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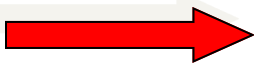
Nonprofit CEO Transitions Resource Center — <https://www.bridgespan.org/insights/library/leadership-development/nonprofit-ceo-transitions-resource-center>

Issue 46

focus

What is the Focus?

The *Focus* newsletter highlights important issues in mental health, providing timely information on a range of topics, including supported education, organizational development and sustainability, peer-to-peer services, youth transition and system transformation. Have a suggestion for a topic? Let us know!



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Passing the Torch: Sustainability and Leadership Transition

One of the greatest challenges that any small nonprofit can face is maintaining its focus and momentum through times of change. The grassroots consumer mental health organizations that house the voice of so many people with lived experience often come into existence as a result of the passion and vision of a committed, motivated leader. That pioneering leader may drive the organization's development in its early stages, lead the Board of Directors in determining a mission and setting a direction, and personally develop working relationships with funders. By relying on the energy of a single visionary leader, an organization can make progress and have an impact; but **what happens when that single visionary leader exits the picture?** Who will take up the mantle where they left off? Will those remaining even know where to begin?

Similarly, even well-established organizations can face challenges when a disruptive change happens. Key personnel that work on a specific project or have special understanding of a particular process or funding relationship can depart suddenly, leaving the organization unable to perform. Even if it's not an Executive Director or key leader leaving, a change in personnel at any level within an organization necessitates a transition that must be thoughtfully navigated. The organization's culture changes.



The operations are affected. Even the overall vision and strategic direction can be impacted, and the organization's overall sustainability can be threatened.

No matter the size or level of development of an organization, every time someone leaves, that change represents a shift that must be thoughtfully navigated. If the founding Executive Director or Board Chair exits, it can be extremely disruptive, or even debilitating. While the impact of that level of change may be obvious, it's also true that even the departure of a volunteer or temporary, part-time staff represents some degree of loss. The question is how your organization will make itself ready for that kind of loss.

Getting Ready

As with almost every organizational challenge, the **key to successfully managing leadership transition is thoughtful planning**. No matter the size and composition of an organization, it will eventually have to get through a period of instability resulting from the departure of a leader or key staff member. This kind of disruption is not something that can be avoided, even in the most stable of organizations. The question is: when such a transition occurs, and the torch is passed from one group of people to another, how will the flame of the torch be protected and strengthened rather than extinguished?

The good news is that the challenges of leadership transition can be overcome if you take the time to think them through and create a plan in advance. If an organization is prepared, then the culture, vision, and operations of the organization will not suffer drastically when change occurs. If an organization isn't prepared, it risks losing momentum, the culture that has been built, and even its capacity to deliver services and carry its mission forward.

What is "Leadership Succession?"

An effective way to prepare for the potential challenge of a disruptive transition is by creating a plan for "leadership succession."

Leadership succession can be defined as ***the act of successfully managing the transition of personnel within the organization such that the culture, vision, operations and programs are enhanced, or at a minimum, sustained.***

One way to think about this plan is to ask the question, "If this leader, Board member, or key personnel were suddenly absent, would the organization be able to pick up where they left off and continue to function uninterrupted?"

Within that question, there are two primary categories in which succession must be thoughtfully managed. One has to do with Roles and Responsibilities, or "what people do," and the other involves "institutional knowledge," or "what people know."

Roles and Responsibilities

This is the area where it's essential to know who does what. In assessing your organization's personnel, you have to ask yourself, "Is our organization truly an entity that trans-

cends any one person, or does our existence mostly depend upon one person?" Are there written job descriptions that completely describe what each position within the organization is responsible for? Are the leadership roles clearly defined? Can multiple people perform those leadership roles?

Institutional Knowledge

This is the area where knowledge goes from being owned by an individual to being owned by the organization. Ideally, an organization should have a life of its own, with its own history, culture, and ability to fulfill its mission regardless of what individuals make up that organization. In assessing how well you have captured your institutional knowledge, ask yourself whether you have documented everything that needs to be known in order for a person to walk off the street and starting leading your organization. Are all of your processes documented? Are answers to the What, How, Where, When and Why questions about everything you do put in writing? Is that knowledge shared across the entire organization?

If your plan for leadership succession is successful, it will set the conditions so that your organization can sustain its culture and operations in the midst of any person leaving the organization for whatever reason. That is both the test and goal of leadership succession.



Two Tools to Get Started

CAFÉ TAC has created two assessment tools to help you determine how ready your organization is for a potentially disruptive transition. One provides an opportunity to review a past transition and determine what went well and what was problematic. The other offers a chance to take stock of how prepared your organization is for the next transition. Both tools can be found in this newsletter, and you are encouraged to use them to assess the history and readiness of your own organization.



Variables of Transition Assessment Tool

This is the tool that offers an opportunity to think about a past or ongoing transition, and measure its impact on your organization. It measures your experience on four points:

Preparedness: Was the organization ready for this change? Was it seamless or difficult? Was it easy for the new person to understand everything and pick up where the previous person left off?

Circumstances: This is a qualitative question about the mood surrounding the transition. Was it negative or positive? Positive transitions are the sign of a healthy organization. Transitions surrounded by hostility and bad feelings mean the organization was not prepared.

Timing: Was the transition a shock? Or did you see it coming?

Magnitude: How disruptive was the transition? Did "business as usual" continue, or was it

disruptive?

Leadership Transition Self-Assessment

This tool breaks out the pieces your organization should have in place to maintain your stability through a transition. It will allow you to measure your readiness both in terms of personnel and institutional knowledge. It includes seven indicators:

Documentation: Is everything documented? Is all of the necessary information for day-to-day operations completely captured in writing and safely stored where it can be accessed?

Vision and plan: Does the organization have a documented mission, vision, and set of priorities that can be readily transmitted to a new person walking in the door and starting cold?

Culture: Is the organization's culture captured and documented? Is it shared throughout the organization in such a way that everyone involved understands it and can share it with new personnel and stakeholders?

Roles and responsibilities: Are job descriptions in writing? Does everyone within the organization understand each other's roles? Can more than one person fulfill each role if need be?

Bylaws: Do the bylaws give the Board the tools it needs to manage transition?

Financial policies: Are financial processes in place that can facilitate a smooth leadership transition? Do multiple individuals have access to accounts, and an understanding of financial processes?

Communication: Is the need to prepare for transition discussed within the organization regularly?

Your organization can use both of these tools to figure out how well-prepared you are to sustain your organization through a transition. It would be advisable to have your Executive Director, multiple Board members, and key personnel complete these assessments and discuss the results. Once you go through that process, you can discuss what weaknesses have become clear, and make a plan to address them.

Remember, it isn't a question of if your organization will face some kind of difficult transition or disruptive change, it's a matter of when. While all transitions are a challenge, taking the time to plan ahead can be the difference between a difficult experience, and one that threatens the sustainability of your organization.

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Leadership Transition Self-Assessment

What does it mean to be prepared to successfully manage a leadership transition? How well do you rate yourself with respect to the following—place an “X” in the box that best corresponds to the status of each statement:

Item	Not at all	Slightly	Almost Adequate	Adequate	Superior
1. Everything is documented... We know what is going on today or at least have a document that explains all of it: budget, programs, staff, back-office operations, passwords, commitments and contracts, equipment, etc.					
2. Vision and plan exist... We know our vision of where we’re trying to get to, and we know the plan that we are following to get there. We have these documented, so that if leaders change, or as new people become involved, we can stay focused and get them up to speed.					
3. Culture is defined... We know our culture, and we’ve defined it, and know how to sustain it.					
4. Roles and responsibilities are defined... job descriptions exist, and we also know what is going on between the lines; more than one person knows how to do a role.					
5. Bylaws empower us... Bylaws are written so that the Board is empowered during transition.					
6. Financial policies empower us... Financial management policies protect the money and empower new leaders when dealing with the bank (agreement with the bank prior to transition).					
7. Communicate regularly about transition... We maintain regular communication with leaders about the topic of transition.					
Column Totals	X1	X2	X3	X4	X5
Total Scores					
Total Score (add all of the column totals after multiplying)					

Range: 7-35

- 7-14: You’re taking a huge gamble—a major transition could mean the end of your organization as you know it, and possibly closing the doors for good.
- 15-21: You’re better off than many, but you’ve got a lot of work to do to protect yourself—you will still suffer a lot of pain during a major transition, and you are at great risk, still, of not surviving.
- 22-28: Nice job—you’ve got some things in place that will help you sustain the organization during a major transition. Be sure to sustain these capacities.
- 29-35: Excellent! You’ve got some seasoned leaders who have most likely endured painful transitions in the past and are helping to ensure that your organization won’t suffer the same fate. Be sure to sustain these capacities.

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Variables of Transition Assessment Tool

Think of a transition that occurred in the past (or that is current). How well do you rate yourself with respect to the following—place an “X” in the box that best corresponds to the status of each statement:

Item	Non-existent	Minimal	Adequate	Superior
1. Preparedness: how well are details of the organization documented such that a stranger can successfully take over the organization and sustain its operations during transition?				
2. Circumstances: are the circumstances of the transition very negative and hostile, or potentially positive	Hostile	Poor	Neutral	Positive
3. Timing: did the transition come about unexpectedly, or was it planned?	Sudden/ Surprise	Somewhat anticipated	Anticipated	Planned
4. Magnitude: is the transition impactful on the organization?	Tremendous impact	Somewhat impactful	Not very impactful	No real impact.
Column Totals (number of 'X's in each column)	X1	X2	X3	X4
Total Scores				
Total Score (add all of the column totals after multiplying)				

Score Range: 4-16

1. 4-6: Prepare to close your doors
2. 7-10: You've got a lot of work to do if you're going to survive
3. 11-14: Follow through on what needs to be done and you'll be fine
4. 15-16: You've been in this situation before and decided not to let it happen again! Good job.