

# NONPROFIT SUCCESSION/EXIT PLANNING

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# What is Succession Planning?

- Succession Planning prepares your organization for it's next leader(s) and promotes development among current and future leaders.
- Effective Succession Plans are linked to your organization's Strategic Plan, Mission, Vision and Values.



# Why is Succession Planning Important

## The FACTS:

- Key individuals will leave your organization.
- By 2020, the number of people 55+ will increase 73%.
- 10,000 will turn 65 everyday for the next 18 years.
- Every year 10-15% of nonprofit organizations hire a new Director and that number will increase.
- Employee turnover rates average 24%.



# Do You Need A Succession Plan?

You should be asking yourself these key questions:

- If your Executive Director or a key staff member is suddenly unable to serve, or retires, have you identified candidates for the job?
- Do funders trust that your organization can succeed without the current Executive Director?



# Do You Need A Succession Plan?

- Will you lose institutional knowledge and contacts if a key member were to suddenly leave?
- Is the Director's current level of responsibility realistic, or has he/she, in good faith, taken on too much responsibility at the expense of staff development?
- Are there other positions that would leave the organization vulnerable?



# Why Do Nonprofits Overlook The Risks?

- Retiring can be emotional for everyone involved.
- There isn't an obvious internal successor so its hard to picture a new leader.
- Your organization cannot afford to bring on new talent.
- A date has not been set.



# Succession Planning Steps

- Identify what roles to plan for:
  - Executive Director / CEO
  - Key Staff
  - Board members



# Succession Planning Steps

- Engage staff, board and outside constituents through individual and group interviews:
  - Define the current and future opportunities and threats that an incoming successor will face.
  - Discover the strengths and weaknesses your current leader(s) bring to the table.
  - Understand what skills and attributes are needed for a leader to be successful in your organization.
  - Understand your unique culture.



# Succession Planning Steps

- Understand the dynamics of the current leader(s):
  - Interviews can be used to understand functional roles, knowledge base, etc.
  - Assessment tools should be used to understand thinking style and behavioral attributes.



# Succession Planning Steps

- Discover if there is existing leadership talent:
  - Begin to test individuals w/greater responsibilities.
  - Conduct regular reviews to assess talent, discover aspirations and communicate opportunities.
  - Use assessment tools with potential successors to identify strengths and gaps in skills or behaviors.
  - Create development plans for key staff.



# Succession Planning Steps

- Create a development plan that includes:
  - Goals with a timeline associated.
  - Gradual transfer of knowledge and responsibilities.
  - Identify areas where behavioral skills coaching is needed and outline opportunities for growth.
  - Opportunities where future leaders can get out in the community as a key representative of your nonprofit.



# Succession Planning Steps

- Craft an implementation plan that includes:
  - Formal gaining of commitment.
  - Structured outline of the development process.
  - Agreed upon timeline.
  - Clear designation of the time and resources necessary to accomplish the plan.
  - Communication Plan to staff, board and key stakeholders.



# Succession Planning Steps

- Implementation plan - continued:
  - Demonstrate a passion for talent development.
  - Meet regularly to assess progress (minimum of quarterly).
  - Review the process every year as organizational and/or staff changes take place.



# THANK YOU !!!

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