

Succession Planning in the CAC Environment

August 21, 2015

The NCAC models, promotes, and delivers excellence in child abuse response and prevention through service, education, and leadership.

Learning Objectives

1. Develop an overview of Succession Planning and how it relates to the operations of a CAC.
2. Describe the interaction between Succession Planning with other planning and leadership activities of the CAC (Strategic Planning, etc.) while including the Board of Directors.
3. Identify the necessary components of an effective Succession Plan for CAC.

Why is this important?

- Who has been trained on Succession Planning?
- Implemented anything learned?
- Three Envelopes
- No one lasts forever. Should the CAC/MDT?
 - Differences between large urban vs. rural CACs?



National Children's
Advocacy Center

850+ Programs – 325,000+ Kids

Service Coverage



Why is this important?

- Challenge?
 - No significant “bench” can lead to instability
 - Lack of clarity regarding future and sustainability

- Opportunity?
 - Bring attention to organization
 - Increase service capacity
 - Highlight critical role/impact of organizational mission
 - Provide excitement about new leadership
 - Increase stability and sustainability

**Bell, J., Moyers, R., & Wolfred T. Daring to Lead
2006: A National Study of Nonprofit Executive
Leadership. CompassPoint Nonprofit Services,
2006. www.compasspoint.org/research**

- Survey of 1,900 non-profit leaders
- 75% planned on leaving within the next five years
- What is the shelf life for a CAC Director?

NCA Accreditation Standards - 2011

Organizational Capacity

E. The CAC has personnel responsible for its operations and program services. In order to ensure that children receive the services they are entitled, CACs must have **personnel responsible for coordinating its operations and program services**. The CAC must assure that there is **sufficient staffing** to support all program components. Efforts must be made to ensure reliable and ongoing sources of funding for these positions.

NCA Accreditation Standards - 2011

Organizational Capacity

I. The CAC has addressed its **sustainability** through the development of a strategic plan that includes a funding component. In order to assure long-term viability of the organization, the CAC should undertake a **comprehensive planning process**. This plan should explore program needs, **staffing levels**, and funding for future growth and sustainability.

NCA Accreditation Standards - 2017

Organizational Capacity

F. The CAC has a written Succession Plan to insure the orderly transition and continuance of operation of the CAC.

STATEMENT OF INTENT: A succession plan will assist in safeguarding the CAC against unplanned or unexpected change. This kind of risk management is equally helpful in facilitating a smooth leadership transition when it is predictable and planned. A succession plan outlines a leadership development and emergency succession plan for the CAC, and reflects its commitment to sustaining a healthy functioning organization.

NCA Accreditation Standards - 2017

Organizational Capacity

STATEMENT OF INTENT (cont.): The plan should be developed specific to the uniqueness of the CAC, and include at a minimum;

- a. Temporary staffing strategies
- b. Long-term and/or permanent leadership replacement procedures
- c. Cross-training plan
- d. Financial considerations
- e. Communication plan

NCA Accreditation Standards - 2017

Organizational Capacity

G. The CAC has addressed its sustainability through the implementation of a current strategic plan approved by the governing entity of the CAC.

STATEMENT OF INTENT: In order to assure long-term viability of the organization, the CAC should have a plan that addresses programmatic and operational needs. The governing entity could be an oversight committee or a board of directors, as appropriate for the CACs organizational structure.

It's Not That Complicated

- Let's just hire a new Director
 - What are your priorities:
 - Board of Directors?
 - Multi-Disciplinary Team?
 - Staff?
- How to proactively share varied priorities?
 - 360 perspective on skills



Who is responsible?

- Succession planning is a Governance Issue
- Collaborative effort of Board and CEO/ED
- Integrated as part of Strategic Planning Process

- Troubling Scenarios:
 - ED stays way too long
 - ED leaves suddenly
 - Long-term board + long-term CEO/ED

What is the Optimal Skillset?

- CEO/Executive Director?
- Other Leadership Positions?
- Board President?
- Others?



What is the generational impact?

- Gen X, Gen Y, and Millennials priorities:
 - Restructure the executive role
 - Create collaborative or shared leadership models
 - Focused on healthier balance between work and personal life



Interaction Impacts



Three Succession Plan Scenarios

- Strategic Leader Development/Program Sustainability
 - Ongoing activity
- Emergency Succession Planning
 - Fired
 - Tired
 - Expired
- Departure-Defined Succession Planning
 - Retired

Strategic Leader Development Program Sustainability

- Significantly more critical/possible in larger organizations
- How to grow the skills of staff and programs to ensure capacity over time?
- Without threatening value/importance of ED?
 - Level 4 vs. Level 5 leader

Strategic Leader Development Program Sustainability

- Things that should be in place:
 - CEO/ED job description
 - 360 input on skills needed
 - Drafted position advertisement
 - Headhunter/Executive Search Firm **or** B of D?
 - Advertising locations & plan
 - Short list of potential candidates

Strategic Leader Development Program Sustainability

- Information and Contact Inventory (CACTX)
 - Non-Profit Status/Organizational
 - IRS Determination
 - Bylaws
 - Board List
 - Insurance
 - Facilities
 - Building Management
 - Security Systems
 - IT Support

Strategic Leader Development Program Sustainability

- Information and Contact Inventory (CACTX)
 - Financial Information
 - EIN
 - Banking Institutions
 - Financial Statements
 - Audits/Auditor and 990's
 - Investments/Endowment
 - Legal Counsel
 - Human Resources
 - Staff Directory

Strategic Leader Development Program Sustainability

- Programmatic Succession:
 - Interagency Agreement(s)
 - MOU's
 - Program Operational Guidelines
 - Required Reporting/Grants Management



Emergency Succession Planning

- More acceptable terminology for some:
 - Emergency Backup Plan
 - Emergency Leadership Plan
- Board must be actively involved/informed
 - Caution – Board Member as Interim ED
- **Most important** – clarify the position's key responsibilities

Emergency Succession Planning

- **Key Responsibilities**

- Leadership and Vision
- Board Administration and Support
- Member Services and Programs
- Key Stakeholder Communications
- Financial Management
- Human Resources
- Community and Public Relations (including donors)
- Spokesperson

Emergency Succession Planning Critical Steps

1. Identify critical leadership and management activities of CEO/ED
2. Who should manage these activities?
 - Interim/Acting Director?
 - Other managers in organization?
3. Pre-determined who will appoint acting ED
4. Identify likely acting ED (possibly back-ups) and compensation

Emergency Succession Planning

Critical Steps

5. Develop cross-training program for potential appointees
 - Skills, awareness, & key relationships
6. Board identify how they will support Acting ED
7. Communications plan should be pre-authored, to be implemented, if emergency succession is required
8. Address procedures for transitioning from Emergency Succession to Permanent Succession

Emergency Succession Planning Board Roles

- Determine whether to hire consultant to address 8 Critical Steps OR handle themselves
- May want to form Emergency Succession Planning Committee (or Exec. Comm.):
 - Clarify core executive functions
 - Comment on plans developed by ED or consultant
 - Present plan to full Board for approval

Departure-Defined Succession

- **GOAL** – build leadership strength within organization to reduce dependence on existing CEO/ED
 - Creates healthy environment for leadership search (new CEO/ED)
- Primary responsibilities for departing ED:
 - “Leadership of letting go”
 - “Leadership of preparing the way”

Departure-Defined Succession

1. Address personal and professional barriers for departing CEO/ED
 - future employment
 - inadequate retirement planning
 - loss of identity associated with departure
 - projects the ED should complete
2. Set Departure Date
3. Form Succession Planning Committee
4. Develop a Communications Plan

Communications Plan

- What is the message?
 - Should have positive focus
 - Does not have to include every detail – What is most important?
- Tailored messages for different constituencies
 - Staff
 - MDT
 - Stakeholders
 - Donors
 - Media/General Community

Departure-Defined Succession

5. Complete sustainability audit
 - Where will we struggle the most?
 - Where do we need help?
 - Where has ED done too much solo?
6. Design plan to address findings of the sustainability audit
 - Key relationships, Fundraising, etc.
7. Update/Clarify Strategic Plan (3-5 years out)
8. Assure agency leadership team is strong (or make it that way)

Departure-Defined Succession

9. Prepare Board and build leadership capabilities and functions
10. Assure strong financial position
 - Financial reserves,
 - Revenue-positive performance,
 - Effective grants management
11. Identify CEO/ED Search Strategy/Process

Succession Readiness Checklist

- Strategic Plan in place and updated
 - Includes leadership development component
- Board annually evaluates CEO/ED
- CEO/ED has developed solid leaders for program leadership
 - Supported by annual evaluations and goals
- Top management team, if applicable, is functioning well
- Board conducts annual self-evaluation
 - 4 Primary Responsibilities

Responsibilities

- 1. Monitor** the organization, whereby they evaluate the CEO and staff , as well as provide financial and legal oversight
 - Oversight of financial operations
 - Balance between mission and financial position
- 2. Support** the organization by securing financial resources and legitimizing the organization to the external world
 - Direct support of organization
 - Soliciting support from others

Responsibilities

3. **Partner** with the organization by assisting in strategy and planning, both in setting the mission and values and in providing long-range thinking
 - Assist with strategic planning
 - Respect and support staff
 - Maintain professional and ethical standards (confidentiality, conflict of interest, etc.)
4. **Represent** constituencies by advocating on behalf of constituent groups
 - Recruit new board members
 - Serve as organizational ambassador

Succession Readiness Checklist

- Significant donor relationships are not predicated on CEO/ED
- At least three months of financial reserves in place
- Financial systems are high-quality and consistently updated
- Operational manuals are current, documented, and easily accessible
- Emergency capacity for program services is identified

Board Development (Succession)



Board Recruitment

- Board Development Team
 - Board President/Chairperson
 - Chair of Nominating Committee, if applicable
 - Development officer/staff fundraiser
 - High profile, results-oriented board members (1-2)
 - Executive Director/CEO
- Assess and state needs
- Develop position profiles
 - Position before people
- Script the story

Board Recruitment

- Utilize existing networks
- Contact and meet candidates to assess:
 - Interest?
 - Goodness of fit?
- Evaluate and select candidates
 - Skills vs. Personality
- Separation of staff from selection of Board Member election

Partnership with the Board

- Why join, and what gives?
 - “What makes you want to serve on our Board of Directors?”
 - “Of all the skills and contacts you possess, what do you wish to share with our organization?”
- Who should be on the Board?
- Board Diversity – in how many ways?

Changing Leadership to Meet Board and Organization Needs/Expectations

Newer CAC

- Excited about the opportunity for growth
- MDT-focused and relationships
- Grassroots organizer
- Collaborative in nature
- Vision for the program

Established CAC

- Passionate about the cause
- See opportunities for growth
- Fundraising expertise and experience
- “Business” acumen
- Collaboration never goes away



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1. Leadership Succession Planning: Implications for Nonprofit Human Service Organizations.



Academic Journal

By: Gothard, Suzanne; Austin, Michael J. Administration in Social Work. Jun-Aug2013, Vol. 37 Issue 3, p272-285. 14p. 2 Diagrams, 1 Chart. DOI: 10.1080/03643107.2012.684741. Database: SocINDEX with Full Text

Subjects: LEADERSHIP; NONPROFIT organizations; PUBLIC welfare; CONCEPTUAL structures (Information theory); HEALTH services administration; MANAGEMENT; STRATEGIC planning; TIME; SUCCESSION planning

PDF Full Text (1MB)

2. Succession planning in nonprofit organizations.



Academic Journal

By: Froelich, Karen; McKee, Gregory; Rathge, Richard. Nonprofit Management & Leadership, Fall2011, Vol. 22 Issue 1, p3-20, 18p. Publisher: Wiley-Blackwell.

Subjects: Other Similar Organizations (except Business, Professional, Labor, and Political Organizations); EXECUTIVE succession; LEADERSHIP; EXECUTIVES; NONPROFIT organizations; COOPERATIVE societies; ASSOCIATIONS, institutions, etc.

3. Crisis in leadership or failure to plan?



Academic Journal

By: Carman, Joanne G.; Leland, Suzanne M.; Wilson, Amanda J.. Nonprofit Management & Leadership, Fall2010, Vol. 21 Issue 1, p83-111, 19p, 6 Charts. Publisher: Wiley-Blackwell.

Subjects: SUCCESSION planning; PERSONNEL changes; NONPROFIT sector; RETIREMENT; BABY boom generation

4. Your Prized Executive Is Leaving. Now What?



Academic Journal

By: Ledgerwood, John R.; Morgan, Stephen N. Strategic Finance, Apr2013, Vol. 95 Issue 4, p41-45, 5p, 2 Color Photographs, 1 Chart. Publisher: Institute of Management Accountants.

Subjects: ENRIGHT Flight Ministries Inc.; SUCCESSION planning; CHIEF operating officers; JOB descriptions; ORGANIZATIONAL ideology; ENRIGHT, John

5. Nonprofit-Business Partnering Dynamics in the Energy Efficiency Field.



Resources

- Children's Advocacy Centers of Texas Succession Plan Template
- www.compasspoint.org/et
 - Template for Emergency Succession Planning
 - Example of a plan for strategic leader development
 - Useful surveys for conducting sustainability audit:
 - Questions for staff
 - Questions to funders
 - Questions to external stakeholders



Resources

Succession Planning

Nonprofits that proactively prepare for a leadership transition, especially for long tenured or founding executives, pave the way for new leadership to step in and succeed. CompassPoint offers assistance with three types of succession planning:

- Consultation and tools for assuring an agency's sustainability beyond the tenure of a "long and strong" executive who will be leaving in a year or two,
- Emergency succession planning as a risk management practice to prepare for an unplanned departure, and
- "Strategic leader development" as an ongoing practice for building bench strength behind an agency's top managers.

To learn more about all three forms of succession planning, read *[Building Leaderful Organizations: Succession Planning for Nonprofits](#)*, a monograph authored by CompassPoint's Tim Wolfred. Some succession planning tools created by CompassPoint consultants and referenced in the monograph can be downloaded here:

- A [sample template](#) to provide guidance on writing an **Emergency Succession Plan**
- A [self-reflection tool](#) for executives who are questioning whether or not it's time to leave their positions
- The [Executive Director Legacy Statement](#)--a tool with which an executive can clarify what he or she wants to accomplish before they exit their job
- A [Succession Readiness Checklist](#) that can serve as the basis for the **Sustainability Audit**
- A [sample staff survey](#) for input on capacity building and leadership needs (for conducting the recommended **Sustainability Audit**)
- A [sample board self-assessment survey](#) for planning board development activities as part of the **Sustainability Audit**
- A list of [stakeholder interview questions](#) for gathering input from funders and other external supporters and colleagues (for conducting the recommended **Sustainability Audit**)
- A [checklist of activities](#) for planning and mining the learnings of an executive **Sabbatical**--a way of testing the bench strength of your organization.

CompassPoint offers a 2-day intensive seminar, **Next Steps Workshop**, for **long-term executives** pondering how to plan their departure. [Click here](#) for more information and future dates.

Training & Support

CompassPoint provides a broad range of training and support for executives. Offerings include [Professional Development and Networking](#), [Coaching](#), [Research](#), and free practical [Templates](#).

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