

The Evolution of Executive Transition and Allied Practices

A Call for Service Integration



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Note from the author and publisher

This essay grew out of conversations between Jeanne Bell, Executive Director of CompassPoint Nonprofit Services, and Tom Adams, Director at Raffa, P.C. and former President of TransitionGuides (predecessor organization to Raffa P.C. Executive Search, Transition and Planning Practice). CompassPoint, through its now-retired director of Executive Transition Services, Tim Wolfred, and Tom Adams have collaborated closely for nearly two decades on nonprofit executive transition. Recent conversations have focused on how our joint work in executive transition has advanced and what the next frontiers might be in this practice. Implicit in our discussions is the belief that nonprofit leadership and organizational results are directly tied. That is, sustained mission impact requires well-led organizations. Twenty-five years of attention to executive transitions has affirmed its importance and made compellingly clear that the path to sustained effective organizations is broader and more complex than simply the smooth transfer of the executive position from one person to another. The practice has evolved to include allied work in succession planning, leader development, and sustainability.

The success story is that today more organizations have positive experiences with executive transition when they change executives. This reflects the body of knowledge, helpful resources, and trained professionals now available to guide organizations through the challenges and opportunities of executive transition. Few of these resources existed 25 years ago. The collective investment of board leaders, executives, funders, interim executives, and executive transition and search consultants has paid off.

Further, the practice has broadened to attend to two big questions that influence every executive transition: What can we do to prepare for leadership succession? What can we do to strengthen our organizational health and ensure continuity of mission impact (sometimes called organizational sustainability)? This evolution reflects a shift from paying attention to executive transition when it occurs to attending to the larger framework in which transition occurs: overall leadership, mission impact, and organizational sustainability.

As we look back at 25 years of involvement with nonprofits around the topic of executive transition, we are delighted with the progress made in successfully managing leadership turnovers. But we are simultaneously frustrated that sector and board leaders are generally less aware of the role executive transition can play in generating powerful organizational change. This publication should serve to broaden awareness of the power of executive transition and its allied practices. It offers board leaders and executives, funders, and transition and organizational development practitioners a quick summary of what we have learned and suggests how the discipline may evolve in the future.

The evolution of executive transition makes for an important and instructive story. It is exciting to see that the somewhat limited, event-focused practice has expanded to include services that help each organization have a greater impact. We believe the story reveals the promising benefits of integrating a range of services now allied with an executive transition, and that its telling will lead to conversations about new ways to increase the impact of the sector.

—Jeanne Bell (publisher) and Tom Adams (author), February 2017.

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Executive summary

The evolution and future integration of executive transition and allied practices

A call for service integration

Twenty-five years ago, most people in the nonprofit sector knew of or had experienced a disastrous executive transition. Organizations failed or floundered; client services were lost or disrupted; funder trust was shattered; careers were ruined. Such stories have diminished over the last two decades as the field of executive transitions has come into its own. National organizations (NeighborWorks America, Girl Scouts of America, United Way of America) and national funders (W. K. Kellogg Foundation and Annie E. Casey Foundation) joined with local and regional management support organizations, funders, consultants, and interim executives to develop this work.

The theory at the heart of executive transition work is that organizational effectiveness and leadership effectiveness are inextricably linked. Moreover, transitions provide a rare opportunity for organizational self-analysis and growth—a time when the organization can reposition itself for the future needs of its community. These are also times of great vulnerability.

This paper explains the practice of executive transition as it has evolved from the simplicity of executive search to a collection of allied disciplines aimed at positioning organizations for leadership succession and long-term mission impact. Allied disciplines include:

- The use of *professional interim executives*.
- The practice of *executive transition*, an intentional, three-phase process involving a) organizational assessment and *preparation*; b) a deliberate and *comprehensive search* for the best candidate to meet the organization's coming needs; and c) the careful *onboarding* of the new executive.
- *Succession planning*, which may include emergency backup plan, succession policy, leader and talent development, and departure-defined planning.
- *Sustainability planning*, focused on ensuring long-term mission impact and organizational effectiveness through attention to leadership, strategy/business model, resources, and culture.

Evaluation information in the form of customer satisfaction surveys and retention studies, along with anecdotal observations, tells us that these services make a difference in the performance of organizations. Workshops, publications, conference sessions, and other actions have helped disseminate knowledge about the growing field. There is now an affinity group as part of the Alliance for Nonprofit Management focused on improving the work of executive transition consultants and interim executives. Funders and funding networks have devoted considerable resources to the growth of the practice.

This paper identifies significant challenges in the next steps for this field. We acknowledge that while the actions proposed here will make a difference, there are larger factors that need attention. These include the major problems of expanding diversity in leadership; the overdependence on “heroic” leaders and the “overpromised” structure of the nonprofit executive position; uneven board leadership across the sector; and the ongoing lack of financial resources. Beyond these, the field faces a host of challenges in improving the work of subspecialties (e.g., transition specialists, interim executives, executive search, sustainability consultants) while grappling with the need to better integrate these disciplines so that organizations that use them have the best help possible. Along these lines, the paper suggests numerous questions and guidance for further discussion by board leaders, executives, funders, and consultants.

- **Board leaders** should note especially the section titled [*Boards and their leaders; Appendix 1. For board leaders and executives navigating an executive transition; and Appendix 2. For board leaders appointing an interim executive director.*](#)
- **Executive directors and senior management** should note especially the section titled [*Executives; and Appendix 1. For board leaders and executives navigating an executive transition.*](#)
- **Funders** should note especially the section titled [*Funders; and Appendix 3. Opportunities for funders to help integrate executive transition and allied practices.*](#)
- **Consultants and interim executives** should note especially the section titled [*Consultants and interim executives; Appendix 4. Opportunities for consultants to advance the field; and Appendix 5. Standards for executive transition and interim executive practitioners.*](#)

Executive transition and its allied practices have evolved to ensure greater mission impact. The history and recommendations in this paper are intended to ensure that all leaders are familiar with proven practices for executive transition; to expedite the integration of executive transition with the allied practices of succession planning and sustainability planning, and to make the processes more easily understood by board and executives. **We hope leaders, funders, and consultants will:**

- Continue to recognize and use positively the power of executive transition and understand the risks to and opportunities for organizational advancement these transitions offer;
- View leader transitions in the larger context of ongoing attention to mission, organizational sustainability, leader development, and succession;
- Take actions that consistently lead to improved mission and sector impact through tailoring and integration of actions to the size, mission, and needs of each organization; and
- Pay attention to needed changes in organizational and sector habits required to advance organizational and sector impact.

The evolution of executive transition practices

The birth of a practice

Twenty-five years ago every nonprofit leader and funder had (or knew of) a horror story of a failed or flawed transition. One organization suffered executive change four times in five years; the ongoing chaos reduced to a trickle its normal flow of productive effort. Another high-quality organization completely collapsed when its charismatic founder suddenly left. Across many fields, the careers of once-successful nonprofit executives floundered or were derailed completely due to poorly conducted transitions. New executive recruits to the sector faced the trauma of a no-win first chief position, souring them on nonprofits in general. The people served by these organizations faced diminished quality and availability of help, and some essential services were lost forever. Simultaneously, employees lived through the anxiety of insecure organizational futures and fear of unsteady new bosses.

This community, organizational, and professional pain launched a desire for healthier, more effective organizations. Leaders in the sector recognized the need for major improvements in nonprofit executive transition. Early work by Tom Gilmore of the Center for Applied Research and his book *Making a Leadership Change*, along with development by the Alban Institute of the interim ministry practice were useful resources as this topic was explored. In the 1990s, three organizations—the Girl Scouts of America, NeighborWorks America (then called the Neighborhood Reinvestment Corporation) and the United Way of America—decided to invest in services to member organizations that were experiencing an executive transition. All three national organizations did this out of concern that the disruption and losses caused by unsuccessful transitions could harm the individual organization as well as its allies. These national organizations also believed that properly executed transitions would strengthen and even transform member organizations.

The Cost of Poor Transitions

Across many fields, the careers of once-successful nonprofit executives floundered or were derailed completely due to poorly conducted transitions. New executive recruits to the sector faced the trauma of a no-win first chief executive position, souring them on nonprofits in general. The people served by these organizations faced diminished quality and availability of help, and some essential services were lost forever. Simultaneously, employees lived through the anxiety of insecure organizational futures and fear of unsteady new bosses.

NeighborWorks America was perhaps more aware of and focused on the negative consequences of failed executive transitions. Many states had only two or three members of the network. At the time, this paper's author (Tom Adams) was a senior manager at NeighborWorks and participated in regular discussions about what to do when a successful executive announced his or her pending departure or how to resume work after a failed executive transition. These discussions resulted in a five-year Community Development Leadership Initiative focused on how to sustain the organizational health and productivity of NeighborWorks member organizations before, during, and after executive transitions and how to reduce the pain and trauma associated with transition. Adams was asked to lead this initiative, spurring his entrance into the budding field of nonprofit executive transition.

The Girl Scouts and United Way shared NeighborWorks's desire to prevent the negative organizational and reputational impact of failed transitions among member and affiliated organizations. But in addition, these nationwide institutions were of a scale where it made sense to retain talented executives by supporting them in moving from one affiliate to another affiliate—one that presented challenges better suited to the transitioning executive. Girl Scouts and United Way were thus motivated to take advantage of the growth opportunities in an executive transition and to avoid the pain of a poor transition.

Two approaches evolved from these initial investments. With W. K. Kellogg Foundation support and the use of its own federally funded resources, NeighborWorks developed an approach heavily focused on increasing organizational capacity and effectiveness while also providing competent search services. This approach, which became known as the executive transition management model, is the topic of this paper. The Girl Scouts and United Way both chose to adapt "executive search" models to their networks. Their goal was to offer executive search services more efficiently and effectively to their members, while also including some related services focused on strengthening organizational performance. However, the core model was focused more on search than on capacity building. This distinction between combining executive transition and search (the executive transition management model developed at NeighborWorks) and more traditional executive search approach is relevant to both the evolution of executive transition services and potential next steps in the development of this practice, as will be discussed later in this paper.

ET Added Value

The first approach grows from the theory that effective executive transition is bigger than the search for a successor and requires attention to the context of organizational effectiveness. The second practice views executive search as primarily a hiring function, albeit an extremely important one informed by present and future organizational priorities.

With W. K. Kellogg Foundation support, the NeighborWorks project included:

- A review of one hundred executive transitions to better understand routine and non-routine transitions;
- Study of practices from executive search, organizational development, and strategic planning along with how these practices might be integrated into the executive transition approach;
- Hands-on work with ten NeighborWorks organizations during transition; and
- A third-party evaluation of the results of that hands-on work.

The findings from this effort as reported to the Kellogg Foundation included the following:

- A well-managed executive transition is a key leverage point for improving the performance of community-based development organizations (CBDOs) and nonprofits in general.
- Executive directors play a key role in determining CBDO effectiveness. Ensuring a successful beginning to their tenure with a positive fit between the executive director and the board of directors improves the likelihood of organizational effectiveness.
- Executive turnover has many costs, and a well-managed transition yields significant benefits for the organization.
- Over time, patterns in an organization's experience with executive transitions will strengthen or weaken its performance. Frequent and numerous transitions weaken organizations and interfere with effectiveness.
- Targeted use of outside support to assist the organization during executive transition yields a higher number of successful transitions as measured by successor tenure and organizational goals met. Assisted or facilitated transition using a tailored or "a la carte" approach to services and resources is the most useful way to assist CBDOs in reducing the disruption and maximizing the benefit of executive transition.

Dissemination of the results of the NeighborWorks initiative resulted in CompassPoint Nonprofit Services (then called the Support Center) hiring Tim Wolfred and initiating development of an interim executive and executive transition program.

The executive transition management field blossomed from 2000-2005 through a significant investment by the Annie E. Casey Foundation (AECF). Ralph Smith, senior vice president at AECF at the time, became concerned about the loss of institutional knowledge and memory occurring as founder and long-tenured executives began to retire. Smith and Donna Stark, a senior executive at AECF, led a five-year investment in executive transition services.

The AECF investment resulted in significant new lessons about executive transition. The investment and lessons learned were applied to advance the cause of succession planning in nonprofit organizations, to support founding executives during transition, to expand the pool of trained executive transition consultants, and to create written publications about executive transition

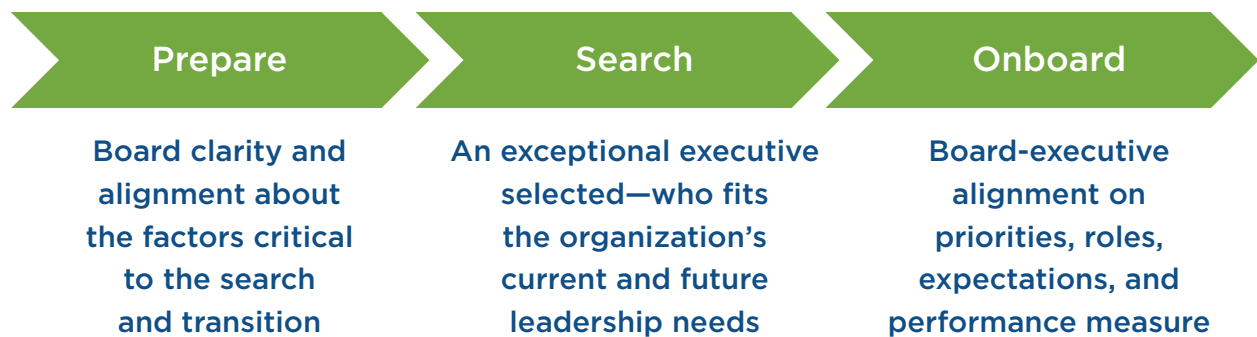
and related topics. Complementary to the AECF work, the Meyer Foundation and CompassPoint conducted the first *Daring to Lead* study in 2006 (repeated and revised in 2011). These studies underscored the importance of attention to executive transition. (See [Appendix 3](#) for more information on the AECF project and activities by other funders to advance the practice of executive transition management.)

The informal collaborations of executive transition and interim executive practitioners were formalized through the development of an affinity group within the Alliance for Nonprofit Management in 2001. Initially known as the Executive Transition Affinity Group, its name changed to Executive Transition and Leadership Continuity in 2011 to reflect the growth and evolution of the field. (See [p. 20](#) for more on the role of the Affinity Group and [Appendix 5](#) for a summary of standards of practice developed for Executive Transition and Interim Executives.)

Development of the executive transition model

Executive transition management (often called simply *executive transition*) has matured into a consulting practice that takes the best of executive search and combines it with practices from organizational development that heighten the success of the transition. The model's premise is that executive transition is a powerful moment in a nonprofit's life that can be used to advance mission capacity.

The observations of those of us working on nonprofit executive transition led to the development of a defined three-phase approach (called variously *prepare, search and onboarding* or *prepare, pivot and thrive*) by looking at what was unique about nonprofit executive transitions. Briefly, the three phases can be described as *prepare*, during which the organization looks at its future direction and pressing transition challenges and opportunities as well as the skills and competencies it will need from its next executive; *search* or *pivot*, in which the organization conducts a search and selects an internal or external candidate while engaging staff and board to ensure alignment and clarity of goals and roles going forward; and *onboarding* or *thrive*, in which the new executive is supported while learning about the organization, developing relationships with staff and constituents, and clarifying board and executive communication and accountability.



We observed that first, most nonprofits lacked a pool of obviously qualified internal managers ready to take over, even for short-term leadership. Second, nonprofit boards varied widely in their knowledge of and involvement with the organization and in their experience with executive transitions. Too many board leaders viewed hiring a new nonprofit executive as like hiring any other manager. That is, they wanted to “make a good hire,” but they did not understand the unique risks and opportunities presented by transitioning to a new executive.

Our early experience in working with organizations in transition caused us to look carefully at three fields of practice: executive search, strategic planning, and organizational development. From the executive search firms, we learned the importance of *scoping* or figuring out what characteristics and skills the organization needs from its next executive. We also learned that finding candidates should involve proactive, aggressive outreach—a marked contrast with the insular, reactive approach used by most nonprofits.

Next, we observed that lack of clarity about mission and strategic direction made it difficult to find the “right” executive. We decided to go deeper than executive search firms and developed what we came to call a *strategy and leadership review* as part of the assessment phase. We borrowed from standard strategic planning practice to make this shift. This phase was part of preparing the organization to find a new executive—hence the name for this first phase, *prepare*.

Organizational health varied widely among organizations preparing to hire a new executive. This quickly led us to look to the organizational development field to learn how to better assess organizational health and its relation to what would be required of the next executive and the organizational issues to be addressed. Thus, transition posed an opportunity to address critical organizational challenges before a new executive was hired. Moreover, since boards were often unprepared for transition, we observed that executive hiring was an opportunity for board development. Additionally, the hiring board was ethically obliged to be clear with finalists about the health and priorities of the organization for the transition to be successful.

Broader Organization Development Opportunities during Executive Transition

Organizational Development	>	Organizational Health Assessment
Board Development	>	Attention to Board composition, recruitment, roles and practices
Strategic Planning	>	Strategy & Leadership Review
Executive Search	>	Scoping & Outreach

Interim Executives

We saw the necessity and value of interim executives as a complementary practice to executive transition.

As CompassPoint and TransitionGuides (predecessor organization to Raffa P.C. Executive Search, Transition and Planning Practice) shared ideas, we saw the necessity and value of interim executives as a complementary practice to executive transition. We observed that when an organization was not ready to work with a new executive for any number of reasons (emotional attachment to a prior executive, board or staff conflicts, funding challenges, etc.), the new executive risked a very short tenure. Observing the interim pastor model of some churches, we learned that the trained and experienced interim executive addresses issues that need attention and helps prepare the board and staff for the next executive. (Interim executives in this practice are typically external to the organization, have experience as an interim executive, and are not a candidate for the permanent executive position.)

At a session sponsored by AECF convened interim pastors and executive transition consultants, one of the interim pastors highlighted the importance of attending to the emotions of transition. His comment reinforced what we were learning from the writings of William Bridges. Bridges emphasized the difference between *change* (an event, such as the departure of an executive) and *transition* (the emotional process extended over time, such as letting go of one's feelings around the departed leader and embracing a new leader). In *Managing Transitions* (1991) and *The Way of Transition* (2001), Bridges urged taking advantage of the period between the ending of what was and the beginning of the planned change. Bridges called this period the "neutral zone" and observes that this interlude often is marked by confusion, anxiety, and the opportunity for creativity. Things become a bit "unglued." The creative opportunity is in putting things back together in ways that advance the success of the organization. Transitions that ignore the emotions and opportunities of the neutral zone tend to be more difficult and have less successful outcomes.

Our observations, research, and discussion with consultants in these various disciplines led to the basic three-part structure of today's practice, noted earlier as prepare, search, and onboarding or prepare, pivot, and thrive. These three steps incorporate what we have learned from other disciplines. As is now obvious, the executive transition approach practiced today is more comprehensive than a traditional executive search. Instead of simply hiring a new executive, the comprehensive practice assesses the organization's current status and desired future, attends to strategy, sets priorities, and plans a smooth transition that builds the organization's capacity in many ways. (For more details on the three-phase executive transition model, see [Appendix 1](#) and [Appendix 5](#).)

Data on impact and outcomes

Abundant anecdotal and behavioral indications underscore two improvements related to executive transitions. First, organizations that engage in a process that focuses on both transition and search are more successful in managing their unique transition opportunities and challenges. Customer satisfaction surveys, retention studies, and anecdotal information support this perceived improvement.

The second improvement is less documented and more observed in behaviors of leaders and funders. We have observed that leaders and funders are less anxious and more confident about executive transition. Anecdotally when workshop participants ten years ago were asked if they knew of a failed transition, everyone groaned. Today, many in the room have not experienced a failed or difficult transition.

While there is not a study to verify this, we believe that the proliferation of publications to guide boards, executives and funders has significantly reduced the drama and the number of disastrous transitions. These include the Annie E. Casey monograph series; BoardSource guides; books by Tebbe, Wolfred, Adams, and others; *Nonprofit Quarterly Leadership Transitions Special Edition* (Winter 2002); ongoing articles; a 2015 webinar series; and more. Funder interest in the topic is one indicator of this progress. From the late 1990s to mid-2000s, funder conferences typically included sessions on executive transition. Many philanthropies funded investment in the development of executive transition services nationally or in their communities. Executive transition is not a top-of-mind topic for most funders today, presumably because there is a proven approach resulting in many fewer horror stories. And funder investment has increased in related areas, such as next-generation leader development and the nurturing of leaders of color and leaders focused on social injustice and underlying inequities.

Here is what the research shows about the impact of proactive attention to managing executive transitions.

- A retention rate study of more than seventy executives hired through an executive transition process between 2000 and 2011 by TransitionGuides (predecessor organization to Raffa P.C. Executive Search, Transition, and Planning Practice) reported that 85-90% of them remained in their position for three years or more.
- The results of NeighborWorks America's early efforts, as documented in AECF's *Capturing the Power of Leadership Change*, indicated that over a five-year period (1992-1997), the average tenure of executives in more than one hundred member organizations increased from 4.3 to 5.7 years. Organizations ranked as "healthy" based on an organizational review increased from 67% to 89%.
- Customer satisfaction with organizations using executive transition services remains high as indicated among others by a Third Sector New England (TSNE) 2012-2013 study in which 92% of executive transition clients reported overall client satisfaction with the executive transition process facilitated by TSNE consultants.

- Preliminary results from a 2016 case review of completed executive transitions by experienced consultants from CompassPoint, The Foraker Group (the state nonprofit association for Alaska), and Raffa, P.C. show that the executive transition approach sustains and fortifies already-strong organizations; addresses critical challenges in board governance, strategy, finance, management, and staffing of stable organizations; when an organization is in crisis, addresses issues of viability that must be resolved prior to onboarding a new executive; and helps organizations facing a challenging founder transition reach closure and prepare for a successor.

Strengths and limitations of the executive transition model

Like any practice, time reveals strengths and limitations. Strengths include the following.

- Organizations facing a crisis or a major transition involving the departure of a founder or transformational executive benefit significantly when the leadership team is open to change and to outside or independent assistance. (When the executive or a few board members tightly control the organization and resist change or when there is no outside assistance or the transition consultant fails to adapt to the unique situation, the process shows more limited results.)
- The transition process offers an opportunity for boards to form a positive collaborative relationship with the new executive, change the board's or organization's culture, or make other improvements.
- The organizational assessment at the start of the executive transition process often reveals organizational assets and unresolved or hidden fragilities or aspirations. This creates the opportunity for the board and staff to discuss, understand, and address the issues.
- Use of a suitable interim executive significantly reduces risks and increases gains when combined with a well-led executive transition process.
- Increased attention to supporting the successful onboarding of the new executive increases the odds of sustaining success and achieving priority goals.

Experience has also indicated that transition requires an artful response to each unique situation. Here are some of the limitations observed.

- The organizational self-assessment that occurs during the first phase of executive transition is critical to overall success. Therefore, a variety of factors can skew the assessment and impair the outcome. These factors include poor engagement of board or staff; inadequate consultation or facilitation of the assessment process; and inflexible application of the executive transition approach. Any or all of these failures increase the risk of misunderstanding what the organization needs from its next executive, limiting the success of the transition.
- The organization's constituents are in a vulnerable emotional state during the final months of the departing executive and the beginning months of the new executive. Poor planning and inadequate attention to creating a good ending and good beginning puts the transition at risk. Risks increase when emotions are already strained (that is, "bad blood" exists about the departure) and when leaders and their consultants are unwilling to address the emotional dynamics of transition.
- Executives, particularly long-tenured or founding executives, have a lot of influence over the culture and habits of the organization. Although transition offers an opportunity to change the culture in ways that fit the new environment and strategy, failure to make suggested changes to the culture (as revealed by the organizational assessment) limits the benefits of transition.
- Not all executive transition providers have the capacity to support the critical executive search portion of the transition. The combination of organizational development skills and search skills is not frequently found among consultants. A good search helps uncover candidates with the qualities needed.
- Size and financial resources can significantly influence the process and the organization's ability to engage external support. Generic tools and resources are not designed for the unique needs and resources of the smaller organizations that make up the bulk of the nonprofit sector, and if they are not adapted, may not fit the organization.

The limitations discussed above led us to explore possible solutions. One of these is the development of an allied area, *succession and sustainability planning*. This next step in the evolution of executive transition grows from the implication that leadership succession (and preparedness) is an aspect of long-term sustainability. It fits solidly in the bag of tools required of nonprofit capacity builders.

The addition of succession and sustainability planning

The most obvious way for organizations to prepare for the inevitable executive and board leadership transitions is succession planning. While obvious, organizations feel an understandable anxiety about succession planning. With Annie E. Casey Foundation support during the “golden years” of executive transition development from 2000-2005, we were able to better define and advance nonprofit succession planning. We focused on three approaches:

Three aspects of nonprofit succession planning:

- 1) **Succession Essentials** (written emergency backup plans and succession policy)
- 2) **Leader and talent development**
- 3) **Departure-defined planning** (executive exit planning)

These three approaches also contributed to the development of an allied transition discipline: sustainability planning. Each of these is discussed below.

The first, simplest, and most easily implemented approach to succession planning is the development of an emergency backup plan for the executive director and management team. Survey data showed that only 30% of organizations have written emergency succession plans. A plan guides unanticipated leadership absences and includes a board-adopted succession policy to guide executive departures. The success of this first approach, referred to in some practices as *succession essentials*, is to get beyond filling in the blanks on a succession plan template. When done well, this approach supports development of leaders throughout the organization, including leadership succession for board chair, finance chair, and other key positions.

However, the challenge in succession planning is deeper than whether there is a written plan or not. Succession planning exposes the need for the development of leaders within an organization—often referred to by the sports metaphor, *bench strength*. We have seen a growth in funder support for next-generation leader development and similar initiatives. It remains challenging to implement and sustain a day-in, day-out commitment to building bench strength through leader development. Some refer to the ongoing commitment as *building a leaderful organization* or *establishing a culture of leader development*.

Succession Planning

The most obvious way for organizations to prepare for the inevitable executive and board leadership transitions is succession planning. While obvious, organizations feel an understandable anxiety about succession planning.

As should be obvious, *leader and talent development* is the second wave in the development of succession planning. In this process, organizations identify current and potential leaders and create plans to nurture them within the organization, usually through training, “stretch” assignments, networking with peers, and other methods. As one example, AECF has reorganized its Children and Family Fellowship and its management team to include a Vice President for Talent and Leadership Development to develop the leaders internally and among grantees.

The third wave in this development is *departure-defined succession planning* (sometimes referred to as exit planning), which is essentially a careful plan for the retirement or departure within three to five years of a founding or long-tenured executive. This work has grown with the steady departure each year of baby-boom era founders and long-tenured executives. Founders have “birthed” the organization and like any parent often have a difficult time letting go. This may result in a board that is more advisory and a management team with limited authority. These complexities become intensified as a board and founding executive prepare for transition. Our work in supporting founder transitions resulted in the development of departure-defined succession planning. Where an executive is planning to retire or depart at some time in the next three to five years, the organization benefits from assessing how to make the most of the final years and how to prepare for the eventual executive transition. This process includes attention to leader and talent development and organizational sustainability.

Sustainability planning evolved as leaders and consultants came to realize how much the outcome of an executive transition, in terms of organizational advancement, is influenced by the organizational context. Assessing organizational sustainability is a way to look at that context, to ask what an organization needs to do to maintain or grow its capacity to pursue its mission. Does it have a strong culture of talent and leadership development, a viable business model, and clear strategic priorities? In answering these questions and others, an organization uncovers what it needs to do to be sustainable. It thus sharpens the profile of qualities and skills it needs in its next CEO and prepares itself to advance with that CEO. Succession planning may develop that person internally, or the profile may be used to recruit externally.

Sustainability Planning

Sustainability planning is evolving as both a practice and a mindset.

In fact, though it has “come late to the party,” in its current form, sustainability planning is really a comprehensive look at an organization’s future, of which succession, talent development, and executive transition are subcomponents. The Great Recession of 2008-2009 challenged most organizations and their economic assumptions. For the nonprofit sector, the recession forced a deeper look at organizational sustainability. CompassPoint Nonprofit Services led the development of new approaches to look at the intersection of mission impact and financial health in its publications *Nonprofit Sustainability* and *The Sustainability Mindset*. Through a literature review, TransitionGuides (predecessor organization to Raffa P.C. Executive Search, Transition and Planning Practice) developed an approach that broadened organizational assessment to include a systematic look at four domains of an organization: leadership, strategy/business model, resources, and culture. Both approaches called for organizations to develop priority action plans aimed at increasing sustainability and impact. The Foraker Group also contributed to this work and developed an approach similar to TransitionGuides, described in Foraker’s 2013 publication *Focus on Sustainability: A Nonprofit’s Journey*.

Sustainability planning is evolving as both a practice and a mindset. As a practice, it is combined with succession planning to prepare organizations for the planned departure of a long-tenured or founder executive. Organizational assessments during strategic planning, before an executive search, or during onboarding of a new executive all benefit from deeper attention to the four domains of organizational sustainability (leadership, strategy/business model, resources, and culture). The sustainability mindset is present as networks of nonprofits and social change groups focus more on sustaining and increasing mission results and community change goals than on the survival of any one organization within a network.

The connection of succession and sustainability is reflected in one of the key shifts recommended in Third Sector New England’s report, *Leadership New England: Essential Shifts for a Thriving Nonprofit Sector* (2015). This report recommends that the sector “shift the framework for succession planning to deep sustainability.” This shift is a response to the predicted exit over next five years of over 60% of executives, half of whom will leave in the next two years. While predictions of a high percentage of exits have proven overstated in the past, this report indicates that organizations are looking for support in advancing sustainability strategies and in deepening their bench of leaders and managers.

Next steps in an evolving practice

As a discipline, executive transition has matured to include succession, leader development, and sustainability. We have a base of supporting research and anecdotes. It is time to deepen our study while disseminating the lessons learned. Many opportunities await the leaders, funders, and consultants to the sector to participate in the dissemination and evolution of this discipline. The following are intended as conversation-starters for various constituencies.

Boards and their leaders

Boards vary widely in how they are constituted, function, and serve the organization's mission. Each organization has a stated or implied set of beliefs about the roles and power of the executive, the board chair, the board and, where present, the executive committee. In larger organizations this group might include the chief financial officer, other key board leaders, or senior managers. These beliefs and their execution define the possibilities and limits of the organization.

It is tempting for board leaders to deal with executive transition only when it occurs. But doing so misses a great opportunity for ongoing growth. We need to make the link between transition, succession, and sustainability more easily accessible to all boards. And boards need to embrace the benefits of consistent attention to the intersection of leadership and organizational sustainability.

To prepare for leader transitions and increase organizational effectiveness, board leaders might ask each other and their executive team the following questions.

- How are the key roles and power defined among our leaders? Is this approach working now? Will it continue to work well over next five years?
- What, if any, changes might we consider in the relationship between the board and executive, how we make important organizational decisions, and how we nurture and develop future leaders who understand both our roots and our future?
- What about our organization is working especially well? In what areas do we have goals we believe will increase our impact, and how do we prioritize our focus on these goals?
- When we experience executive or other key leader transitions, how do we pay attention to advancing leader development and the power of both the transition and the search and selection process?

The *Nonprofit Quarterly*, BoardSource, *Stanford Journal for Social Innovation*, the *Chronicle of Philanthropy*, the *NonProfit Times*, and *Nonprofit World*, among others, have regularly offered articles on executive transition, succession, and sustainability planning for boards and executives. These and other publications have an opportunity to further advance their contribution through a refreshed look at these topics.

Executives

The executive ideally has the best understanding of how the mission, strategy, annual goals, and ways of producing income connect. If the executive has a limited understanding of these areas, there is an opportunity to review the major domains of organizational sustainability (leadership, strategy/business model, resources, and culture) before conducting succession planning or hiring a new executive. **When the executive and board are moving forward well together, areas to explore might include:**

- What are the core competencies we need in our management team, staff, and board to advance our mission over the next three to five years?
- What are our areas of strength and aspiration relative to sustainability in the domains of leadership, strategy/business model, resources, and culture?
- What investments are we making in leader and talent development? What investments ought we to make given the competencies we need for success?
- Are we prepared for planned and unplanned executive and key board or management leader transitions? What next actions, if any, are needed to be prepared?

Associations play an important role in advancing attention to executive transition and succession planning. The National Association of Community Health Centers published a set of three guides for its members in 2014. NeighborWorks America is currently developing a case study report on executive transitions to assist its affiliates. Numerous associations—The Arc, Opportunity Finance Network, Association of Organ Procurement Organizations, and many others—have offered workshops on succession planning and related topics at their annual conferences. Executives and their associations also are providing much-needed leadership on supporting leader development and encouragement of a more diverse and inclusive next generation of leaders. There is much more opportunity here to prepare and better match leaders with organizational goals.

Funders

National, regional and local foundations have provided the leadership and capital to advance executive transition and allied practices. Questions that need further attention include:

- What does the literature say and what do we believe about the importance of effective leadership in grantee organizations? How might we better support effective leadership without being meddling or intrusive?
- Do we consider executive transition a critical time to support grantees, or do we think it is better to wait and see? How might we support grantees in using the transition positively while protecting our investments?
- What is our general position on building the capacity of grantees, and how does the practice of executive transition relate to that position? Do we see executive transition, succession planning, and sustainability as aspects of organizational capacity? How is the transition readiness of grantees affecting our progress on our mission? What have we or other funders learned about the sustainability of grantees that might be useful for us to consider?
- What role might our funding allies play in supporting us in engaging with grantees around executive transition and the related issues of succession and sustainability?

Affinity groups of funders have played a major role in educating members on these issues. Grantmakers for Effective Organizations, Grantmakers for Health, Grantmakers for Aging, the Council of Foundations, and the National Center for Family Philanthropy have offered workshops and produced written publications for members on these topics. In locales with effective executive transition programs, grantmakers, acting individually or as part of a regional association, have been central in helping create those programs.

The 2008-2009 recessions understandably refocused the attention and investments of philanthropy on basic human needs and survival of mission-critical organizations. As the economy has rebounded, we can again focus on capacity issues, especially the generation-change capacity to be triggered by waves of retiring executives. Funders who have continued their efforts in organizational effectiveness, executive transition, succession planning, and sustainability can introduce the work to funders unfamiliar with its potential. There are also opportunities to accelerate the practices described here, to help integrate these practices into other capacity building work, and to innovate improvements. For suggestions, see [Appendix 3](#).

Consultants and interim executives

Practitioners work in an amazing variety of settings, from solo practices to large, multisite firms. They also vary in the mix of transition-related services; some offer all the services described here, while others specialize in one or two. The trade association for these disciplines is currently the Executive Transition and Leadership Continuity Affinity Group of the Alliance for Nonprofit Management. This is a volunteer-led membership association that came together in part to connect those working in executive transition and those working as interim executives. For the past fifteen years, it has offered members educational opportunities and convened annually at the Alliance conference. In 2014, the Affinity Group developed and adopted a set of guiding principles and practice standards for executive transition and interim executive work (see [Appendix 5](#)).

The progress in both the size and development of these fields of practice is significant. The challenge is in better connecting with the hundreds of interim executives and consultants offering executive transition or succession and sustainability planning services who are not part of the relatively small Affinity Group. Like many volunteer-led startups, the Affinity Group has reached a point where it needs an investment of time and money to reach and engage more practitioners and to continue to develop the field.

Individual practitioners and consulting groups or firms might consider the following questions.

- How do we continue learning in the fields of practice in which we work?
- Where do we see opportunities to offer our nonprofit clients services that advance effective executive transitions?
- Where do we see opportunities to offer our nonprofit clients services that advance succession and sustainability planning and that integrate with executive transition and allied services?
- How do we as interim executives work best with executive transition or search consultants? How do we as consultants partner with interim executives?
- What consultants in allied fields should we connect with to expand our impact and better serve organizations?

Integration or specialization?

The number and types of consultants available to nonprofit organizations has grown exponentially in the last decade. Executive transition management is one among many important organizational and leader development practices. The next decade will be marked by the departures of many aging executives enabling us to explore how to consult in a way that is helpful, efficient, and leads to a more just and caring world through increased impact of the sector.

An obvious first step for integrating consulting practices is already under way. Sustainability and succession planning consulting are increasingly integrated with executive transition and interim engagements. Understanding how to best provide integrated services to organizations is a key challenge for consultants and practitioners. For leaders of organizations, the challenge is to comprehensively examine finances, funding, management, staff morale, and leader and talent development; that is, to see the organization holistically rather than compartmentally.

This can be done by:

- 1) Understanding that executive transition, succession, sustainability, and interim executive practices can be adapted for different sizes and types of organizations;
- 2) Connecting consultants in various disciplines allied with executive transition to improve integration of services; and
- 3) Improving our skills at diagnosing and prioritizing an organization's needs relative to executive transition, succession, sustainability, and interim executive practices—including the recognition that when certain baseline factors are lacking, consulting that does not address these factors is less likely to succeed.

From the beginning, there has been a healthy tension in the Executive Transition and Leadership Continuity Affinity Group between the needs of the interim executives and those of the executive transition consultants. Subspecialties within the Affinity Group—interim executives, executive transition consultants, succession planning consultants, and sustainability consultants—must make space and find support within the group for shaping their own identities and practices. Even as those working in these subspecialties advance their individual knowledge and skills, they must continue to work to integrate their knowledge, since organizations frequently need more than one type of service.

The Affinity Group and other associations or networks of interims and executive transition consultants might consider the following.

- How might we reach and engage a larger number of interim executives and executive transition consultants?
- How do we connect with executive search and human resources firms that do similar work?
- What approaches and structures best support the further development of the interim executive field and the executive transition field?
- How do we best engage with consultants doing succession and sustainability consulting and broaden our approach to executive transition consulting?

Challenges for all

Certain challenges cut across all the groups (executive and board leader, funder, consultant, or sector leader, etc.) for which this paper is intended, as well as all the subspecialties (executive transition, interim executives, succession planning, sustainability) in which they may be interested. These challenges—the elephants in the room—include the lack of diversity among nonprofit executives and boards; the bias toward unrealistic leadership expectations, underperforming or challenged boards; and the ongoing struggle to finance an overburdened sector.

Challenges:

- Lack of diversity
- Bias toward unrealistic leadership expectations
- Financial and resource drought

Forces from many directions have raised awareness about our first and most pressing challenge: real change in inclusiveness and diversity among the leaders, boards, and staffs of organizations. Capacity builders can do much more through succession planning, talent development, and executive transition to advance this sector aspiration. Intentional discussions about what inclusion and diversity mean for each organization in transition would be a great start. We also need to monitor and evaluate success in developing diverse and inclusive finalist pools and in selecting finalists in accord with the organization's specific goals for diversity. Funders and others who support the sector need to invest in educating board leaders, executives, and consultants on ways to advance this goal. Without such a commitment, it remains a nice thing to do with little coordinated activity or impact.

A second challenge lies in our sector's reliance on unrealistic leadership expectations. The organizations often held up as role models have board and executive leaders who devote extraordinary time and energy to the success of the organization, often at a cost to themselves personally. This results in only a handful of high-performing organizations in most communities. Meanwhile, many others struggle to meet mission and payroll. There are no simple answers to

how to do complex work with limited resources in a sane and fulfilling way. Heroic leaders are inspiring, yet favoring this leadership style means that we limit options for the sector. Our work on succession, leader development, and executive transition can address this challenge by showing that organizations do not need to burn through a few heroes—they can build effective shared leadership and use other methods that appeal to the rising generation of younger leaders who value work-life balance.

To aid with this, we need to rethink and explore options for how the executive's job is structured so that it is more "doable." This is an obvious conclusion from seeing, firsthand, the problems created by dependence on one or two "hero leaders" in too many organizations. Young managers often express their lack of interest in the executive's position. Shared leadership models and innovations that reconfigure the executive's role and the organization's power dynamics have potential for reducing risks and advancing gains during and after transitions.

The third challenge lies in the extreme variation in the quality of board governance. A highly respected nonprofit executive once observed that as her board chair changed annually, some board chairs barely made the annual meeting, and others were in her office once a week. As transition consultants, we see the range of board engagement and disengagement, and observe well-intentioned boards with limited experience attempting to guide a complex entity. This is a structural challenge as well as a human capital challenge. As a sector, we rightfully avoid being prescriptive about the exact size and role of boards. We set broad standards. Unfortunately, when we apply these broad standards, we too often fail to make a match between the talent needed, clarity of role, and the value added to the organization. The quality of the board directly affects the degree to which executive transition can succeed. It affects succession planning, and can destroy and enhance sustainability. This will remain a huge challenge for the sector until addressed in a more comprehensive way.

The final challenge, our financial and resource drought, has been a feature of the sector since its beginning and will likely continue as such. The Great Recession led to increased refinement of sector-specific financial management tools as well as other tools aimed at measuring results and forecasting the success of various funding and business models. The increased focus on business plans further reinforces the importance of board and management support for more useful financial management. Although we continue to improve productivity through better financial, technology, fundraising, and other infrastructure, the under-resourcing at the core of our sector adds to the complexity when developing executive transition, succession, and sustainability plans with an organization.

Broader Challenges

These challenges—the elephants in the room—include the lack of diversity among nonprofit executives and boards, the bias toward "heroic" leadership, underperforming boards, and the ongoing struggle to finance an overburdened sector.

Conclusion: Building an integrated practice

Our sector is driven by a passion for change, which we achieve through attention to organizational performance and results. Leadership and leadership transitions remain essential to organizational effectiveness, and therefore to positive change. Well-led organizations outperform poorly led organizations. Recruiting, developing, and retaining effective leaders and building a sustainable organization is complex and difficult. We have made significant process over the past 25 years, as described in this paper.

Funder interest and support significantly advanced learning about executive transition. Since then, funders have invested in next-generation leader development, in efforts to increase inclusiveness and diversity of sector leadership, and in the understanding of what makes an organization survive and thrive into the future.

This paper reviewed the evolution of the executive transition practice and its allied practices to stimulate discussion and action. We hope leaders, funders, and consultants will:

- Continue to recognize and use the power of executive transition and understand the risks to and opportunities for organizational advancement these transitions offer;
- View leader transitions in the larger context of ongoing attention to mission, organizational sustainability, leader development, and succession;
- Take actions that consistently lead to improved mission and sector impact through tailoring and integration of actions to the size, mission, and needs of each organization; and
- Pay attention to needed changes in organizational and sector habits required to advance organizational and sector impact.

Leadership is and will remain intrinsically tied to organizational effectiveness. The services that have grown up around our original work in executive transitions have evolved because they link back to the ultimate goal of mission success. That is, a good transition is more likely within a sustainable organization that has a strong bench of diverse leaders and that has already in place an excellent succession plan. Thus, we think the next step in the development will ultimately shift toward greater integration of these services. We hope that through the history and recommendations in this paper, readers will see that executive transition and its allied practices now play a significant role in nonprofit effectiveness, and have even more to contribute in the future.

Integration of Services

A good transition is more likely within a sustainable organization that has a strong bench of diverse leaders, and that has already in place an excellent succession plan. Thus, we think the next step in the development will ultimately shift toward greater integration of these services.

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Appendices

Appendix 1

For board leaders and executives navigating an executive transition

Executive transitions are important moments for executives and boards and their organizations. Engaged leaders have invested time and energy in co-creating an organization. They are committed and passionate, and they have a lot at stake when an executive is thinking about leaving or they have to hire a new executive. Done well, transitions stir growth in impact and vitality. Done poorly, transitions lead to loss of focus, stumbles in performance, and worse.

Fortunately national and local funders have recognized the importance of executive transition and invested in learning about what works to support transitions for different organizations and situations. This appendix offers executives and boards a summary of these lessons and access to additional resources.

Because executive transition is both personal and organizational, we will look at both perspectives. One of the lessons from many transitions is that the personal comes first. If the executive or board leader or leaders are conflicted and send mixed messages about the transition, the odds for success decline. So let's first look at the personal decisions for the executive and board leader, and then at how the overall organization best makes its way through executive transition.

Executive transition may be initiated by the executive or the board. Seven of ten executive transitions are voluntary, so we'll start there. For most executives and organizations, it works best if the executive's private reflections remain private. Thinking out loud with managers or board members needlessly raises anxiety. For some departures, the precipitating event is clear and there is not much need for discussion. This would be the case with a spouse relocating, needing to leave to care for someone, or similar life event. In these or other cases where the executive clearly knows her or his rationale and probable timeline, discussions with the board chair or board leaders about how to conduct transition can begin immediately.

Navigating an Executive Transition

Done well, transitions stir growth in impact and vitality. Done poorly, transitions lead to loss of focus, stumbles in performance, and worse.

Where an executive is considering retiring or wants to explore new opportunities, discussions are more complex and may be emotionally challenging. If the executive is the founder or has led the building or rebuilding of the organization, deciding how and when to leave may be difficult. In these situations, discussions with uninvolved mentors, friends, or an executive coach, or attendance at leadership transition workshops can help the executive clarify the reasons, preparation steps, timing of board involvement, and timing of departure. In contrast, executives who repeatedly say, “I am leaving in three years” and never act on that statement do not serve well their organizations or themselves.

To prevent unexpected and sudden leadership transitions, the board should develop a succession policy and regularly check in on the executive’s plans. Boards with effective executives are sometimes hesitant to ask about the executive’s plans or commitment to the position. When the board routinely discusses leadership continuity with the executive, conversations about succession become normal and less anxiety-provoking for both the executive and the board. Through ongoing attention to emergency backup for the executive, board officer succession, and bench strength development for managers and key positions, the board and executive shape a plan for ensuring leadership vitality over time.

When an executive informs the board chair of her plans to move on, the board chair and executive share a responsibility to think through a process that leads to clear and consistent communication and appropriate involvement of board and staff in the process of managing the transition. An important principle is to remember there is more to this than finding a successor. The board is leading a search *and* leading a transition process. No matter how effective the search, if the transition is not attended to, the new executive can be undermined.

There is often a short period of private planning between the executive, board chair, and other board members. The point of this planning is to make some initial decisions about timing, role of the executive during transition, and who is in charge (if not the executive). Also to decide who will chair and serve on the transition and search committee, and whether the board will consider using an outside facilitator or consultant to assist with this process. Experience has shown that successful transition is more likely when board, staff, and stakeholder community receive regular information about the transition *once the transition is formally announced*. While it is important that the chair and other leaders do not usurp the role of the full board, it is equally important that the leaders in charge of the transition do some basic homework before engaging the full board and before any public announcements. Otherwise rumors and half-truths begin to circulate and become hard to correct.

Once this initial private planning is complete, it is best to have an orchestrated announcement of the transition that informs board, staff, stakeholders, and other constituents within a short (week to two-week) time period. This allows time to inform those who need to know first (i.e., the full board, key funders, staff, etc.) and for everyone to know within a reasonable time. By timing and releasing a consistent message, the organization can diminish the impact of the rumor mill that always surrounds transitions.

Situations where the executive and board are parting involuntarily require additional steps. No matter the situation, the goal is to get as close to win-win as possible. Boards and executives may require legal counsel, communications advice, and financial planning assistance to explore what a fair ending looks like.

The organization

The size and culture of an organization are important considerations in deciding how to best manage an executive transition. **Organization staff and budget size may influence the transition and planning in following ways.**

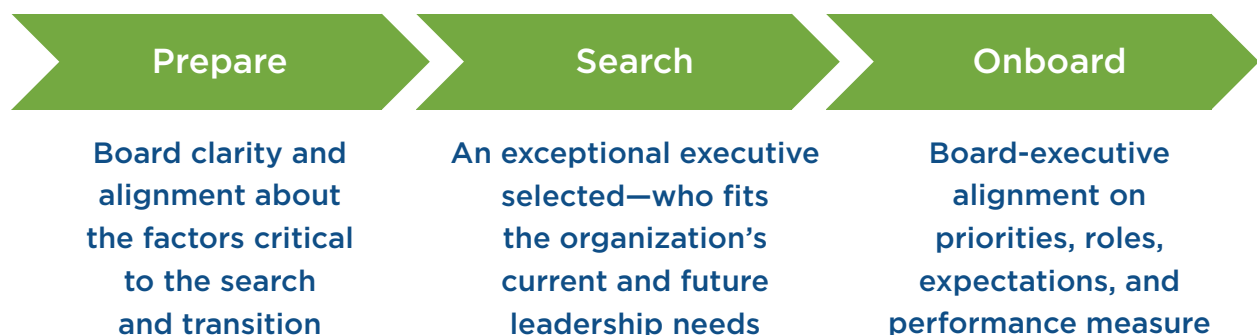
- In smaller organizations, board leaders often supplement the talents of the staff. First steps should include clarifying staff roles during transition and deciding who needs to be involved in the planning and search.
- Smaller organizations may not have the financial resources to support outside help with transition and search. The goal for a smaller organization is to come together to discuss ways to realistically create a plan that addresses all the needs and uses the organization's limited resources wisely. These organizations should avoid denying or minimizing the challenges of transition, as well as the assumption, "we can do this ourselves." These attitudes can strain the organization's ability to balance its immediate challenges with its long-term needs. Best case, the small organization should seek volunteer or pro bono assistance, or seek a funder's help in purchasing consulting support.
- Larger organizations run a similar risk of underestimating the complexity of managing transition and search. Sometimes the board has private sector members with experience using executive search firms. The risk here is that members from the private sector are familiar only with such an approach, and the question becomes "whether we can afford a search firm." In fact, there are many other options and the question is only partly about money.
- Regardless of size, the most important question for all organizations is *what process advances our organization and what human resources do we need to do that well?*

Organizational culture

Organizational culture has been defined by Edgar Schein, author of *Organizational Culture and Leadership*, as “a pattern of basic assumptions—invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration—that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.”¹ Organizational culture may influence the transition in a number of ways, including:

- Organizations with a more inclusive and egalitarian culture or that have strong values around participation and equity should consider designing a process that is respectful, inclusive, and result-focused. Too much process can sidetrack the organization, while too little process may undermine support for the new executive.
- Power vacuums often develop when the departing executive has emphasized “command and control” or has been a “hero leader.” Managers and board leaders are eager to try new ideas. Conversely, staff may feel high anxiety and some despair over survival without the executive. The transition process needs to affirm the strengths of the organization and normalize conversations about what the organization wants to change. But it must also avoid making the departing executive a scapegoat or hero.
- How racial diversity is valued can become a major question during executive transition. Transition is an opportunity for the organization to build consensus on whether (and how) it is involving and serving its entire community and how planning for the transition and search might advance its goals for inclusivity and diversity.

Field research supported by the W. K. Kellogg and Annie E. Casey Foundations (and others) has resulted in a proven approach to managing executive transition. This three-phase approach draws from strategic planning, organizational development, and executive search. It was developed and tested with many types of organizations. Each transition is unique and the process must be tailored to the specific situation of the organization, although some patterns and experiences are predictable. **The three phases of executive transition are:**



1. Edgar Schein, *Organizational Culture and Leadership* (San Francisco, CA: Jossey Bass, 2004), 17

- 1. Prepare.** In this phase, board, staff, and key stakeholders review organizational strategic direction, identify key transition issues and threats to the organization, and develop a position profile and recruitment strategy that aligns the identified requirements with the characteristics needed in a new executive leader. This phase may also explore merger or strategic alliance possibilities or even the potential for going out of business.
- 2. Search or Pivot.** In this phase, the organization reviews its potential for internal succession and may also conduct a search for candidates who meet the defined leadership requirements. During the search process, transition issues are addressed to increase the likelihood of success for a new executive. The board, through its transition and search committee, leads this process and appropriately informs and involves the rest of the board, management, and staff.
- 3. Onboarding or Thrive.** In this final phase, the organization builds a strong foundation for the success of the new leader. It plans and executes a welcoming and orientation, and supports the executive as he or she builds internal and external relationships. The board establishes 90- and 180-day performance goals with clear mechanisms for feedback and review. The goal is a positive board-executive-staff working relationship.

In some situations, either before or during the prepare phase, the board concludes the organization is not ready to initiate an executive search. In these situations, an external *interim executive* is often hired. While it may seem simpler to appoint a staff member or board member as the interim, doing so limits the important cultural changes that can be made during the interim period. Most communities have professional nonprofit interim executives, with experience in transitional leadership. The use of an interim executive followed by an executive transition process has the power to transform an organization. (For more information see [Appendix 5](#).)

There are a number of helpful resources available to boards and executives to support planning and implementing an effective executive transition. *Chief Executive Transition: How to Hire and Support a Nonprofit Executive* by Don Tebbe, available from BoardSource, describes six tasks for boards before and during an executive transition. Tebbe provides boards a road map for transition. He interprets the three-phase executive transition model for boards in terms of *desired outcomes or destination, road map or process, and tasks to reach the destination*.

A growing body of experience and literature suggests that boards and executives should integrate succession planning and sustainability planning into their annual calendar. The habits of attention to succession and sustainability make future executive transitions simpler and more beneficial to the organization.

Executive transition is indeed a pivotal moment for leaders and organizations. Thoughtful attention to the opportunities inherent in transition promises many benefits.

See [p. 51](#) for a bibliography of helpful books and articles.

Appendix 2

For board leaders appointing an interim executive director

One of the board's most important duties is hiring, supporting, and holding accountable the executive director. Organizational life is complex and can take unexpected turns. In particular, the transition from one executive to another is rarely a straight and smooth path.

When a leader leaves unexpectedly for any reason, the organization feels at a loss. Boards understandably want to rush in and solve the problem. But for a variety of reasons, this can be a bad idea. In some cases, it is simply too hard to fill the executive position. For example, the organization may be highly unstable and unattractive to potential candidates. Its market niche may be unique, with few available candidates. The executive position may include numerous duties that the previous executive grew into—an unfeasible job for the next executive.

Regardless of the conditions, the organization also needs time to digest and adjust to the sudden loss of leadership. If the board rushes to fill the position, experience has shown that the organization may experience a succession of short-tenured leaders, none able to deal with the organization's instability. As the board churns through executives, the organization suffers a decline in capacity, production, and morale. An unfortunate situation can gradually morph into an untenable one.

In most cases, the board and organization would benefit from considering an *external interim executive* before making an internal appointment. An interim executive can be valuable in a number of situations, including the unexpected departure, death, or termination of an executive; the creation of an intentional “break” following the departure of a transformational or founding executive; or to address a specific organizational priority *before* hiring a permanent executive so the new executive is not distracted by this goal.

Why do boards rush to fill the vacancy rather than seeking interim assistance? Often, they are unaware of any other options. Sometimes they choose to appoint a temporary leader, either an internal senior manager or board member. And there are times, as in the case of an executive sabbatical or extended vacation, when an internal interim makes good sense. However, when the executive has departed permanently, an internal appointment can sometimes bring its own troubles—creating political strife in the organization or perpetuating habits and values that have been dragging the organization down. In most cases, temporary internal leaders selected from the staff or board lack experience in playing the interim leadership role. Sometimes an internal interim lacks the empowerment to truly lead and the perceived neutrality necessary to get at the deeper issues and opportunities the transition presents.

The rush to fill an executive vacancy also means the organization is missing the important promise of a carefully managed executive transition. Even with an unexpected departure, the organization can still gain the benefits of transition: the reexamination of mission, goals, leadership, culture, and other areas, followed by carefully choosing the person best suited to help the organization reach its new desired destination.

Interim Executive Value

An interim executive can be valuable in a number of situations:

- Unexpected departure, death, or termination of an executive.
- The creation of an intentional “break” following the departure of a transformational or founding executive
- To address a specific organizational priority *before* hiring a permanent executive, so the new executive is not distracted by this goal.

In most communities and for most mission areas of nonprofits, there are trained and experienced interim executives. These are individuals who understand and have experience both in leading an organization and in managing transition and change within an organization. Having significant experience in executive and senior management positions for nonprofit organizations, professional interim executives offer the board and organization a partner with no agenda except preparing the organization to thrive under new executive leadership.

A sudden or unexpected transition places unusual stress on leaders and staff. An interim executive is prepared to be a “non-anxious” partner to board and staff and to support and lead a process that first stabilizes the organization, and next prepares it for a new executive. This process can take from four months to a year or more depending on the circumstances.

Professional nonprofit interim executives modeled some of their methods on those of professional *interim ministers*. In some congregations, interim pastors are engaged in between permanent pastors. This allows the congregation to grieve the loss of the former pastor, come to terms with history, determine what to preserve, decide what to change, and resolve other issues. Taking care of these emotional and practical matters before a new permanent pastor comes on board improves the successor’s ability to meet the congregation’s needs. The interim pastor has experience shepherding congregations as they sort through these concerns and ready themselves to select a permanent replacement. Nonprofit interim executives recognized that nonprofit organizations need many of these same considerations when they lose an executive.

Some boards hesitate to consider an external interim executive because they fear the process of finding an interim is too complex or the cost beyond their means. There are networks and companies providing interim executives around the United States. In most communities, local foundation executives or United Way or other association leaders are familiar with professional interims.

By definition, external interim executives are not candidates for the position. That way they have nothing to prove and can be open and transparent about their observations and the aspirations of leaders for the organization. The interim typically advises the board on its readiness to hire a

permanent executive and important considerations in this process. The board may opt to manage the transition and search themselves, or they may opt to hire a transition consultant or search consultant. Interims may help to facilitate these processes, but generally do not take responsibility for finding the permanent executive. (The Board's *Guide to Chief Executive Transitions* by Don Tebbe, published by BoardSource, can help the board understand the transition and search processes.)

Typically, the interim executive helps the organization move through a thoughtful assessment and contracting process, specifying the ways in which the organization wants to use the interim period. The interim executive builds consensus with the board and staff on priorities during this period. Importantly, the interim executive has no history to impede internal relationships and therefore seeks to build bonds with board, managers, and staff. The interim executive then helps stabilize the organization, providing assurance and consistent attention to board and staff while making progress on the priority issues.

Once the board and interim executive agree that the organization is ready to hire a new permanent leader, lessons from the interim period help the board develop a position profile that describes the strategic direction, sets 12- to 18-month priorities for the next executive, and specifies competencies candidates must have. As the search is completed, the interim executive is a resource to assist the board with the important work of successfully welcoming and building its relationship with the new executive. Onboarding for the new executive is much simpler because the interim executive can provide information and guidance as the new executive begins.

In terms of cost, the combined cost of salary and benefits for a full-time executive is usually sufficient to cover the cost of an interim. Interims work without benefits and start and end with minimal costs. In some instances, a full-time interim is not needed. Not everything the departing executive did needs to be done during this period. So cost typically is not a barrier.

The pool of interim executives has grown exponentially over the past decade. Not all interims are as trained or experienced as others. **Here are some characteristics of a professional interim to guide your considerations:**

- A demonstrated commitment to advancing the mission of nonprofits and their capacity to carry out the mission.
- Completed professional training with a respected provider and trainer of professional interims.
- Served as executive directors and senior managers in multiple organizations and demonstrated a commitment to the interim role including the completion of multiple interim assignments.
- Typically *not* a retired or “in-between” executive looking for permanent part-time employment.

The decision whether to consider an interim executive is a big decision for any board. But the choice can be transformational, as the following case vignettes illustrate.

Unexpected loss

The CEO of a community development organization in the Northwest went home sick on a Friday and died the following Tuesday. She was a beloved leader who had built an organization that possessed 425 units of rental housing, owned two shopping centers, and was actively engaged in major development in two neighborhoods. The board and community needed time to recover from the shock and assess next steps. They turned to an interim executive with experience as a community development executive. Nine months later the board was ready. It began its search and hired an executive who has led successfully for five years.

Following the beloved founder

After 35 years in the lead position, a founding executive had been talking with the board about retiring. The conversation had continued for three years. Because neither the board nor the executive were eager for this change, little was done to prepare the organization. That summer the executive took a three-week vacation. He came back and announced he was retiring at the end of the year. His wife had retired two years earlier, had faced some health challenges, and the time off made it clear to him it was time to go. The board knew it was not ready to hire and there was no obvious internal successor. After some debate, the board hired an interim executive who assisted the board in an organizational self-study and in refreshing the strategic plan. This process took nine months, after which a search was initiated. The new executive has led successfully for three years.

Unfinished business

An entrepreneurial executive retired after 25 years of leadership. He recommended his COO as next executive and the board supported this recommendation. They hired the COO without a search and minimal attention to the transition process. Six months after her appointment, the board put the COO on probation and three months later terminated her. The organization was not raising as much money, had to lay off staff, and did not seem to be able to work as effectively with elected officials as they had with the retired executive. In hindsight, the board realized they had done a disservice to the COO by promoting her without a more careful process. The board turned to a professional interim executive who stabilized the finances and rebuilt confidence with board and staff. Fourteen months later the search for the next executive has just begun.

There are many situations where professional interim executives can play a major role in reducing risks and advancing the organization and its capacity. These are just a few examples. Interim professionals are also used in senior management or development roles and for a variety of other purposes in organizations. To learn more about the role and benefits of considering an interim executive, read the Annie E. Casey monograph *Interim Executive Directors: The Power in the Middle*, (January 2005) available at <http://www.aecf.org/resources/interim-executive-directors/>. For firsthand information, contact a professional interim executive in your community and explore whether this approach is helpful to your situation.

Appendix 3

Opportunities for funders to help integrate executive transition and allied practices.

History of funder involvement

Like many innovations in the nonprofit sector, philanthropy provided the working capital to better define the need for executive transitions and to develop an effective response. Funders had observed grantee organizations struggling to get through and sometimes even survive an executive transition.

The W. K. Kellogg Foundation initially funded research on how nonprofits could get better outcomes during executive transition. This led to a study of related practices and how they might be adapted to the needs of nonprofits. The W. K. Kellogg Foundation collaborated from 1994-1998 with NeighborWorks America (then Neighborhood Reinvestment Corporation) in a five-year study which led to the development of the Executive Transition Management Model. With minor adaptations, this approach remains in use today.

The W. K. Kellogg Foundation included a dissemination component in their support. This resulted in a colloquium that brought together the Girl Scouts USA, United Way of America, National Assembly of Human Services, and others to share experiences and discuss the implications of executive transition practice. Neighborhood Reinvestment also reached out to the San Francisco Support Center network as part of dissemination. This resulted in the San Francisco Support Center (now CompassPoint Nonprofit Services) deciding to launch the first replication with support from David and Lucile Packard Foundation, Evelyn and Walter Haas Jr. Fund, and other California foundations. Over the next two decades, much of the leadership for advancing improvements in executive transition and succession planning came from the work of CompassPoint on the west coast and TransitionGuides (now part of Raffa, P.C.) on the east coast, working with funders, leaders, and consultants around the country.

The Annie E. Casey Foundation (AECF) was the next national funder to make a major commitment to this body of work. TransitionGuides (predecessor organization to Raffa P.C. Executive Search, Transition, and Planning Practice) was one of the groups it contracted with to develop the practice of executive transitions. Senior managers at AECF were concerned about the loss of capacity in mission-critical grantee organizations as a result of poorly managed executive transitions. This concern resulted in significant funding from 2000 to 2005. The following summarizes the activities supported by AECF and may be instructive in considering how to further advance this work and the broadening and integration of services for more impact. **The AECF funding included the following.**

- AECF included extensive surveys of a number of nonprofits, including a sample of AECF grantees², nonprofits in Maryland and elsewhere, and member organizations of large national human services organizations. These studies confirmed that executive retirements would be increasing in number and that most nonprofits were unprepared for the boom. (This predicted exodus has turned out to be incremental; the reason may be that the recession and underfunding of retirement plans slowed the retirement of executives and staff.)
- In collaboration with the Evelyn and Walter Haas Jr Fund, AECF produced and published a nine-volume series of monographs on executive transition and related topics.³
- Introduced funders in various regions nationwide to the issue of executive transitions and options for intervention.
- Seeded executive transition programs in state associations.
- Provided grants to CompassPoint Nonprofit Services and TransitionGuides (predecessor organization to Raffa P.C. Executive Search, Transition, and Planning Practice) to further develop executive transitions practice and deliver services.
- Convened consultants to refine executive transition services and to develop and adapt succession planning services to nonprofits.
- Sponsored workshops on executive transitions at gatherings of regional associations of grantmakers, the Council of Foundations, Grantmakers for Effective Organizations, the Community Foundation network, Grantmakers for Health, and others.
- Invested in replication of executive transition services in Illinois, Wisconsin New England.
- Funded executive transition services for many of its grantees.
- Convened consultative sessions focus groups with founder executives and their boards, resulting in the development of the “Next Steps” workshop for founders and long-tenured executives. (Over 800 founder and long-tenured executives have attended this workshop over the past 14 years. It has been updated and is offered twice annually by Raffa P.C. Third Sector New England has developed a similar workshop, “Courage in Leading.”)

2. See *Nonprofit Executive Leadership and Transitions Survey 2004*, <http://www.aecf.org/m/resourcedoc/aecf-NonProfitExecutiveLeadershipSurvey-2004.pdf>

3. See *Executive Transition Series*, [http://www.aecf.org/search?title=Executive%20Transitions%20Series&fq\[\]=report_series_id:174](http://www.aecf.org/search?title=Executive%20Transitions%20Series&fq[]=report_series_id:174)

In addition to the national leadership of the W. K. Kellogg and Annie E. Casey Foundation, numerous local and regional funders supported the development of executive transition by funding programs for their community and by providing direct support for transition services for grantees. For example, funders in Maryland and Washington DC organized a shared pool to help smaller nonprofits obtain assistance with executive transition and to develop a regional pool of interim executives. In New England, a regional group of capacity building funders joined to research the need for attention to executive transition and to launch a request for proposals for a manager for an executive transition initiative. Eventually, this effort became the highly successful Executive Transition Program of Third Sector New England. Similar funder leadership supported initiatives in New York, the Bay Area, Texas, Chicago, Atlanta, Wisconsin, and Michigan, among others.

From 2000 to 2008, support for executive transition and succession planning grew along with related work on next-generation leadership. With the recession, funder focus shifted to addressing human needs and services. During and following the Great Recession, many funders shifted to supporting executive transitions on a case-by-case basis, relying on the body of work created before the recession. Some attention to succession planning continued along with programs to increase leader development.

Current status and opportunities

Since the recession, funders have shifted their investment in research and development of executive transition and succession planning to increasing awareness and use. Succession planning and leader development are lower priorities for most boards and their executives. Adapting to changing environments, raising money, and developing innovative programs are understandably the focus of boards and executives.

After two decades of research and development, we now have proven practices in executive transitions, interim executives, succession planning, and sustainability planning. But their use is still not widespread relative to the numbers of nonprofits. **Funders have opportunities to change the current situation by:**

- Including attention to diversity and inclusiveness in any support for organizational planning or development;
- Encouraging grantees to develop a written succession policy;
- Providing financial support for the development of “bench strength” within organizations or among networks of allied organizations;
- Funding or offering leader development workshops, seminars, or other learning opportunities;
- Making sure grantees know the difference between executive transition and executive search and have access to educational and consulting resources appropriate to their size and mission; and
- Encouraging attention to the sustainability mindset and the four domains of sustainability (leadership, strategy/business model, resources, and culture) when taking on strategic planning, succession planning, or executive transition.

For national funders capable of larger investments, the major opportunity is how to build on the previous research and development on executive transition and allied practices. In particular, these practices need to be better integrated with each other across the consultants and firms that offer them. **Possibilities include:**

- Collaborative investment in a three to five-year initiative to educate boards and executives on the power and potential of attention to the integration of sustainability, succession, transition, and strategic planning. Such an effort might build on the W. K. Kellogg and Annie E. Casey Foundation efforts by including field learning and testing, piloting innovations with local organizations and local funders, and actively disseminating results to boards, executives, funders, and support organizations.
- Support for increasing access to all size and types of nonprofits to proven practices in sustainability, succession, and transition planning and search. These services and resources, developed with larger organizations, need to be tailored to serve smaller organizations and a greater variety of nonprofit subsectors.
- Funding initiatives to bring together the consultants and other service providers who are currently unconnected.

Finally, funders can invest in efforts to measure the outcomes of executive transition and allied practices. The field needs to determine what returns to expect when investing in such services. Philanthropy both supports and drives change in the nonprofit sector. Funders are uniquely positioned to build on the efforts documented here, helping to improve, measure, tailor, and integrate them—and helping to disseminate the good news to boards and executives.

Appendix 4

Opportunities for consultants to advance the field

Consultant services to nonprofit organizations are relatively new. For example, one of the core practices, strategic planning, emerged in the early 1980s—roughly 35 years ago. Other specialties followed. The practice of executive transition began to emerge about 25 years ago, followed by allied practices in succession planning, interim executives, and sustainability planning. Though the cluster of executive transition practices is maturing, with models and standards of practice, they are still relatively low on the radar of most organizations as compared to strategic planning. There is a relatively small affinity group, Executive Transition and Leadership Continuity, within the Alliance for Nonprofit Management. This affinity group brings together executive transition consultants and interim executives. Some of these members also are engaged in succession planning and the more recently emerging practice of sustainability planning. In many cases, services are offered along with other consulting.

The major questions addressed in this paper are how to expand the impact of these allied practices, and what developmental steps are needed next. **Among consultants, there appear to be two major barriers for increasing impact:**

1. Reaching and engaging board leaders in routine attention to leader continuity, succession, and transition; and
2. Convening the widely dispersed and diverse field of consultants to discuss how we might integrate our services and advance the field, to provide mutual support, and to educate each other.

This appendix addresses the second challenge. A companion essay for boards and executives addresses the first (see [Appendix 1](#)).

As practitioners, there are three related opportunities to further advance our field and its impact:

1. Better identify and connect the many consultants doing this work;
2. Review and pay attention to our standards of practice and quality of services as access grows; and
3. Begin an organized effort to better integrate, learn about, and offer the allied services discussed here.

Identify and connect consultants

First, what practices and consultants might be included in any effort to integrate and advance the field? At the core of the discussion, one would expect to find executive transition consultants, executive search consultants who embrace a broader and more transition-focused approach to search, interim executives who are engaged during leader transitions, and organizational consultants who practice succession and sustainability planning, leader development, executive coaching, or board development during times of transition.

The practitioners who will need to bring our diverse field together work in many settings:

- Solo practices;
- Consultants within organizations whose service portfolio includes executive transition, executive search, interim executive services, organizational planning, and development;
- Management support organizations;
- National organizations like the YMCA, United Way, and Girl Scouts;
- Human resources organizations; and
- Some fundraising and board development entities.

The Executive Transition and Leadership Continuity Affinity Group, noted earlier, is unstaffed and unlikely to initiate this broader outreach given its current structure and resources. A gathering of the affinity group would be a useful first step to discuss how to reach and convene the broader set of practitioners in the list above.

The following are examples of possible key questions such a convening might explore:

- What is working well in our practices? What about our practices increases organizational impact?
- Where might we broaden our scope or change our practices to improve results?
- How might we develop some shared standards about what is included in organizational assessments?
- How might we develop some shared standards about how we measure change in performance after our services are completed?
- What makes support for successful onboarding seem universally challenging? What might we do differently to better support new executives and their boards and staffs in fully capturing the benefits of transition?

Standards of practice and quality

Once we have addressed the challenge of reaching a broader network of practitioners, the field would better be able to look at standards for practice and how to distinguish effective practices from those that do little good or may do harm. The Alliance Executive Transition and Leadership Continuity Affinity Group has developed working guidelines and standards for executive transition consultants and interim executives (see [Appendix 5](#)).

There are developed proven practices for executive transition and interim executives. The executive transition field has developed a three-phase model that has worked effectively for over 20 years. The interim executive field has learned from the interim ministry field and also has decades of experience to guide its practice. In the developmental and growth periods of the field from 2000 to 2005 there were national and regional training opportunities for executive transition consultants and interim executives. Since the 2008 recession, these types of trainings are quite rare.

Experienced practitioners need to share their experiences and further refine their practices. Seasoned, beginning, and potential consultants and interim executives need opportunities for education and networking. Without such a commitment to learning, the field risks providing lesser quality to its clients. The potential positive impact of effective practices is diminished when organizations have negative experiences with unqualified consultants and interim executives.

Service expansion and integration

The third opportunity is to continue to learn how to better offer and integrate the various services now available. **This more integrated approach is already evident in the following emerging practices and trends.**

- Inclusion of sustainability review in executive transition planning and new executive onboarding.
- Increased attention to the unique needs of founder-led organizations and those with long-tenured executives. This work includes support for the executive and the organization. The executive is supported through coaching on how to prepare personally for transition and his or her role during and after departure. For the organization, this work includes a simultaneous look at bench strength and succession with a review of organizational sustainability, resulting in the development of organizational succession and sustainability plans.
- Creative reexamination of how our work dovetails with governance models needed for different types of organizations, with new approaches to shared leadership, and in fostering increased inclusiveness and diversity;
- Helping clients understand the value of conducting talent and leader development organization-wide, so it becomes embedded in the organizational culture; and
- Improving our ability to use financial reporting to better demonstrate how various programs are contributing to mission impact and organizational sustainability.

There is an obvious connection among interim executives, executive transition consultants, and search consultants. A second connection would be among those involved in leader development, human resources, talent management, and nonprofit succession planning. Many practitioners are embracing long-term organizational sustainability as central to all organizational development.

We cannot know where the next steps for this field of practice will lead us. However, we'll have a better chance if we connect with others to explore the lessons we have learned and the ways we can bring more impact to our work.

Appendix 5

Standards for executive transition and interim executive practitioners

Excerpted with permission from Executive Transition Principles, developed by Executive Transition and Leadership Continuity Affinity Group, Alliance for Nonprofit Management, September 2014

Executive transitions

Definition

A set of consulting practices that support departing and arriving executives/CEOs and the board and staff organizational leaders in preparing for and managing an executive transition through a three-phase process which results in consensus among board and management on strategic direction, expectations and required competencies of the new leader. These practices result in a successful executive hire and onboarding process that advances organizational effectiveness and impact.

Types of engagements

Most executive transitions involve one or more of the following types of engagements:

1. **Sustaining Success**—A high-performing organization with a positive reputation and a well-planned executive transition aimed at sustaining and building on the current level of organizational effectiveness.
2. **Organizational Turnaround**—An underperforming or struggling organization where the confidence of management and/or key stakeholders is weak or declining because of one or more perceived unaddressed organizational challenges.
3. **Founder or Founder-like Executive Departure**—An organization whose founding executive or long-tenured or transformation executive is departing, often requiring major shifts in responsibility for the board, management, and hand-off of key funding and donor relationships.
4. **Start-up Executive**—An organization that is just forming and hiring its first executive or is transitioning from a volunteer-led and staffed organization to one with its first paid executive.
5. **Organizational Assessment and Discernment**—Some organizations find it helpful to a more intensive time-out to assess options when executive transition occurs. This may occur for a variety of reasons—a desire to make sure the mission is still relevant, that there is funder and stakeholder support for continuing, to address a major change in the environment or community served, etc. This deeper assessment helps answer the questions: Are we ready to seek a new executive? To what end?

Three stages

Most practitioners have adopted a three-phase model that was developed from their experience and field research supported by the W. K. Kellogg Foundation. **The phases include:**

Prepare—process of engaging the board, staff and key stakeholders as appropriate in reviewing organizational strategic direction, identifying key transition issues and potential threats to the ongoing health of the organization and development of a position profile and recruitment strategy that clearly aligns requirements of a new executive leader with the organization's priorities. Starting in the prepare phase and carrying through the entire engagement, board, staff and other important stakeholders are assisted in moving through the psychological stages of embracing a change in leadership...and any changes in organizational priorities and strategies that emerge in the assessment and planning process.

Search or Pivot—process of reviewing the potential for internal succession and/or conducting a proactive search that results in a diverse finalist pool that meets the defined leadership requirements. During the search process, agreed-upon transition issues are addressed to increase the likelihood of success for a new executive.

Onboarding/Post-hire or Thrive—process of building a strong foundation for the success of the new leader; planning for and executing the welcome and orientation of the new executive, supporting her/him in building internal and external relationships, establishing 90 and 180 day performance goals with clear mechanisms for feedback and review resulting in a positive board-executive-staff working relationship.

Interim executive leadership

Definition

An experienced, professional, interim executive is a highly skilled nonprofit leader, well versed in both nonprofit business and change management, who brings an objective perspective and can lead a board and staff through an organizational transition while addressing specific stabilization, sustainability, and capacity building needs over a time-limited period.

Types of interim leadership roles

Executive transition. The most common practice of interim executive management, the executive transition interim provides organizational leadership and capacity building services following the vacating of a leadership position. In most cases, the successor is yet unknown and the interim assists an organization with both a human resource solution and an organizational transformation process for sustainability, thoughtful succession, and mission advancement. The interim executive can help the organization assess current community needs and organizational readiness to correctly profile the job description needed for the incoming executive. In some cases, especially with smaller organizations, the interim executive may conduct or provide other support for the search process.

Inaugural executive position. As an organization evolves from all-volunteer to having a first-time paid executive, this type of interim executive plays a strategic role in establishing a start-up infrastructure. Not having a personal long-term vested interest in the long-term/regular position, the new position interim creates systems, builds the capacities for measured growth with an added human resource, forms organizational alignment behind a new infrastructure, and develops first-time processes that will be later inherited by a permanent executive to refine as her or his own.

Organizational dissolution. When an organization has concluded that the sustainability of its mission has been permanently compromised, the dissolution interim is charged with appropriately and legally sun setting the nonprofit. There will be no successor. There is the potential for higher than average involvement with the predecessor. The dissolution interim specializes in creating befitting legacies, appropriately eliminating the workforce, assuring legal document destruction or storage, and fulfilling all obligations to the organization's stakeholders.

Merger and acquisition. In today's environment, the number of nonprofits choosing to merge with other nonprofits or to acquire services that augment their mission statements is growing. Merger and acquisition interims offer special talents that help nonprofit boards to navigate the politically-charged and legally complicated processes of forming new organizations or radically modified structures with a focus on addressing the organizational culture issues that accompany such decisions.

Court appointment. Whenever a nonprofit organization files for bankruptcy, the courts may elect to contract for an independent, third-party assessment and will issue a contract for independent temporary management of the bankrupt enterprise. The outcome is to render an expert opinion about the perceived ability of the organization to emerge from its bankruptcy proceedings. Such interims have specialized skills at running nonprofits while in bankruptcy and rendering opinions considered “expert witness to the courts” regarding the future of the nonprofit.

Leave of absence. The leave of absence interim executive is preceded and succeeded by the same long-term/regular executive usually with a defined length of service as well as parameters for influencing organizational change. The leave of absence interim provides a temporary human resource solution to maternity leaves, short- or long-term disability, sabbatical, and other extended absences. These professionals offer capacity building opportunities that provide assessments, design and implement enhanced systems, and assure management continuity aimed at maintaining or increasing effectiveness and efficiencies to benefit both the organization and the returning professional.

Senior management. As the field of interim leadership grows, large, complex, nonprofit organizations are finding the need for interim executives at the senior management level. The purpose of such placements may be to develop and test a new position within the organization, to serve in a position when the incumbent is absent for an extended period or to fulfill the responsibilities of the position when the selection of the successor takes a significant amount of time. These can include an interim chief financial officer, interim development director, etc.

Five stages of an interim executive work with organizations

Defining expectations. Before the interim engagement is started, in-depth discussions are held to identify ultimate expectations of the project. Those expectations then form the basis for the engagement document signed by both parties. Of course, they may be revised, especially after the assessment is completed.

Assessment. An organizational assessment, using agreed-upon tools and processes, is the first step in a successful interim engagement. The assessment is an objective analysis of leadership and management policies and practices based on input from selected individuals, document review, and comparison with accepted standards of the nonprofit sector and the relevant field of service. An assessment report is provided to the board of directors, which includes a set of recommendations for the board's consideration

Creating the interim work plan. Based on the assessment findings and recommendations, a prioritized plan for the interim engagement is developed by the board, and responsibilities are assigned. This document may have the effect of revising the engagement document. Further, the plan may not include all assessment recommendations leaving some to be addressed once the new executive is brought on board.

Implementing the interim work plan. Most of the time will be spent in the parallel activities of managing continued operations while moving forward to achieve the goals of the transition period plan. There is a tough balance for the interim executive between managing the day to day operations of the current organization, assessing and evaluating the organization for future stability and being involved in strategic recommendations for the short and longer term future. Typically an interim executive would not make strategic decisions and commence strategic activities with the board, instead, leaving those well positioned to be undertaken and successfully implemented by the incoming executive. The interim executive may also have a primary or support role in the search for a new leader: It is especially helpful to invite the interim executive's perspective in developing the new job description based on their interim experience.

Paving the way for the successor executive. It is essential at the outset of the engagement that there be clarity on the fact that the interim executive is only present for the duration of the engagement. This requires a delicate balance between becoming a trusted leader of the organization and being one who is not there for the long haul. At the end of the engagement, the departure must be crisp and complete with symbolic handing over of the reins to the new leader. A planned exit needs to be orchestrated with the focus on positioning the incoming executive director for success. The interim executive usually prepares a final engagement report on the progress of success measures and highlighting upcoming tasks and activities recommended for the new executive.

Executive transitions—an annotated bibliography

Adams, T. (2010). *The Nonprofit Leadership Transition and Development Guide: Proven Paths for Leaders and Organizations*. San Francisco, CA: Wiley/Jossey-Bass. www.raffa.com

A comprehensive guide to nonprofit transitions and leader development. Topics covered include: how great founders lead stellar transitions, how to diversify leadership, how to capitalize on the three critical stages of transition, how strategic succession plans lift the organization, why you must prepare today for emergency leaves, what to do when the leader says, “it’s time for me to retire” and how to apply proven Fortune 500 talent management methods that help even the smallest organizations grow their own great leaders.

Adams, T. (2004). *Capturing the Power of Leadership Change: Using Executive Transition Management to Strengthen Organizational Capacity*. Baltimore, MD: Annie E. Casey Foundation.

Describes a model for managing an executive transition, and outlines the opportunities available for providing support systems that help organizations survive and succeed before, during, and after a leadership transition in nonprofit organizations.

Adams, T. (2005). *Founder Transitions: Creating Good Endings and New Beginnings*. Baltimore, MD: Annie E. Casey Foundation.

Examines the challenges presented by nonprofit leadership transitions involving founders or long-term executives. Provides advice for executives and their boards in confronting the complex issues these transitions present.

Adams, T. (2006). *Staying Engaged, Stepping Up: Succession Planning and Executive Transition Management for Nonprofit Boards of Directors*. Baltimore, MD: Annie E. Casey Foundation.

Provides a set of tools and resources to help boards prepare for leadership transitions. Includes case studies of two nonprofit organizations and their experience managing executive transitions.

Bridges, W. (2009). *Managing Transitions*. Cambridge: MA, Da Capo.

Update to the classic on the difference between change and transition, the psychological process of dealing with change. Offer a three stage model of transition. Addresses why a good beginning requires a positive ending. An easy and important read for leaders facing transition.

Gilmore, T. (2003). *Making a Leadership Change: How Organizations and Leaders Can Handle Leadership Transitions Successfully*. Authors Choice Press.

Turnover at the top can stimulate great changes throughout an organization. These changes can mean low morale, decreased productivity, rumors, and political infighting-or they can revitalize working relationships and opportunities to rethink outdated assumptions and forge new directions. In this book Thomas North Gilmore, a consultant to leaders in business and government, shows how executives in new positions-as well as those overseeing leadership changes-can capitalize on these opportunities and minimize the risks of making changes at the top.

Glick, J. (2010). *Nonprofit Turnaround: A Guide for Non-Profit Leaders, Consultants and Funders.* San Francisco, CA: Jossey-Bass.

Explains how leaders can guide struggling nonprofits through a transformation in order to emerge as high-functioning, mission-achieving organizations again. Based on discussions with nonprofit leaders across the country, *Nonprofit Turnaround* shows how to solve major organizational problems and navigate the path from organizational crisis to health. It explains how to recognize crisis symptoms and determine whether a turnaround is needed and describes the turnaround process in detail.

Tebbe, D. (2008). *Chief Executive Transitions: How to Hire and Support a Nonprofit CEO.* Washington, DC: BoardSource. www.boardsource.org

Step by step guide to the best practices in planning for an executive transition, conducting a search and successfully onboarding the new executive. (Look for the new 2016 updated version soon from BoardSource.)

Wolfred, T. (2009). *Managing Executive Transitions: A Guide for Nonprofits.* Minneapolis, MN: Fieldstone Press.

Organized around three phases of executive transition—Prepare, Pivot and Thrive—this book is full of practical advice on how to manage leadership turnover in ways that can heighten mission impact while avoiding downsides. Includes engaging case studies and hands-on tools such as planning agendas, timelines, sample letters and communications tips to ensure a smooth transition to the next executive.

Other resources on related topics

Incoming executives

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Bradt, G. B., J. A. Check, et al. (2009). *The New Leader's 100-Day Action Plan: How to Take Charge, Build Your Team, and Get Immediate Results.* Hoboken, N.J: John Wiley & Sons.

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