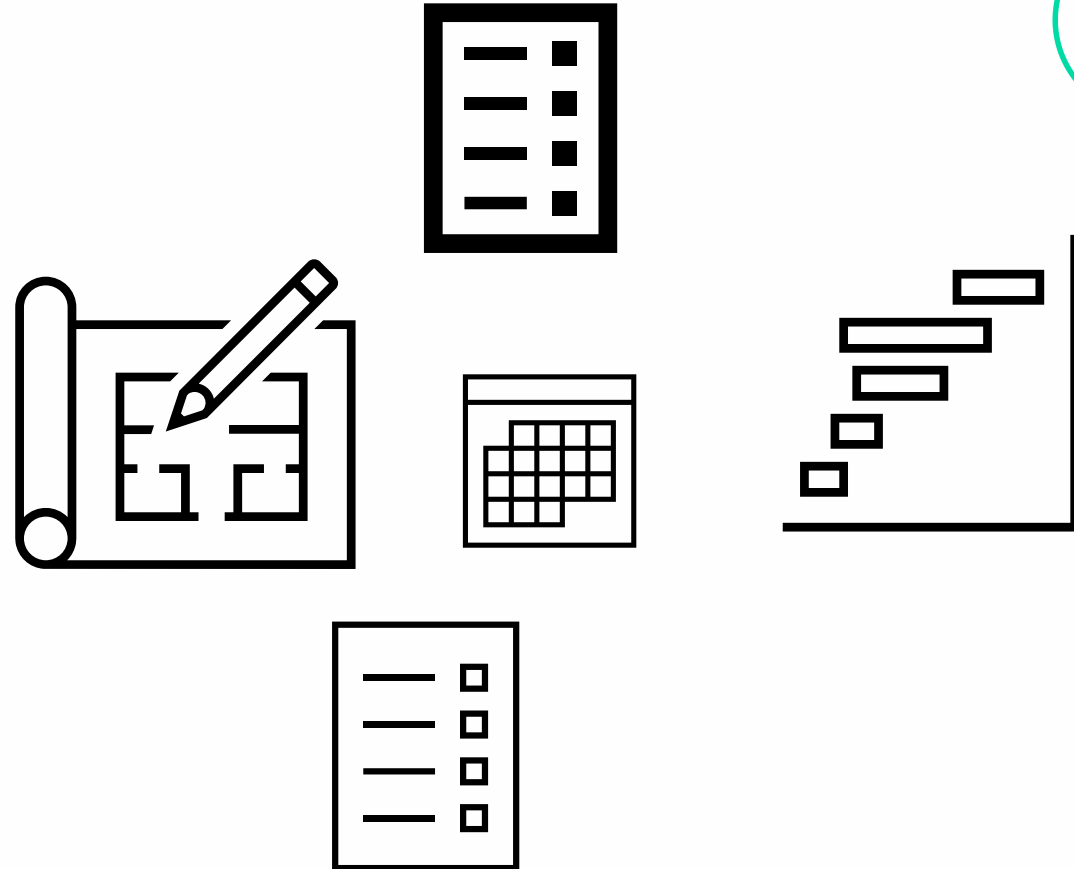
- Failure scenario "back-tracking"
- Relationships
- Staff engagement
- Search process
- Outgoing leader legacy plan
- Outgoing leader exit memo
- Incoming leader onboarding plan

Tools are only good as the  
conversations they produce



# Your Plan

How your plan comes together can only be determined by your organizational context.



# Step 3

## Resource Your Plan Like Your Mission Depends On It

Like any good process, your outputs will only be as good as your inputs.

# Common Resources

## Internal

- Committees and ad hoc workgroups
- Communications
- ❖ Time is often the resource that gets shorted, for both board and staff

## External

- Research and thought leaders
- Learning networks and groups
- Search firms
- Transition and governance consultants
- Executive coaches

# Recap

## Know Where You Are



## How You

- Go slow to get
- Organization
- Intention > E
- Mission as a

## Your Toolkit

- Failure scenario "back-tracking"
- Outgoing leader relationship map



## Where To Exercise

- Timeline delusions
- Overlooking role clarity and negotiation
- Trying to do everything before the transition
- Doing nothing before the transition
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- Over-emphasizing the "who", under-em

## The Reality (from our perspective)

There is no right or wrong way...

...there are only different outcomes.

# Questions?



# Thank you.

