



Succession Planning | Strategies That Work

Leading With Intent | Funding For Good





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Funding For Good

Owner, Mandy Pearce *(left)*
Lead Consultant, Marie Palacios *(right)*

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Book a Call About Strategic Planning or Board Development

<https://fundingforgood.org/strategic-planning/>

Takeaways



Learn how to protect your organization's physical & intellectual property



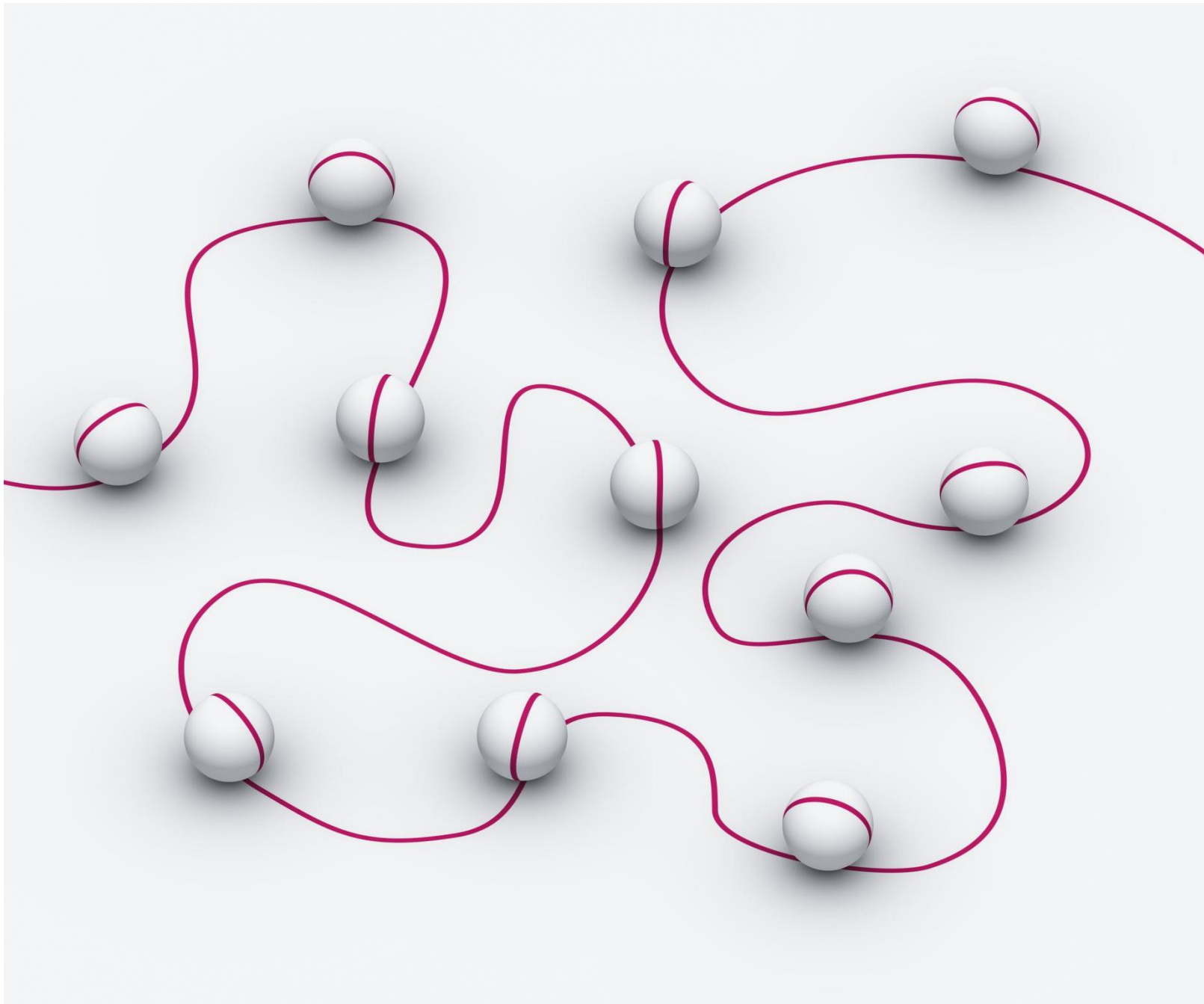
Determine what information to include in transition files



Explore ways a communication plan ensures your team & community know what to expect.



Understand threats that arise during both friendly & hostile transitions



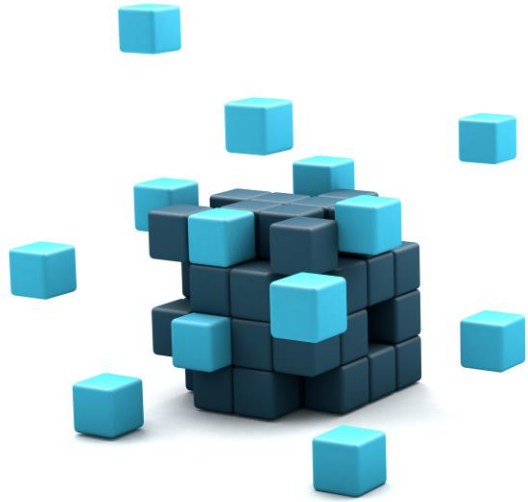
What is Succession Planning?

“The process of identifying the critical positions within your organization and developing action plans for individuals to assume those positions.”



Why is succession planning important?

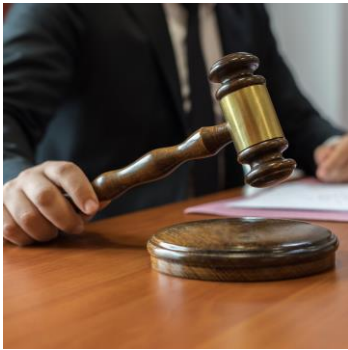
- A new study reveals an “alarming” trend on the horizon for nonprofit organizations around the U.S. “... 45% of responding nonprofit employees indicated that they will seek new or different employment in the next five years. Of that group, 23% said that nonprofits would not be among the types of organizations they intend to pursue.” (<https://www.forbes.com/sites/chrisstrub/2020/02/10/nonprofitthr/?sh=f0be44c15caf>)
- ...54 % of organizations surveyed do not have a formal recruitment strategy and 71% do not have a formal recruitment budget....Retention is receiving even less attention than recruitment at many nonprofit organizations.” (<https://www.nonprofitthr.com/results-are-in-2016-nonprofit-employment-practices-survey/>)
- From 2019 to 2021, Nonprofit HR’s talent retention surveys saw a drop from 16.8% to 12.6% of respondent organizations stating that they have retention strategies.. (https://www.einnews.com/pr_news/553396839/80-of-survey-respondents-indicate-they-don-t-have-a-formal-talent-retention-strategy)



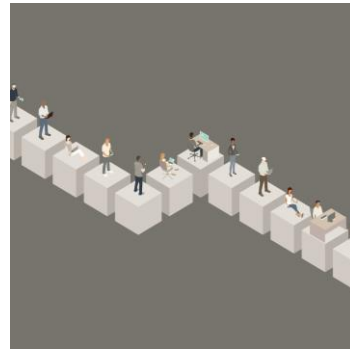
Why recruiting and retaining staff is more difficult than ever?

- Lack of ability to increase pay/benefits: Poor financial planning, restricted revenues, etc.
- Increased desire for a work/life balance
- Numerous individuals retiring all at once. Limiting the talent pool.
- The nonprofit workforce is retiring. (67% of CEOs in a national survey reported plans to leave their position within five years.)
- Few nonprofit organizations are prepared for this transition. 27% of those nonprofit organizations surveyed have a written succession plan. Only 17% of smaller nonprofits (under \$1m) have a plan.

4 Pillars of Leadership Transition



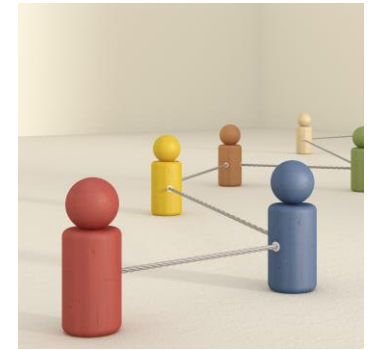
LEGAL COMPLIANCE



**ROLES &
RESPONSIBILITIES**



ACCESS



**COMMUNICATION
PLAN**



Proactive vs Reactive Leadership Culture

What should we do over
the next 3-6 months to
prepare for the possible
transition of _____?

4 Types of Leadership Transitions

FRIENDLY

- Timely notice given
- Good intentions towards the org
- Willing to aid a smooth process



HOSTILE

- Conflict-based
- Animosity and/or frustration
- Hinders productive transition



EXPECTED

- Written notice provided
- Term limit ending
- Special funding period ending
- The “writing is on the wall”



UNEXPECTED

- Unannounced intentions
- Change in personal circumstances
- Health issues
- Shifts in balance of power

Succession Planning Conversations 101

Focus Question:

What can we do over the coming ____ months to prepare for an efficient leadership transition?

1. What do we know to be true about the role and responsibilities of ____ team member?
2. What do we feel are the biggest challenges we should expect related to the transition of ____ team member?
3. How might this transition impact [select one: our other staff, our clients, our board, our programs, our community partners, our ability to fulfill grant/donor obligations?]
4. What are some key strategies we can implement now to reduce confusion during a potential transition?



A close-up photograph of two people shaking hands. The person on the left is wearing a light blue dress shirt. The person on the right is wearing a dark blue suit jacket. The background is blurred, showing an office environment with a plant and other people.

“Succession planning doesn’t start with people. It starts with the requirement of the position.”

- David Ulrich

Identifying a Successor

Internal

Things to Consider:

- “Next in line” in the chain of command
- Skills and qualifications
- Passion for the mission
- Interest in the new role
- Willingness to serve in a dual role
- Availability
- Interim or long-term successor
- Competitive compensation
- “Re-boarding expectations”
- Support systems

External

Things to put in place:

- Current & relevant job description
- Clear understanding on required skill set
- Job announcement strategies
- Clearly defined application processes
- Detailed screening strategies
- Candidate selection processes
- Decision-making process
- An “offer” package/process
- Onboarding expectations
- Support systems

LEGAL COMPLIANCE

1



Whose Job Is It?

1. Board oversees board member transitions
2. Board oversees ED transition
3. ED oversees all staff transitions.

**All members of the team support and share a unified message.

Policies that Protect

- Employment contract
- Signed statement agreeing to abide by the organization's approved policies & procedures
- Non-disclosure agreements
- Intellectual & physical property agreements
- Updated compensation agreements
- Performance-based incentives
- Performance-improvement plan (PIP)
- End of employment/leadership processes



Does this team member
serve as the “authorized
representative” for the
organization?

SPECIAL CONSIDERATIONS



What do you owe an employee?

Maintain integrity & transparency



An analysis of all pending payroll & compensation



Timely payment as legally required in your state



Confirmation as to whether the employee is eligible for post-transition benefits



Respectful and professional processes

ROLES & RESPONSIBILITIES

2

Defining a Succession Plan



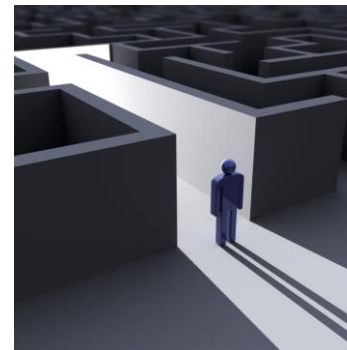
Who?

Who will serve as the interim if needed?



What?

What is the protocol for the transition process?



Where?

Where are essential documents & items required for daily operations?



When?

When can we expect to fill the vacant position with a qualified successor?

Board or Staff

Basic Information

- Job Description
- Written Expectations
- Performance/Impact Reports
- Upcoming events and action items

Personal Knowledge

“What does my successor need to know if I become unavailable tomorrow?”





Ongoing Leadership Development

Utilize “Action-teams” to achieve immediate goals

Include “leadership prospecting” on quarterly agendas

Engage qualified community members on sub-committees

Host “Impact Events” to engage diverse community members. (focused conversations, think tanks, consensus-building conversations, or action planning, etc.)

ACCESS

3

Access Points

PHYSICAL

- Facilities
- Alarms
- Vehicles
- Storage
- Gates/Entry Points
- Cabinets/Files



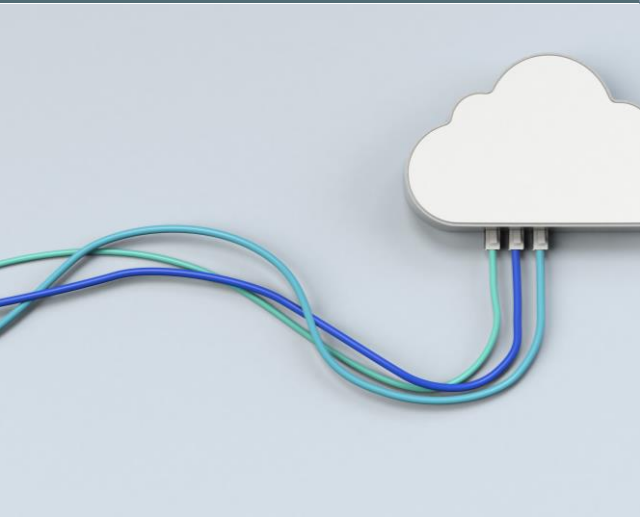
AUTHORIZED ONLY

- Post Office
- Power of Attorney
- Contracts
- IRS/state Contact
- Insured entity



ONLINE

- Website/Domain
- Social Media
- Subscriptions
- File Sharing Systems
- Team platforms



FINANCIAL

- Bank contact
- Signature card
- Credit/debit cards
- Account security
- Safe/assets



COMMUNICATION PLAN

4

Internal Messaging



Where are resignation letters directed?



What is the chain of command for termination processes?



Who will notify specific team members?



What information is pertinent to share?
(Who, what, when, and why)



How will team members participate in community outreach/messaging?

Public Announcement



Which stakeholder groups must be notified?



What are key transition facts? (who, what, when, why)



Who is the designated point of contact?



What should stakeholder's expect from the organization during the transition?



How can the community support the organization during leadership transitions?

Succession planning is
the process of
investing in the people
who make your
mission happen.

– Marie Palacios, Lead Consultant,
Funding For Good



A hand holding a magnifying glass over a blurred city night scene with bright lights.

Quick Tips

Engage leadership in regular strategy sessions focused on succession planning

Make sure succession planning processes are in writing; accessible; current & relevant

Use shared file systems & backup system to protect intellectual property

Ensure key team members are equipped to activate “emergency protocols” in case of a hostile transition

Encourage “job swap” or “shadow days” to share knowledge among team members

<https://fundingforgood.org/strategic-planning-consult/>

FREE Strategy Call with FFG to discuss
Strategic Planning

mandy@fundingforgood.org