

TIP SHEET

October 2016

FREDLA Tip Sheet: Facilitating Smooth Executive Director Transitions While Maintaining the Organization's Mission and Services

Leadership changes occur across every family-run organization's life cycle through start-up, growth, turnaround, and maturity. Even strong, established organizations can experience challenges to their sustainability during and after an executive director leaves. Whether leadership change occurs due to unexpected circumstances, extended medical leave, resignation, or planned retirement; organizational preparation is necessary to ensure future success.

Board of Directors

The board's ongoing active involvement in the organization is the best preparation for a leadership transition in the future. The board should routinely work with the executive director to:

- Review the organization's operations and services to ensure consistency with vision, mission, and values.
- Ensure that a strategic plan is in place with goals and objectives, including strategies for developing the leadership skills of other staff members within the organization.
- Conduct a self-assessment to ensure the board is performing their role with regard to financial oversight, policy development, and strategic planning.
- Ensure financial systems meet industry standards, and financial reports are kept up to date.
- Strive to maintain a financial reserve with a minimum of three months' operating capital.

Board Responsibility

When an organization's executive director announces that they will be leaving or an unexpected transition in leadership occurs, it is the board's responsibility to manage the transition. During a leadership transition, the president, executive committee and board members must take a more active role in governance. The first step is usually the appointment, often by the board's president, of an executive transition committee. This committee is charged with conducting an executive search, interviewing and recommending one or more candidates for board approval. The entire board may also want to interview the candidate(s) recommended by the transition committee. It is the responsibility of the entire board to vote on the final hiring decision.

If a current executive director is unable to stay until a new executive director is hired, the board must determine who will lead the organization in the interim while a search is being conducted. Before making a decision, the board must weigh several options including the appointment of someone from within the

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organization to temporarily assume the executive director's responsibilities; whether and how to divide the director's responsibilities among board and staff members; or if an interim director will be hired from outside the organization for a defined period of time to give the organization the opportunity to reassess its mission and priorities.

In some instances, a board member may offer to step down from the board to become the acting director. If a board or staff member becomes interim director, it is important to determine several things beforehand including whether 1) they will be eligible to apply for the position while serving as the interim director; and 2) the individual will return to their former role as a board or staff member when a permanent executive director is hired.

When an executive director leaves, the board must obtain some immediate information about:

- What deadlines, funding requirements, reports, and events are approaching.
- Who will be responsible for meeting deadlines, submitting reports, and ensuring obligations of the organization are met.
- Tasks that board or staff members can/should be assigned.
- Activities that may have to be delayed or canceled.
- Challenges that lie ahead for the organization, such as the end of a grant or upcoming changes in state policy impacting the organization.

Communication is critical throughout a transition, and it is the board's responsibility to inform funders, stakeholders, staff members, and the families receiving services of the transition in leadership, and who will be in charge during the transition process. The board, with the assistance of the executive director when possible, should develop a message that is consistent and positive. Together, the board and executive director, should determine how, when, and by whom the message will be delivered. Funders and stakeholders should be contacted personally; and the executive director may also want to personally inform staff members; a letter may be more appropriate for families receiving services.

Selecting a New Executive Director

While transitions can be stressful for organizations, they can also present opportunities for revitalization and positive transformation. Once an interim executive director is in place, the board should take time to assess where the organization is currently and what leadership experience and skills are necessary for where the organization is going in the future. As family-run organizations evolve, different leadership skills may be required. Often the first or founding executive director is passionate and has a vision for the organization. Succeeding executive directors may need more skills in management and organizational development to grow the organization to the next level.

It is the board's responsibility to:

- Work with the current executive director, whenever possible, to develop a three to six-month timetable for transition in leadership; implement a recruitment plan for a new executive director; interview potential candidates; and make a hiring decision. This requires:
 - Developing a profile of required and desirable leadership and management skills.
 - Dissemination of the job posting through multiple avenues.
 - Setting up a screening and interview process for potential candidates.
 - Involving the outgoing executive director in the recruiting process, whenever possible as they can provide valuable insight.
- Consider a trial or probationary period for the newly hired executive director to ensure a good fit with the role. During this time, the board should provide direct, and regular (e.g. monthly) feedback on job performance.
- Support the new executive director with wisdom, guidance, and patience. Be prepared to accept changes in leadership style.

- Maintain the organization's integrity and community presence throughout the transition through open, positive, and transparent communication with stakeholders.

The transition period for an outgoing executive director can be emotional. If the individual has held the position for years, it may be difficult to let go. According to Bohne in *Boards and Retiring CEOs as Partners in Transition*, "There is no on/off switch for a leader who has a high degree of ownership, passion and commitment."¹ The board must balance publicly acknowledging the outgoing executive director's contributions and seeking their input while maintaining a focus on the future and new leadership of the organization.

The Outgoing Executive Director

The role of executive director of a family-run organization is challenging in terms of the varied skills and abilities necessary to successfully perform all the required tasks. Executive directors should always be thinking forward and planning for the organization's future by:

- Routinely updating their own job description to include all areas of responsibility, and identifying other staff or board members who can be trained to assist in each of these areas in the absence of the executive director.
- Continually grooming staff members for leadership roles through training and delegating leadership responsibilities.
- Ensuring that job descriptions identify key activities and alternate staff within the organization who will cover these duties if needed. This will also help to ensure consistency of organizational activities during times of transition.
- Maintaining a chart or spreadsheet of current grants and contracts that includes information on the amount of contract/grant, contact name and number, source of funds, purpose of contract/grant, and reporting requirements.
- Developing and maintaining a list of online accounts and passwords with step by step instructions for accessing and using the accounts and/or software.
- Updating banking and credit card authorization(s) as needed.
- Supporting and mentoring new or interim executive directors as appropriate.

The outgoing executive director has two final leadership tasks - letting go and preparing the way.² While outgoing executive directors may be conflicted about leaving, they must make an effort to avoid unduly influencing the board's hiring process. Continuing to influence decisions after their departure can undermine the new executive director and negatively impact the organization.

Staff

Leadership transition affects every level of an organization. Staff members often serve as the 'glue' that holds services and supports together during a time of change and are key to facilitating a positive change in leadership. Maintaining regular, open communication and keeping staff informed about the process can alleviate concerns about the organization's stability and job security and help to ensure a smooth and successful transition in leadership.

Sample Documents

- Sample Timeline
 - [Sample Timeline.pdf](#)
- Executive Director Job Description (with backup assistance listed for all tasks)
 - [Sample Job Description.pdf](#)
- Summary of Contracts and Grants
 - [Sample Contract Summary.pdf](#)
- Sample Executive Director Interview Questionnaire
 - [Sample ED Interview Questionnaire.pdf](#)
- Sample Executive Director Search Matrix (for comparison review of candidates)

- [Sample ED Search Matrix.pdf](#)
- Sample Mentoring Plan for Executive Director
 - [Sample Mentoring Plan for ED.pdf](#)

Additional Resources

- *Building Leaderful Organizations: Succession Planning for Nonprofits*, Annie E. Casey Foundation, Tim Wolfred
<http://www.aecf.org/resources/building-leaderful-organizations/>
- *Capturing the Power of Leadership Change: Using Executive Transition Management to Strengthen Organizational Capacity*, CompassPoint Nonprofit Services; TransitionGuides
https://www.raffa.com/newsandresources/publications/documents/aecf_cappower.pdf
- *Sustaining Great Leadership: Succession Planning for Nonprofit Organizations*, Tom Adams
<http://www.transitionguides.com/sustainingleadership>
- *Nonprofit Executive Succession-Planning Toolkit*, Federal Reserve Bank of Kansas City, Arlene Alvarez Quick
<https://www.kansascityfed.org/publicat/community/Nonprofit-Executive-Succession-Planning-Toolkit.pdf>
- *Next Steps After Your Executive Resigns*, New Chapter Coaching LLC
<http://www.newchaptercoach.com/nonprofit-management/next-steps-after-your-executive-resigns/>

¹ Bohne, P. W. (2013, March/April). Boards and Retiring CEOs as Partners in Transition. *The Corporate Board*.

² Redington, E., & Vickers, D. F. (2001). *Following the leader: A guide for planning founding director transition*. Columbus, OH: The Academy for Leadership and Governance.

ABOUT THE NATIONAL TECHNICAL ASSISTANCE NETWORK FOR CHILDREN'S BEHAVIORAL HEALTH

The National Technical Assistance Network for Children's Behavioral Health (TA Network), funded by the Substance Abuse and Mental Health Services Administration, Child, Adolescent and Family Branch, partners with states and communities to develop the most effective and sustainable systems of care possible for the benefit of children and youth with behavioral health needs and their families. We provide technical assistance and support across the nation to state and local agencies, including youth and family leadership and organizations.

ABOUT FREDLA

This resource was produced by the [Family Run Executive Director Leadership Association \(FREDLA\)](#) in its role as a core partner of the National Training and Technical Assistance Center for Child, Youth and Family Mental Health (NTTAC), operated by the National Technical Assistance Network for Children's Behavioral Health (TA Network), funded by the Substance Abuse and Mental Health Services Administration (SAMHSA), Center for Mental Health Services, Child, Adolescent and Family Branch.