

Preparing the Next Generation of Nonprofit Leaders

By Deborah Legrove
May 17, 2011

Who is grooming the next generation of nonprofit leaders?

In a 2011 confidential survey conducted by [crawfordconnect](http://crawfordconnect.com) with 17 nonprofit leaders across Canada, 94% of participants said that although succession planning was top of mind, today's leaders are not doing an adequate job of grooming their successors.

In fact, only 25% actually had a formal written succession policy in place.

This situation puts both our nonprofits and our sector at risk because of the loss of intellectual knowledge transfer and the high costs of staff turnover, not to mention the use of valuable donor funds.

It's wise to address this head-on by incorporating succession planning as a direct accountability in the CEO's contract or job description. This emphasizes its importance to the board and staff and keeps it top of mind and on the board meeting agendas.

But although it is the CEO's (including president's and executive director's) responsibility to groom successors, this is a task that cannot be undertaken alone. The board must be involved and see succession planning as a high priority. While the CEO and board are putting a succession plan in place, they must also identify the key attributes needed in a successor if they are to understand what it will take to succeed in a growing and competitive nonprofit marketplace.

Start with an emergency succession plan

If no succession plan currently exists, it's best to start with an emergency succession plan (ESP). This states what happens if an unforeseen event takes place and you as leader can no longer perform your job. You may think this is unnecessary, but consider just one recent example of such a situation: a past client's board chair called to ask about his options as his executive director had just resigned, giving no notice. This very small nonprofit had no one but program directors and the board to turn to; the only fundraiser was the departing executive director. This put the organization's program management, operating grants and fundraising revenue at risk for the entire fiscal year as well as any donor relationships formed during his tenure.

The process of developing your ESP will help build confidence amongst your board and within the organization that they will be in good hands whatever may come.

Elements of an emergency succession plan

Your plan will detail the steps your organization will take if a critical person departs unexpectedly and will answer questions such as who the designate will be and how decisions will be made in the interim. Keep the following in mind when creating your plan:

- if and how CEO/ED will be involved in the search for a successor
- knowledge transfer components
- detailed communication strategy
- who will be responsible for what within the organization
- guidelines detailing the circumstances under which the ESP must be activated
- definition of what an ESP constitutes and who is responsible for "calling it"
- an outline of the sequence of events that must occur for the ESP to be put in place

Share the plan with the board and with your designated successor. Your designate doesn't have to be the perfect choice — as you build a succession plan over the long-term, you can work to recruit a more suitable successor. If you are a CEO of a large nonprofit, you're fortunate to have a greater pool of talent from which to draw compared to a small shop. Regardless of size, it's important that you have a designate and that it is communicated to the board and to the successor so that everyone understands the plan.

The board must be involved and supportive of your plan. Work with an ad-hoc committee to develop first the ESP and then the planned succession policy. It can sometimes take a couple of years to develop a full policy everyone approves of, but working first on an emergency plan will reduce risks to your organization and will give the board an opportunity to learn your thoughts and begin to look at staff in a different light — as possible successors — and begin to assess their capabilities.

Choosing your successor

What's the difference between an effective fundraiser and an effective leader? At a high level, very often the difference can be found in the individual's amount of strategic thinking. It also shows up in financial acumen. Where one person may decide that he/she will leave the finances to the CFO, a leader will have sufficient education to understand the basis for decision-making based on financial statements.

What attributes do you feel are important for your organization? When working with the board in building the long-term succession plan you'll need to agree on the top attributes required in your successor.

For example, a recent large nonprofit client of crawfordconnect's was looking for a strong leader to implement a philanthropic program. Among the attributes the client wanted was entrepreneurial, high financial acumen, mentor and a love of building a strong team — effective fundraising skills didn't appear until five on the list of top ten attributes.

In a previous survey conducted in 2008 by crawfordconnect with 25 nonprofit leaders across Canada, 15 top attributes were identified for the nonprofit leaders of tomorrow. The research

showed that in order to succeed as nonprofit leaders, we need to be excellent managers as well as superb leaders. A manager/leader model was recommended. The attributes are reflected in the following chart:

Competencies	Personality Traits	Knowledge Areas
Strategic thinker	High integrity	Financial acumen
Relationship builder	Adaptable/agile	Deep sector-specific knowledge
Collaborative decision maker	Perseverant/patient	Understanding and valuing diversity
Entrepreneurial achiever	Interpersonal sensitivity	
Effective communicator	Passionate about the mission	
Change leader		
Inspiring motivator		

We all know that great leaders are not so easy to find. In our research, we heard time and again that, “we are grooming effective fundraisers, not effective leaders”. There are, undoubtedly, staff in your organization that possess some of the above attributes, and it’s up to you to help them close the gap and prepare them for leadership.

Don’t wait to open a discussion with your board about reducing risks related to talent. Encourage them to provide competitive salaries wherever possible, and resist the urge to decrease continuing education and professional development budgets. If used properly, education budgets can help to build the next generation of leaders.

By actively engaging your board in succession planning you will share with them your chosen successor and the reasons for your choice. This, in turn, makes the transition easier and the board, over time, can begin to understand the importance of grooming a successor and why it needs to be a high priority for your organization.

As the president of [crawfordconnect](http://crawfordconnect.com) Deborah connects nonprofit organizations with executives and senior fundraisers. In her 24 years in nonprofit, Deborah has consulted with charities throughout Canada and the USA. She is an active volunteer and currently serves as a board member with the Association of Fundraising Professionals Golden Horseshoe Chapter.