



NEW YORK HEALTH FOUNDATION *Improving the state of New York's health*

No Time Like the Present: Succession Planning for Key Staff Positions

Presented to New York Health Foundation (NYHealth) Grantees

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Today's Learning Goals

- Understand why planning is important
- Explore 3 Phases of Succession Planning
 - Routine organizational capacity building
 - Planning for a Transition
 - Managing an Executive Transition
- The importance of planning for operational continuity



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Types of Transition

1. Founder or long-term leader
 2. Forced or unplanned transition
 3. Chronic turnover
 4. Routine transitions
- How might the type of transition impact an organization's thinking about a succession planning process?
 - Please share your experience with one of these.



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Why Plan for Succession?

- Leadership transition brings unknowns, and 'being prepared' goes only so far.
- A framework and clear course of action can
 - ✓ ease anxieties
 - ✓ maximize opportunities and minimize risks/costs during change.
- Lack of planning carries great organizational risk
 - ✓ Prepare for damage control - expect the unexpected
 - ✓ Don't let the succession process become its own organizational crisis.
- Use the process for building positive momentum.



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Three Phases of Succession Planning

Routine Capacity Building

- Updated policies & procedures
- Current job descriptions
- Effective and efficient systems
- Financial sustainability

Planning for Leadership Transition

- Develop shared vision of the future
- Take stock of organizational capacity
- Build Consensus on succession approach
- Define timelines and responsibilities

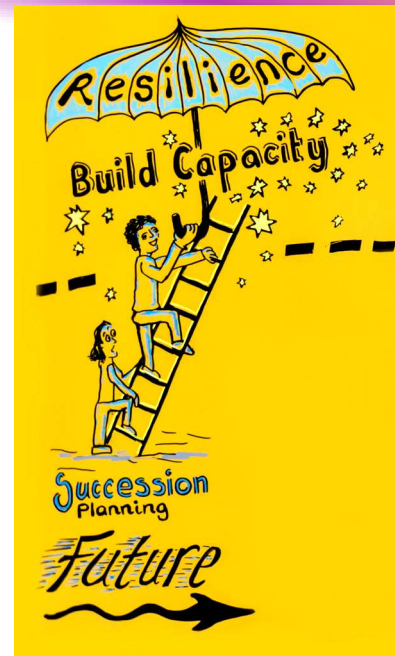
Managing the Leadership Transition

- Appoint leadership & define authority
- Manage communications & expectations
- Establish back-up plans

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Routine Capacity Building

- Key Questions
 - If the Board had to manage the organization, does the information they need exist and do they know where to find it?
 - When a new staff member comes onboard, is there documented guidance for learning their job - or are they on their own or reliant on an already busy supervisor?



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Key Elements: Organizational Capacity *Current and Written Policies and Procedures*

- Fiscal
- Program
- Personnel
- Fundraising
- Diversity, Equity, and Inclusion
- Bylaws and Governance/Board Development
- Emergency or unplanned absence of ED or key employee

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Key Elements: Organizational Capacity *Defined & Implemented Practices*

- Updated job descriptions
- Written staff evaluations
- Periodic compensation and benefits analysis
- Maintenance of donor database
- Grants management
- Work-flow calendars and task lists
- Staff onboarding and development practices
- Strategic Plan – clear mission, values, and vision
- Board and committee support

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Key Elements: Organizational Capacity *Documented Contacts and Resources*

- Insurance broker, carriers and policies
- Banking information
- Investment advisors
- Funders with contract terms and deliverables
- Program partners with contracts or MOUs
- Purchasing and consulting contracts
- Other contracts or agreements

Planning for Leadership Transitions

Key Questions

- Is there a clear vision for the future that clarifies what position, skills, and experience will be needed?
- Do the Board and Management understand current skill capacity and gaps?
- Is it clear who would step in to take over in the absence of a key employee?
- Are there procedures in place so that if someone was absent in their role, it would be clear who has the capacity to take that work on?



What is Succession Planning?

Succession planning is the process of identifying the critical positions within your organization and developing action plans for individuals to assume those positions.

To prepare for executive transitions a succession plan is a written, board approved plan that:

- Outlines key responsibilities for the Board and Executive Director levels;
- Defines the actions to be taken in identified timeframes; and
- Prepares the organization to go through and manage a leadership change.

Succession Plans for Executive Leadership

Emergency

- Back up policies, processes & steps needed to fulfill key executive leadership functions (for an unexpected absence, abrupt departure, or planned short-term absence).
- *Maintenance oriented, serves as basis for Planned Transition*

Planned Transition

- Policies, processes, and steps to ensure an orderly, efficient & productive transition and support organizational sustainability.
- *Maintenance, Strategic, & Development Oriented*

Key Questions to Discuss Internally when Planning for an Executive Transition

1. What opportunities will a transition present?
2. What challenges and risks will a transition present?
3. How does the ED view their transition? What role will the departing ED have?
4. What steps will best prepare the organization for transition?
5. How will the board organize itself to oversee, support, and guide an Executive Director transition process, including the selection and orientation of the new Director?
6. Would we benefit from having in Interim ED?



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Succession Planning Roles

Board of Directors	Executive Director/Mgmt.
<ul style="list-style-type: none"> • Develop and approve written plan • Budget for executive transition process • Communicate with management • Work with ED and management to prepare for ED transition • Prepare for and hire Executive Director/CEO • Ensure ED has succession plans for other key employees • May be involved in advising, consenting to, or hiring other KEY management positions- e.g. CFO, Housing Director 	<ul style="list-style-type: none"> • Provide specific timeline for departure • Provide information to help Board with ED hire • May support Board with hiring process (e.g. Executive Assistant) • Assess and build organizational capacity through investments, training, and recognition of limitations • Document organizational policies and procedures • Promote cross-training where feasible • ED (or designated staff) typically hires other positions



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Additional Considerations

- An Interim ED (or CFO) provides space between past and future leadership and can **provide the Board**
 - ✓ An objective review of the organization
 - ✓ Time to clarify needs and hire the right person
 - ✓ Specialized skills to build organizational capacity
 - ✓ A focus on maintenance, stabilization & ensuring sustainability rather than growth or new directions
- A Search Firm or consultant can assist in expanding the candidate pool and managing the hiring process
 - ✓ Can be expensive
 - ✓ Does not relieve the board of the responsibility to be actively engaged



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Managing the Transition

Key Questions

- For an ED transition, is it clear who on the Board will lead the process and who will be involved?
- Is there a role for the departing ED or staff member?
- Is the decision-making process clearly defined?
- What's the backup plan if you don't find the right person in the expected timeline?



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Managing the Transition

Key Elements	Common Mistakes
<ul style="list-style-type: none"> ✓ Know who does what ✓ Manage communications with board, staff, key stakeholders ✓ Consider pros and cons of search firm for key positions ✓ Develop a profile of new leader ✓ Develop compensation strategy ✓ Come to closure with departing leader; manage legacy/impact ✓ Support staff, particularly in the absence of an ED 	<ul style="list-style-type: none"> ✓ Underestimating needed time/effort & expertise ✓ Neglecting emotions or letting them dictate the process/decision ✓ Rushing to hire ✓ Too much process, conflict, indecision, etc. ✓ Looking back, not forward; hiring to “fill shoes” ✓ Hiring inappropriate interim or acting – board, staff or outside

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Focus on Operational Continuity for Key Positions

- **Business Continuity:** What components of work can continue right until the transition? For those that can't what steps can be taken to delegate or transition work?
- **Productivity:** Is the organization able to deliver on contracts and commitments? If not, what conversations are needed?
- **Revenue:** How will the transition affect earned income, grant writing and reporting, donor relationships, etc.
- **Relationships:** How will the staff, board, funders, and constituents get information and be supported before, during, and after the transition?
- **Reports:** Does the organization have the systems and technology to efficiently and effectively produce data or is it dependent on manual data analysis and contortions?

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Final Considerations

- Provide enough time for a search: 6-8 months is not too long for an ED search.
- This is a candidate's market- are your salaries and benefits competitive?
- The clarity and strength of your vision, values, and culture will help find the right person.
- Board members will be required to put in significant time and effort for an ED Search.
- Have a back-up plan in case you don't find the right person.

Discussion/Q&A