



# The Leadership Letter / November 2013

## Our Executive Director Can't Be Leaving: What Happens Now ?

We've had a good business manager/executive director and things have been going along pretty well.

**As a Board, we haven't had to really worry about how things get done and who does them.... we just expect our staff to take care of it.**

Now, we have a real problem....that person has resigned or is ready to retire and we really don't have a plan.

### How do we:

- ⇒ Ensure that day-to-day operations continue in a normal fashion and members don't see a difference in service from the association?
- ⇒ Initiate a search for a new person to fill that role?
- ⇒ Identify the "jobs" that the current staff have assumed and transition those to a new staff or volunteers?

⇒ Coordinate the transition and search?

Is it the Board's responsibility? **Please don't tell me that, I, as President, have to take over the business operations of the Association!**

For most Presidents, they can only hope that this doesn't happen during their tenure but that's no excuse for dropping the ball and failing to plan. Having a plan in place is the most important aspect of **succession planning** and it's important whether or not you have a part-time business manager or a full time Executive Director.

**Succession planning should be pro-active, not reactive** and we'll give you some ideas in this newsletter about how to start the process. Make sure your Association is ready and protected from any executive level changes.

## Four Triggers for Succession Planning

- 1) The transition to a new Board chair, issues that arise in the Board self-assessment process or significant changes in Board composition.
- 2) The performance evaluation of the executive staff or any breakdown or crisis involving that person.
- 3) The announced retirement or resignation of the executive staff.
- 4) The beginning of a new strategic planning process.

**Don't let #2 drive the process: be proactive!**

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# We're Ready to Plan: What are the Steps That We Need To Take?

**Succession planning** is a process that should **occur before not during** a time when you're grappling with a change in executive staff. There's nothing worse than knowing that your staff is leaving and you're not prepared with a plan to cover that transition until new staff can be hired.

**Succession planning should be an on-going process....**after all, things change. Your Board will certainly change and the programs/finances/organizational structure of your Association will change as well. A plan drawn up 10 years ago may have no relevance to where you find yourselves today. Just like the strategic plan of the Association, your succession plan should be reviewed regularly and updated/fine tuned as needed.

There are some steps to this process that you will need to consider.

## **Step 1: Understand the Job of the Non-profit Executive Director or Business Manager**

If you were asked to sit down and identify the tasks/responsibilities of your executive staff, could you do it? In a small non-profit, this person essentially fills these roles:

- ◇ Chief Executive Officer
- ◇ Chief Operating Officer
- ◇ Public Relations Executive
- ◇ Human Resources Manager
- ◇ Meeting Planner
- ◇ Publishing Executive

## ◇ I/T Executive

Depending upon the size of your non-profit and staffing, your business manager may not be responsible for all of these functions; however, most are managing the "business" of the association, producing newsletters, managing the website, helping to plan conference and supporting the members and Board. The levels of responsibility of these tasks varies depending upon the level of volunteer support, but that's a pretty good summary of what's expected.

## **Step 2: Develop an Emergency Transition Plan**

What will you do if the executive becomes ill or departs unexpectedly? Who will be responsible for:

- ◇ Keeping the day-to-day operations functioning, basic things like processing and depositing funds into a checking account?
- ◇ Maintaining member services in the interim?
- ◇ Communicating with members and the Board?
- ◇ Initiating a search for a new executive?

During this period when there may be no one at the helm in the office, two things are critical to maintain: adequate financial oversight and communications.

## **Step 3: Define the Mutual Expectations of the Board & Executive**

We addressed this issue in the July 2013 issue of *The Leadership*

*Letter*. Having clear cut expectations on both sides means that situations that cause the departure of an executive are less likely to arise. Check out that newsletter to get ideas about how to clearly articulate the expectations for both the executive and the board.

## **Step 4: Develop an Executive Performance Evaluation System**

Do you perform annual performance evaluations of your business manager/executive and provide constructive reviews during the year? If not, you are providing a fertile environment for a disgruntled executive and a displeased board. No one can read minds and it's helpful to hear from the persons with whom you work. Constructive criticism (if it's needed) delivered in a professional manner should be well accepted and it also never hurts to just say "good job".

## **Step 5: Develop a System for Board Self-Assessment**

This can be a combination of a formal and informal system; however, it needs to be honest and Board members must be engaged in the process. Many organizations combine this process with the evaluation of the executive.

The "5 Steps" in this article were paraphrased from, **Chief Executive Succession Planning: Essential Guidance for Boards and CEO's, Chapter 2**, (BoardSource, 2010)

**[www.boardsource.org](http://www.boardsource.org).  
We'd recommend it highly.**

# Where Are We Going & Who Will Get Us There ?

As you begin to develop a succession plan, there are two things that you must ask:

1) **What is our long term vision for the Association?**  
**and**

1) **What type of executive will be needed to get us there?**

Strategic planning, that dreaded process, is a necessity in developing a sound succession plan and should be one of the primary responsibilities of your Board of Directors. You can't hire the right person for the job if you don't know what skills you need in an executive and how you will expect that person to function.

**What is your long-term vision? Do you:**

⇒ Expect the Association to grow to a much larger association with increased membership or

do you anticipate staying at the same level or even getting smaller?

⇒ If you want to grow, do you have strategies and programs in place to support that growth?

⇒ How will you develop and find leadership to support that growth and expansion?

⇒ What type of member benefits will you provide in the future?

⇒ Will the Association move from publishing practices that have been the norm for many years or will technology begin to play a significant part in the publishing options of the Association?

⇒ What will the Association's finances look like in a few years? Will they essentially be static or do you anticipate new

revenue streams being developed?

⇒ How will you utilize social media effectively?

⇒ How will you tap into the new professionals coming into the field? What will you have to offer them?

⇒ Will the Association's presence begin to rely more on "virtual" connections or will you maintain the "personal" connection and how will that happen?

⇒ Will the annual conference change or be maintained?

**Big questions with no easy answers**, but questions that must be answered before you can find the right person for the job. If you're moving toward the use of technology, finding someone with no computer/tech skills won't be the right answer for you.

## Three Resources for Organizational Evaluation

You don't have to start from scratch if you are ready to tackle strategic planning and succession planning. These resources can help you get started and include many resources that can be tailored to your organization.

- *The Drucker Foundation Self-Assessment Tool for Nonprofit Organizations* includes background, examples and worksheets designed to make the process easier and more productive. This book is available through Josey-Bass and is based on Peter Drucker's central management principles. [www.josseybass.com](http://www.josseybass.com)
- *Navigating the Organizational Lifecycle: A Capacity Building Guide for Nonprofit Leaders* by Paul M. Connolly (BoardSource, 2006). This tool is designed to assist boards and executives to prepare for the inevitable transitions. [www.boardsource.org](http://www.boardsource.org)
- *Chief Executive Succession Planning: Essential Guidance for Boards and CEO's*, 2nd Edition, by Nancy R. Axelrod (BoardSource, 2010). This book provides common sense ideas about how to prepare the organization for an executive transition and includes appendices such as *Appendix 2: Chief Executive Succession Plan Guidelines*. [www.boardsource.org](http://www.boardsource.org)



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## ***Did You Know?***

*SECA has a series of nine Board orientation/ training modules that are available on-line on the Leadership page.*

The modules include a background paper, a PowerPoint presentation (and questions) for Board training, and information about resources. Two of the modules will be useful in further research on topics in this newsletter.

### **Module 7:**

***Non-Profit Association Tax Compliance***

### **Module 8:**

***Non-Profit Association Finances, Fundraising***

All materials can be downloaded from the website at

<http://www.southernearlychildhood.org/leadership.php>.

**Click on Leadership Resources and scroll down to the bottom of the page.**

## **The Executive Search: Avoiding the Pitfalls**

Even if you have a polished and professional succession plan in place, the hiring process can surface issues that you didn't anticipate.

For many of our state associations, the main determinant of who they will hire comes down to funding. The resources available determine:

- ◆ Compensation levels
- ◆ Part-time or full-time
- ◆ Office space or home office
- ◆ Benefits

**There is often a mismatch between expectations and the reality of what someone can be expected to do for the compensation provided.**

To avoid a process which leads to

the "wrong choice" and perhaps a negative and messy termination process, these are some things to consider as you enter the hiring process.

- 1) As you work through the process, **make sure that you're discussing more than just compensation and hours.** Does the person you're considering understand the Association, its organizational culture and the expectations of the Board?
- 2) **Consider candidates that come from professions other than your profession.** Good teaching skills don't necessarily translate to effective management skills. With support from the Board, a person with organizational and admin-

istrative skills can learn the nuances of the field.

- 3) If you have a candidate that has worked for the Association, **make sure that any interviews are devoid of personal relationships.** Current leaders who would like to be considered for the position should resign from that leadership position within the Association before they are considered.
- 4) As a Board, it's your duty to disclose any pertinent information to a person you are trying to hire. **There should be no surprises once a person is hired.** Nothing sours an employment relationship faster than finding out that you weren't told everything.