HOW AND WHY TO MAKE A SUCCESSION PLAN

by Nonprofit Megaphone

When a board president or executive director leaves an organization, the vacuum left by this departure often causes chaos or even the collapse of a nonprofit. A succession plan lets leaders empower the next generation to fill these vacancies and ensure the nonprofit thrives despite the departure of certain vital figures.

A succession plan outlines specific steps for an organization to take in order to identify qualified candidates, internal and external, to take on leadership roles when people leave the organization. This type of risk management allows for a smooth transition of power in cases of both planned and unexpected vacancies.

The succession plan will allow employees to move full-steam ahead to accomplish the mission of an organization by preparing them for what needs to be done if and when someone transitions out of a critical role. A succession plan can also alleviate donor anxiety about the state of a nonprofit during a transitional period and provides clear guidelines for internal and external communications so that stakeholders are on board with the direction the nonprofit is going.

According to BoardSource's 2017 national study of nonprofit board leadership practices, 50 percent of CEOs or executive directors plan to leave their current role within the next five years. Yet, as few as 27 percent of nonprofits surveyed had a written succession plan. If your organization falls into the other 73 percent without a written succession plan, understanding the six steps to take to create and implement a successful succession plan can ensure your nonprofit continues to thrive even when specific personnel leave.

1. Create a Nominating and Governance Committee

In order to create a succession plan, your nonprofit should form a nominating or governance committee that includes your executive director or CEO, board members, and a variety of team leaders and members. These individuals can provide multiple viewpoints to identify not only what needs to be done in the event of a vacancy or sudden departure but also opportunities for change in the overall direction of leadership that a transition may provide.

The committee should perform a SWOT analysis to have a broad understanding of your nonprofit's Strengths, Weaknesses, Opportunities, and Threats during times of transition to maintain organizational stability. To identify these points, ask the following questions:

- What are the primary responsibilities for the role in question?
- How do these responsibilities relate to the overall mission of the nonprofit?
- What skills does the current occupant of this position possess?
- What skills would be helpful for a successor to have in order to move the nonprofit forward?
- How has the current occupant of the role been successful with leading the organization? What could be improved?
- What are the current challenges facing the organization, and what are some potential challenges that lie ahead?
- What kind of opportunities for growth and change does a transition for this specific role mean for the nonprofit?
- What are the dangers of a poor transition, and how can these issues be mitigated?

While these questions are not exhaustive, they provide a springboard for discussion about ways to support a smooth transition and how this transition affects the overall direction of the nonprofit.

2. Review and Communicate Workplace Culture and Values

The success of a succession plan depends on all parties being on board with what needs to be done when an individual leaves the organization. Creating a unified vision starts with a solid understanding and communication of your nonprofit's culture and values. Reviewing the overall mission of your nonprofit and determining how specific roles help achieve your goals provides direction and understanding for selecting the best candidate to fill a vacancy and making sure the team moves forward in a unified way.

Without a solid succession plan, certain significant donor relationships, knowledge about a specific role, and skills may be lost when someone leaves the nonprofit. Some employees may try to ensure that they are essential to an organization by being the only person who can handle or understand the scope of a job; however, this tactic only hurts the organization as a whole. Each person should think about their successor and understand how succession fits into their current objectives. By emphasizing mentorship and open communication, employees can have a hand in the succession process, which may decrease some anxiety over the idea that they are being replaced or booted out.

Overall, an emphasis on collaboration creates a work environment where employees understand the function of each role and step in if someone leaves unexpectedly or has a planned absence, such as maternity leave. Explaining how succession planning helps the organization as a whole and cultivating a collaborative environment renders the issue of succession non-threatening because sharing expertise and stepping in to fill various roles as needed is ingrained as part of your nonprofit's culture.

3. Determine What Vacancies Your Succession Plan Will Address

A one-size-fits-all succession plan rarely works since each job has specific nuances that the successor must understand in order to be effective. You should identify the fundamental roles that your organization needs to survive and develop detailed succession plans for each position. In addition to board members and the executive director or CEO, include other fundamental positions, such as directors of development or major gifts. Consider what skills and responsibilities are crucial for success in each role.

Identifying the unique skills and experience needed for specific roles will allow the nominating or governance committee to recommend and develop cross-training and leadership-development programs so that your nonprofit is prepared for both unexpected and expected departures.

4. Plan for Different Types of Departures

A retirement announced three years from the date a person leaves your nonprofit significantly differs from a sudden absence after a firing or unexpected illness. To address these differences in the timelines and potential disruptiveness, create both announced and emergency departure plans.

Both types of plans let your team know what to do in the event of any departure so they can keep moving forward without major interruption. When developing these plans, consider the risk of turnover for the role in question. To mitigate this risk, understand what skills team members who work closely with the specific role already have and what complementing talents are needed or desired in a successor.

With both types of departure plans, communication is paramount. Effectively expressing internally and externally the goals and processes in place to fill a vacancy illustrates how a nonprofit will continue to function without disruption and allows all stakeholders to get on board with the process.

5. Address Internal and External Recruiting

While it may seem tempting to recruit an external hire with commensurate experience for a specific role, there are some caveats to consider with an external hire. This person should understand and mesh with the culture of your nonprofit, which can be difficult to determine simply from a resume. While a fresh set of eyes may help make some needed changes, this person must balance their new perspective with a deep understanding of your organization’s mission and current processes.

In addition, recruiting an external candidate can take time, particularly for executive roles. According to Nonprofit HR Solutions’ *2013 Nonprofit Employment Trends Survey*, 37 percent of senior or executive roles took 91 days or more to fill. To avoid rushing the process, consider the benefits of an interim hire. This person can take on specific duties to safeguard your nonprofit from experiencing major disruptions during times of transition.

Someone already working at your nonprofit may also seem like an obvious choice to step into a leadership role, but this person must be adequately prepared to take on new responsibilities. Identifying candidates who have the necessary skills to take on a role and providing training opportunities to develop any areas of weakness ensure a smooth transition from one position to the next. Whichever direction you go, make sure you do all you can to hire the right person for your nonprofit.

6. Onboard Intentionally

Once you select a specific candidate for a role, consider what kind of an introduction and training this person might need so they can hit the ground running. Provide a broad overview of the specific duties required for the position, compile resources, and introduce the new hire to various teammates early on so they can develop relationships and integrate seamlessly into the organization.

Deliberate onboarding makes both the new hire and other stakeholders feel more confident and on the same page about the direction in which the nonprofit should move. It is the job of the nominating or governance committee to communicate expectations and help the new hire understand how their role fits into the overall mission of the nonprofit. In addition, the nominating or governance committee should create guidelines for evaluating a new hire during and after the onboarding process.

These six steps can help your nonprofit navigate tumultuous times of change without losing momentum or majorly disrupting operations. Clearly defined succession plans for a variety of roles mitigate certain risks associated with both expected and unexpected departures.

Although each nonprofit has its own culture and way of doing things, being intentional about filling vacancies and looking forward will help maintain organizational stability.

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