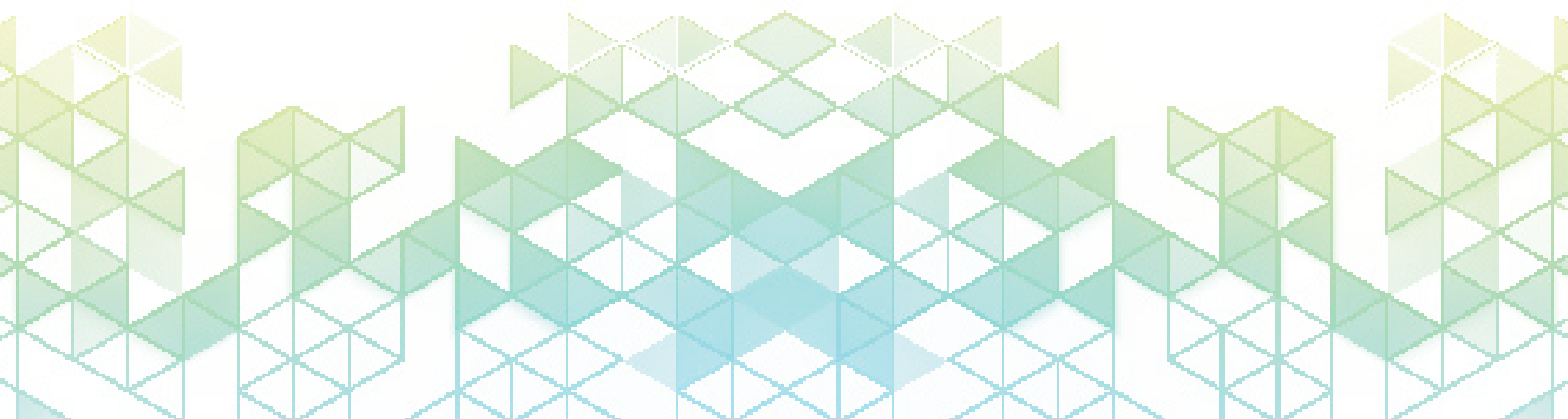




Succession Planning for Nonprofits



What would happen if your executive director stepped away tomorrow? Would there be an exodus of staff shortly thereafter? Would the organization's mission get blurred? Would you lose donors and important sources of funding?

Most importantly, would there be someone to step into the former director's shoes?

For many nonprofits, the answer is no, and this situation places an organization at significant risk. While some situations, such as a planned retirement, provide sufficient runway to transition to a new leader, others can be unexpected and immediate. Death, sickness, resignation, or termination can happen quickly and create tremendous stress on the organization.

Grooming future leaders and mapping out a succession plan in advance is one of the best ways to mitigate the risk of losing key personnel and prepare for the future needs and growth of the organization.

The following are tips and best practices for creating and implementing a succession plan for your nonprofit.

Start Early

It is ideal to identify potential candidates for future leadership two to five years out. A candidate should be selected and the transition should begin six to twelve months before the executive departs. This provides time to transition an executive's expertise and knowledge to the successor while building relationships with key people and simply becoming comfortable in a new space.



Identify the Key Roles for Planning

While succession planning tends to focus on the executive director role, it can be used for any management and board roles. In fact, succession planning should ideally address all key leadership roles. However, smaller nonprofits may only have the capacity to focus on one or two key roles, while larger nonprofits are able to develop a much broader plan.

Revisit the Vision and Future Growth Goals

Where the nonprofit is now may be different from where it will be in 10 or 20 years. If you are planning for growth, the requirements and responsibilities of a current position may change and become more demanding over time. It may require a new, more sophisticated level of leadership. For this reason, you should assess potential leaders through the lens of the organization's current and future state.

Define Roles and Requirements

For each leadership role included in the succession plan, describe the job and define the skills and competencies required for success. This can be challenging when the leader is the founder or has been in the role for a very long time. In this situation, the individual may have such depth in the organization that their responsibilities may need to be divided among multiple roles.

Also, avoid feeling as if you have to find someone in the exact mold of the outgoing leader. It's not only limiting, but the traits of your existing leader may not be the same traits needed for the next stage of your nonprofit's growth.



Identify Talent

With succession planning, the goal is to identify personnel who can grow into leadership positions over time. Potential candidates for the leadership may or may not exist within your organization, so it's important to consistently assess existing employees, new hires, and potential hires against your plan.

It's great if you can identify existing employees and provide paths for their growth. But if the nonprofit is small and the bench is relatively shallow, then new hires should always be considered for their ability to grow into leadership positions.

Prepare for a Transition

A transition should begin six to twelve months before a leader departs. The successor should work closely, perhaps in a deputy role, with the leader during this time. This provides time to pass on the skills, knowledge, and expertise of the position in addition to transitioning key relationships.

Coordinate With the Departing Leader

While there's a tremendous amount of focus on preparing a successor, it's important to address a post-transition role, if any, for the departing leader. It may be beneficial to retain them as an advisor or board member. However, this will depend both on the needs of the nonprofit and the departing leader's plans. Some leaders want a clean cut from the organization, whereas others might want a slower break or maybe even to keep a foot in the door for a few more years. Therefore, it's wise to have an open conversation with the departing leader about their plan and desires.

Remain Flexible

One of the most important things that succession planners can do throughout the process is to keep the plan and its execution as flexible as possible. As in every long-term process, there will be ebbs and flows and hurdles that pop up along the way. The most important thing to do is remain flexible, mold the plan to the changes that come your way, and keep your eye on the ultimate result and outcomes.



Final Thoughts

If you need help creating a succession plan or building on the plan you already have, please contact our office. Our expert advisors are always happy to discuss your unique situation.



About Heard, McElroy & Vestal

In 1946, S. Berton Heard, Charles McElroy and Charles Vestal founded Heard, McElroy & Vestal, LLC in Shreveport, Louisiana. Together, this trio of professionals established the firm as a pillar of trust, integrity and competence, with the mission to create solutions and provide opportunities for our clients, our people, and our communities. HMV is one of the largest public accounting and consulting firms in Northwest Louisiana, servicing our clients throughout the states of Louisiana, Arkansas, Texas, Mississippi, Oklahoma and Tennessee from offices in Shreveport and Monroe. Our firm is comprised of over one hundred (100) employees: Partners, Of Counsel Partners, Senior Managers, Managers, additional Professional Staff and Administrative Staff. Our Professional Staff includes more than fifty (50) certified public accountants who obtain additional certifications which are Accredited in Business Valuation (ABV), Certified Fraud Examiners (CFE), Not-for-Profit Certificate holders, Certified Valuation Analysts (CVA), Personal Financial Specialists (PFS), and Certified Mineral Managers (CMM). Our team of professionals brings together many years and diversification of experience, providing a network of knowledge and resources and allowing for industry and niche specialization. Not one CPA can offer the range and quality of services a firm of our size is able to provide, while remaining small enough to deliver personalized service and attention to our clients with consistency on engagements. HMV's strategic associations include Align Mineral Management, LLC, Business Valuation Consultants, LLC and HMV Wealth Advisors, LLC.



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