Succession Planning For Nonprofit Boards And Leadership

Board composition is a crucial component of a successful nonprofit organization. The individuals who serve can enhance the charitable mission through their own efforts and contributions or severely deter progress, even diminish the reputation of the organization. In the early stages of a nonprofit, a great deal of care and study go into the selection of the initial members. This Governing Board is legally accountable for the actions of the nonprofit organization, so individuals who serve must be aware and willing to shoulder the responsibility. Their focus is to oversee compliance with public support regulations [the 501(c)(3) tax-exempt status], maintaining/ refining policies and procedures, as well as ensuring the plans and programs of the charitable mission are implemented and enhanced; while conducting the three legal duties: “duty of care”, “duty of loyalty”, and “duty of obedience”. Great care is taken in selecting the inaugural members of the Board and this same level of due diligence must be applied when determining subsequent generations of the Board.

Realistically, Board and Leadership selection is one of the most substantial decisions the nonprofit organization faces. The gravity of this responsibility becomes increasingly vital as the nonprofit advances so that staff, volunteers, even donors sense stability and continuity concerning the organization and mission. Consequently there may be numerous volunteers who, for whatever reason, desire a place at the Board Table, yet not every applicant may be ready or qualified to serve.

Qualifications would seem to be easy to determine, but are they?

Qualified Board or Committee Members, or realistically anyone in a leadership capacity, should exhibit a methodical understanding of the charitable mission along with the dedication to uphold and enhance that purpose. At a point in the Charity’s tenure when its reputation and recognition attract numerous candidates, profiling and due diligence procedures can filter those who are more than willing to contribute their time and resources from those whose goals may not be as altruistic as one would expect. The most effective Boards are comprised of individuals who exhibit:

- **A strong enthusiasm for the organization and its mission.** Not just the “textbook” rendering of the charitable mission, but a true understanding and empathy for the objectives. In addition, a productive board member has or gains a strong comprehension of the infrastructure and the organizational chart (who does what and when). No one can be an effective advocate of the charity or its mission without a thorough understanding, “Soup to Nuts”, of what the organization does and how they do it! Extensive knowledge of the internal and external workings of the organization makes for impactful leadership and turns a board member into an effective “Ambassador.”

- **The ability to interact “productively” with others on the Board, Committees and Staff.** This “enthusiasm” should also carry over into long term goals and advocacy, yet should never obstruct others. The goal in any organization is to combine talents, expertise and dedication for the common good. Respectfully melding into that common goal only serves to enhance the experience for everyone. Current and successive boards must
also commingle this spirit of civility and respect concerning their responsibilities of oversight. Guidance and encouragement are always vital but a productive leadership team knows when to step back and allow the staff of the organization to function. Even the most well intended action can encumber progress or derail morale which is unproductive and unintentional.

- **No reservations in lending a hand with the more mundane “chores”**. After the bullet point above, this suggestion seems to be a contradiction, however there is an enormous difference! Assistance from the Board is greatly appreciated when it is solicited. Even some larger “Shops” can sometimes benefit from an extra pair of willing hands. Many times the tasks that seem mundane to the individual board member can be the difference in achieving an important opportunity. It is not beneath the dignity of a true Ambassador to offer needed assistance and may even enhance the experience of board service. Working “within” on specific projects can actually provide greater insight into the organization and its needs to better equip the Ambassador in positioning the organization correctly with potential sponsors or prospective donors. Ambassadors are most powerful when they are empowered.

- **A willingness to support and/or assist in fund raising efforts**. This is a quality that can be most difficult to find in a prospective Board or Committee member. Some are willing to make a financial commitment, of whatever size, to comply with a Board Policy, but with that contribution consider their “duty” completed. There seems to be an innate apprehension of stepping outside of the comfort zone and discussing the benefits of becoming a “Donor”. The subliminal message in this lack of action could be projecting, “this organization isn’t important, or “they can’t be good stewards… even the Board doesn’t promote it!” There isn’t a Development Office that truly expects a board member to become a “Development Officer”. However, as an Ambassador, any introduction can become a prospect that the actual Development Officer can advance. Apprehension increases when Gift Planning and Planned Giving are mentioned! Many Board and nonprofit leaders do not understand the incredible value gift planning and blended giving strategy can bring to the organization, so it is avoided. The true Ambassador will assimilate enough information to use in their personal philanthropy, as well as utilize in recognizing prospective opportunities in the community. Taking the time to understand all the options of financially supporting a nonprofit is essential in building a viable donor pipeline and database.

- **The insight to know when their work has been accomplished**. Board service can be fulfilling and many who offer their time and talents often report that their sense of satisfaction exceed their commitment. It is important, however, to consider potential “burnout” that diminishes effective impact. Term Limits are not meant to punish, but to maintain the strength of purpose and promote growth through innovative concepts and contribution. Many dynamic board policies incorporate term limits to combat burnout. The “time off” provides the objectivity to determine if the desire to serve remains strong. If so, retired board members are often encouraged to consider reapplying for service after the prescribed period. Continuity is also valuable to a successful organization and an effective governing board.

- **Ultimately, the most effective Board Candidate exhibits an understanding of the legal and philanthropic responsibilities of service and the commitment to undertake these obligations without reservation!**

In addition to the “qualifications”, the ideal candidate must be willing to:

- Draft, review and revise the policies and procedures pertaining to gift acceptance, investment objectives and expenditure, term limits, as well as other guidelines of governance.

- Monitor the effectiveness of the nonprofit; both as an organization as well as those charged with the day-to-day duties, and

- Assist in determining when and who will assist the organization as an outside service provider or vendor in the day-to-day responsibilities (part of the reason why true dedication and unbiased direction is obligatory).
How to determine if a prospective candidate has the qualifications: Establishing if prospective successors possess the requisite criteria and motivation without proper assistance is not simply difficult, it is daunting. Guidance and policy are critical to avoid ill-equipped candidates, yet many times this task is left to chance. This may stem from the fact that Board service can be time consuming and a hesitancy remains in asking qualified, but busy, people to serve. Service may require commitment, but we need to remember that it can be an honor and fulfilling as well. One way to begin the vetting process would be to generate (and keep current) a brief overview of the expectations of a board member. Providing the time commitment, required duties of board service, along with conflict of interest policies will clearly define prerequisites. Obviously any objections to the “job description” would eliminate candidates without true commitment.

Some ways that organizations have implemented effective succession planning have been:

1. Recommendations from current or retiring Board Members. The organization can enlist the Board or Committees to seek qualified, dedicated individuals for consideration. Individuals who have served the Board and the Mission faithfully would view this as their obligation to find their own qualified successor; someone who will carry on their legacy of service.

2. Consider those who have served as Volunteers, on Committees or Projects. This service can demonstrate commitment, but more importantly leadership skills. Some organizations require this as stage one of candidacy and it can provide a more candid assessment of the individual seeking a Board position.

3. Consider a Profiling Questionnaire. In selecting prospects and ultimate candidates to fill a vacant position in the for-profit environment, applications must be completed to provide data on talent, experience and references. Volunteer service may not be a “Day Job”, yet the commitment and dedication should be of the same caliber. To that end, why not have a Board Application or Questionnaire profile a candidate and gather similar data, along with their goals and expectations for sitting on the Board and a glimpse of their personality. Candidates who pass this initial phase of the process could then be scheduled for an interview with a selection committee. An interview practice enables the personality of the candidate to be displayed and provides an excellent opportunity to determine if this individual would assimilate in the existing board. Additionally, this facilitates selecting a “mentor”, if the organization employs this concept, to enhance the transition to functioning board member.

4. Consider “diversity” in the “dynamics”. Succession Planning can be the point in the tenure of a nonprofit board where new influences and ideas can bring positive change and progress the mission even farther. In profiling candidates for vacancies, it is an opportune time to consider, along with experience and personality, other aspects such as gender, age, culture and to the extent that it is relevant geographic location. These aspects characteristics can broaden the collective attitude of the board and interpretations of leadership. In an age when relevancy is a concern for most organizations, both for-profit and nonprofit, this broadening dynamic can establish the bridge to all generations.

Succession Planning makes sense for a Public Charitable Organization, but is it applicable for a Private Charity? Yes, potentially even more so! Many times it is assumed by the “funding” generation that their “instructions” will continue without “interpretation”, or that the familial enthusiasm will continue in perpetuity. Sadly this has not always proven to be the case. To that end, succession planning is critical in providing clarity of the original intent, as well as providing criteria in selecting members of the family, or even stepping outside of the family to select credible successors for the Board (when the foundation is created under corporate format) or the philanthropic committee that will review and award grants to selected recipients. Future members with an understanding of the charitable intent is absolutely crucial to make respectful changes to the mission; which can happen if the original mission has a narrow focus or becomes obsolete. In either scenario, continuity and clarity are key to guiding the selection of future participants.

In essence, succession planning insures the “success” of the charitable entity, public or private. It is a critical component and requires respect and diligence.