Executive Transitions Monograph Series Volume 3

Founder Transitions: Creating Good Endings and New Beginnings

A Guide for Executive Directors and Boards

The Annie E. Casey Foundation

The Annie E. Casey Foundation

The Annie E. Casey Foundation is a private charitable organization dedicated to helping build better futures for disadvantaged children in the United States. The primary mission of the Foundation is to foster public policies, human service reforms, and community supports that more effectively meet the needs of today's vulnerable children and families. In pursuit of this goal, the Foundation makes grants that help states, cities, and neighborhoods fashion more innovative, cost-effective responses to these needs.

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The Haas, Jr. Fund is dedicated to celebrating and building community. It seeks to create vibrant, safe neighborhoods that support the healthy development of young people and the well-being of their families. The Fund also seeks to strengthen the bonds of mutual respect among people from all walks of life to pursue common interests and contribute to the larger community. Through its grantmaking, the Haas, Jr. Fund aspires to serve as a voice of hope and a positive, unifying force for social change.

By Tom Adams
TransitionGuides
1751 Elton Road, Suite 204
Silver Spring, MD 20903
301-439-6635 (phone)
301-439-6638 (fax)
www.transitionguides.com

TransitionGuides

About the Author

Tom Adams is the president and senior managing partner of TransitionGuides, a collaboration of consulting firms specializing in Executive Transition Management, and consultant to the Annie E. Casey Foundation's Leadership Transition project. Tom has more than 30 years experience serving nonprofit organizations as an executive director, senior manager of a national organization, and consultant. His 12 years of research and practice in nonprofit executive transitions includes five years as director of the Neighborhood Reinvestment Corporation's Community Development Leadership Project and seven years as a private consultant to nonprofit boards and foundations.

The Executive Transitions Monograph Series

Founder Transitions: Creating Good Endings and New Beginnings is the third volume of a new monograph series on executive transitions and executive transition management, funded in part by the Annie E. Casey Foundation and the Evelyn and Walter Haas, Jr. Fund. Other reports in this series include:

- *Capturing the Power of Leadership Change: Using Executive Transition Management to Strengthen Organizational Capacity;*
- *Interim Executives: The Power in the Middle; and*
- *Up Next: Generation Change and the Leadership of Nonprofit Organizations.*

For copies of these publications, please see: www.aecf.org/initiatives/leadership.

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2 Moving On: Challenges and Opportunity

Between the late 1960s and the late 1990s, America's nonprofit organizations grew dramatically. Between 1977 and 1997 alone, the number of charitable organizations doubled from 406,000 to 835,000.[1] Today, the generation responsible for the front end of this civic growth are facing transitions into new roles or considering retirement.

Since 1999, three separate studies conducted by CompassPoint Nonprofit Services, as well as research by the Maryland Association of Nonprofit Organizations, the Annie E. Casey Foundation, and the CEO Roundtable of Community Foundation Executives—all confirmed a shocking reality: 50-85 percent of all nonprofit executives planned to leave their positions during the five to seven years following each survey. Founders and long-term executives made up between 39-52 percent of the respondents.[2] The forecast clearly shows turbulence at the top, suggesting both serious challenges and under-appreciated opportunities.

Many founders or long-term executives[3] have heard from colleagues or seen first-hand the trauma of transition. In some cases, they may have witnessed executives who remained in their positions after they had either lost the energy to lead or simply no longer had the necessary skills and competencies. Some may have seen a board and founder struggle over an organization's future or even realize that the odds were slim that a successor would have a long and productive tenure. In other cases, staff members have experienced uncertainty and distraction when a founder left without attention to staff concerns, which has disrupted their performance and morale.

Board leaders and even funders know the organizational risks associated with a poorly executed transition. They may have come to over-rely on an effective founder, and the prospect of sustaining the organization's work without this leader may appear daunting, or perhaps near impossible.

The Transition Opportunity

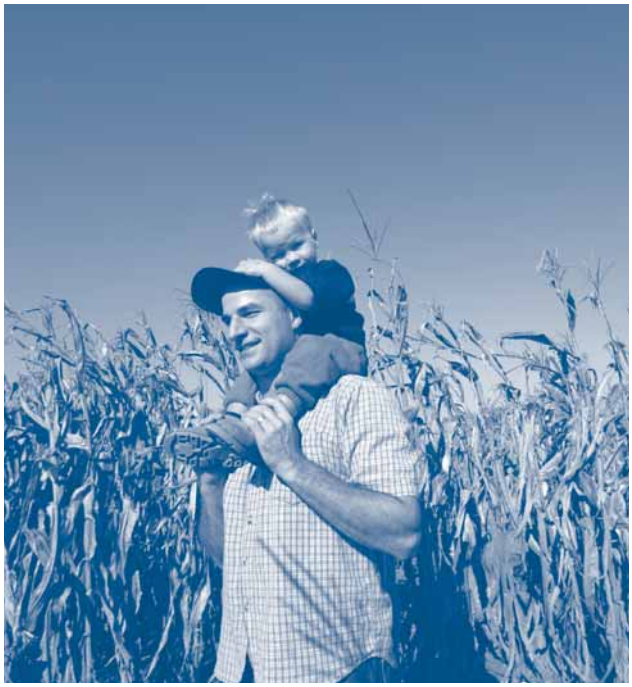
Despite these often-warranted fears, founders and boards can find good news about executive transitions. During the last decade, several national and local foundations have helped to refine the executive transition management (ETM) approach to these challenging periods. This emerging practice increases the odds of successful transitions for all nonprofit leaders, particularly founders. It includes concrete steps and a process that founders can use to manage their departures. ETM also offers board leaders a way to plan responsibly and lead a successful founder transition.

Founder Transitions: Creating Good Endings and New Beginnings shares some of what we have learned in developing ETM and provides founders, their board leaders, and supporters specific options for planning and managing a transition, whether it is happening now or in ten years. This report is part of a developing series of monographs, which to date includes three others—*Capturing the Power of Leadership Change: Using Executive Transition Management to Strengthen Organizational Capacity; Interim Executive Directors: The Power in the Middle; and Up Next: Generation Change and the Leadership of Nonprofit Organizations.* These publications are sponsored by the Annie E. Casey Foundation and the Evelyn and Walter Haas, Jr. Fund.

What's Inside

This report is written for founders and boards, both of whom have critical roles to play in transitions. These roles shift as the founder moves on and the board steps up to its broader responsibilities. In particular, this report chronicles:

- Why founders and their transitions matter;
- Why founder transitions are particularly complex and risky for leaders and their organizations; and
- How founders and their boards can address the personal and organizational issues related to a founder departure and increase the odds of a successful transition that leaves an organization healthy, vital, and strong.



We have also included several case studies of founder transitions to give a sense of both the complexity and possibilities offered by these change periods. We have rounded out the report with a list of annotated resources for additional information. We invite you to learn more about transitions and ETM at the Annie E. Casey Foundation website (www.aecf.org).

This monograph and these resources can help organizations understand executive leadership transitions as "pivotal" moments. Such moments provide unique opportunities for organizations to strengthen capacity and infrastructure, understand strategic priorities, and chart future directions. As greater numbers of executives seek new beginnings in the decades ahead, we believe nonprofits and the sector as a whole will benefit tremendously from the ETM approach.

4 Why Founders and Their Transitions Matter

Nonprofit founders create extraordinary social benefit for their communities. Their passion and entrepreneurial drive help communities address unmet human needs. They build and rebuild our communities and offer new paths out of poverty and disenfranchisement for marginalized citizens. Founders are essential leaders, and as a group, key contributors to the nonprofit sector's growth and vitality.

Given founders' roles in building and sustaining critically needed organizations, it is important to celebrate their work and invest in successful transitions that protect their legacies.[4] It is critical that organizations pay close attention to their transitions to ensure that founders' unique contributions, often made over the course of most of a professional lifetime, are not lost. People and communities rely on the services and programs provided by founder-led organizations. If these organizations falter or fail following a founder's departure, many of our communities' most vulnerable citizens—children, recent immigrants, the frail, and the poor—will suffer.

From this perspective, the growing incidence of founder transitions is cause for concern. Organizations should focus needed resources and support on these transitions to provide good and fitting endings for founders. At the same time, we can help pass on the powerful community assets developed by founders and usher in a dynamic new generation of leaders. Their creativity and energy are critical to future inspiration, ideas, and programs that respond to the country's ever-changing needs.

Founders and particularly their transitions are not well studied,[5] but our experience during the last decade suggests that founder transitions are particularly hazardous for nonprofit organizations. Most seasoned nonprofit leaders can tell you more than one story of a failed or traumatic founder transition and its associated causes.

For example:

- An advocacy organization invited its founder to become board chair when he retired. He was well-known in the field and had served on the board while an executive. It seemed like a fitting end to his 30-year involvement with the organization. Despite everyone's best intentions, the new executive that replaced the founder never felt empowered. The founder's point of view hovered over every board meeting and major decision. The first successor lasted just eight months and the second one 14 months.
- A community development executive built his organization into a national leader over 20 years. When a new presidential administration took office, he was invited to Washington, DC, to provide policy input. Three years later, the executive was burned out. Still responsible for this agency, the founder tried to hire a COO and groom him as a successor, but the COO left after a year. Exhausted, the founder asked the board chair for a retreat to discuss a sabbatical. By the time the retreat occurred, the executive had decided it was time to move on and announced his resignation. The organization's funding base and infrastructure, however, were unprepared, and several important agency programs had to be scaled back dramatically.

Not all founder transitions end with major challenges or issues. With planning and support, a founder transition can be an important and positive period for an organization.

For example:

- A founder executive launched a community ministry organization and led it for 25 years. Before he retired, he helped what had been a de facto advisory board make itself into a fully functioning governing board. He knew he needed help. He sought and hired a consultant and then set a clear and limited role for himself. The board hired a successor who has successfully led the organization for several years and managed a period of growth and expanded resources for the organization.

The preceding stories raise a complex set of questions for a founder and board and touch the core identity of both the executive and the organization. Avoiding or mishandling these choices increases the likelihood of a difficult transition. On the other hand, recognizing these issues, accepting them as, at some level, unavoidable, and seeking the support necessary to make wise and well-timed decisions can lay the foundation for a successful transition.

6 The Founder's Dilemma

The founder's challenge may begin with a simple question: Do I want to leave? This is often tough to resolve. There are mixed feelings, and the founder may have few people with whom he or she can discuss the matter. In the process of considering this question, founders may confront several issues:

Identity

It is quite common for the identity of a founder and organization to become interwoven, in some cases, almost interchangeable. The organization and the founder's name often become inextricably linked in stakeholders' minds. Outside stakeholders may know other staff and board members, but as Herman and Heimovic note in their research, the success or failure of any nonprofit is most often attributed to the executive.[6] For founders, blending their personal identity with the organization may be somewhat unavoidable. For the executive in transition, the challenge is re-establishing an identity separate from the organization's. For the organization, the challenge is convincing its key publics that it can exist and is sustainable without the founder.

Letting go of position and power

Successful founders often enjoy respect and influence in their communities because of their leadership positions. They fear that this high esteem may be lost when they step down. Letting go of this sense of power and control can raise questions of self-worth the founder is unused to considering, as well as boost fears about becoming a "lame duck" leader.

Confusion about what kind of change or break is needed

Often exhausted or stressed from too many long days and the daily pressures of executive leadership, founders know instinctively they need a break but are uncertain how much time to take. For some, a long vacation or a short sabbatical is sufficient renewal. For others, a short break reinforces the need for a bigger position change.

Career/professional uncertainty

Often, despite a founder's track record of visionary leadership, what is next professionally is quite unclear. Having used a certain set of skills and competencies for a long time, founders may require some reflection time and a supportive colleague or coach to sort out the possibilities. For some, there may be too many options. Others may experience a fear that nothing can replace their current role. Still others may feel a sense of disconnection from the full range of their skills and talents. Figuring out what is next requires reconnecting to their strengths and what they like to do.

The loyalty trap

Some founders fear any talk of succession. Stories of colleagues being pushed out by their boards or of unpleasant endings can fuel a desire for tight control around the issue. Founders may even avoid conversations about emergency succession, that is, what happens if they are suddenly unable to perform their job. For these leaders, a topic does not hit the board agenda until they know how it will come out. For others, a fear of appearing disloyal to the organization and to those who helped build it makes it hard for the founder to imagine any conversation about succession or transition. In both cases, the executive and board collude in a conspiracy of silence. Such arrangements can lead to a period of organizational drift and executive underperformance.

Fear of organizational collapse

Some founders struggle intensely and alone with the questions: "Can this organization survive without me?" "Is it sustainable?" These are often legitimate concerns. Some executives are not compensated fully, so the organization is built around a financial model that may not work without the founder. In turn, the founder may worry about the personal or professional embarrassment that may attend the possible collapse of the organization he or she has worked so hard to build.

Financial considerations

Founders may not only be under-compensated, but their organizations may have inadequate retirement programs. This may be particularly true in smaller, community-based groups. Financially constrained, founders may stay too long and develop a sense of entitlement that the organization "owes them," a feeling that the board may not agree with or cannot address.

The founder's early life experience and motivation

Stevens, in her research on founders, looked at the connection between early life experiences and the likelihood of becoming a founder.[7] She found that most founders are first-born and report growing up in one of three not mutually exclusive types of families, namely:

- Achievement-oriented families, wherein success was modeled and accomplishment consistently encouraged and rewarded;
- Independence-oriented families, often led by self-employed parents, wherein entrepreneurship was appreciated and early responsibility modeled; or
- Families wherein poverty and/or emotional insecurity were present, resulting in an early need to grow up quickly and a broader need to stay in control.

These observations suggest that as founders begin to think about what is next, their background and family experience may both inform and add stress to the process. For some, identity issues tied to achievement may come up. For others, there are concerns related to loss of control or independence.

Center for Family Life

Founders in Transition

Paying close attention to and honoring an organization's culture and history can help founders and their boards find successful, even unorthodox, transition strategies.

In 1978, two Catholic nuns, trained as social workers, founded the modest Center for Family Life in the Sunset Park neighborhood in Brooklyn. The Center responded to a felt need for family-friendly services for immigrant and low-income families and their children. By 2000, the Center had grown into a comprehensive family and youth services organization with a budget of $3.5 million, assisting 4,000 families and children annually. The two founders, Sister Geraldine Tobia and Sister Mary Paul Janchill, served as co-directors and managed a talented team that ran the Center's programs.

Former Center for Family Life Co-Director Sister Mary Paul Janchill (center) with current Co-Directors, Julia Jean Francois (left) and Julie Stein Brockway (right).

In 1999, Sister Geraldine was diagnosed with cancer. Months later, in April 2000, she died. The loss shook the Center and its staff. Some strongly urged 80-year old Sister Mary Paul to fill the vacant co-director position immediately. Instead, she worked with the staff, and after a year, the organization selected an internal manager, Julie Stein Brockway, as co-director.

The new leadership team succeeded in stabilizing the organization and demonstrating its sustainability without Sister Geraldine. Soon, however, a larger and much harder question surfaced: Could the organization survive when Sister Mary Paul ultimately stepped down? The Center was Sister Mary Paul's life. She lived on the Center's top floor and was on call evenings and weekends. Moving to a retirement community was not appealing. Planning for Sister's retirement was challenging for both Brockway and her.

In December 2002, they both attended a Next Steps workshop sponsored by the Annie E. Casey Foundation for founder executives. "I became more aware of the complexity of this transition and learned a lot from the struggles of other founders who participated," Sister Mary Paul said at the time. "Julie was looking to groom a successor for me. I thought I would step down some day, and we would pick a replacement co-director. I didn't fully understand what was involved in my decision to step down and the impact both for me and the organization."

Through several conversations and meetings with an executive transition management (ETM) consultant, Sister Mary Paul and Brockway came to terms with the need for Sister Mary Paul to step aside into an emeritus role after a new co-director was recruited. Without the emotionally challenging work required to come to this decision, the Center could easily have faced another emergency succession, this time perhaps with a much less positive outcome.

"The Casey Foundation and its ETM consultants gave us a language and a way to look at issues where we were really stuck," Brockway concludes. "As a result, today, we have a wonderful new co-director, Julia Jean Francois. Sister Mary Paul is fully engaged as an associate, and our organization is thriving, despite some very difficult economic times."

The Boards' Dilemma: Why Organizations Struggle

The relationship between the founder or long-term executive and the board contributes to the complexity of founder transitions. Founders, like private-sector entrepreneurs, may be more interested in leadership than management.[8] Block and Rosenberg, in their study of founders and their relationships to their boards, found that the boards of founder-led organizations met less frequently and that the founders were more likely to develop their boards' agendas.[9] This combination of founder interests and instincts does not tend toward building infrastructure. It also may produce less board accountability. These are among the factors that make founder transitions non-routine and challenging for a board. Here are some other factors:

Survival fear/responsibility panic

Can we do this without the founder? Is this a sustainable organization without the founder's passion, vision, and connections? Board members, who are often recruited by the founder and may function as advisors, have to decide if they want to commit to this cause without the founder. These questions may lead to hard thinking or unspoken anxiety for boards as they face their heightened leadership responsibility. Often, the board has difficulty envisioning a new executive capable of following the founder. For some, shifting one's primary loyalty from the founder to the organization and its mission can be challenging.

Time and commitment anxiety

As the transition becomes more imminent, board members begin to realize that the founder was doing a lot of work, some of it belonging to the board. The board and board leaders usually face a challenging realization that a founder transition is a big change requiring a great deal of effort, as well as additional time, talent, and commitment from board leaders and members. Founders, for example, may have done most, if not all, of the recruiting and orienting of new board members. In other instances, the board may have limited or no involvement in key functions such as fundraising or financial oversight. Stepping up to these new responsibilities takes time and may require new skills or leadership from the board.

Authority and power issues

The board faces its sense of loss and goes through the normal "grieving" process when a founder leaves. It is challenging to balance the desire to include the departing executive in key decisions with the board's need to make independent decisions. Questions of authority and "who's in charge of what" may surface as the board takes up (or back) some of its responsibility. If the board does not step up and make decisions that are independent of the outgoing executive, the new executive may encounter a weak and dependent board lacking the commitment needed to sustain the organization.

Staffing fears and issues

Staff are understandably concerned and off-balance when a founder or long-term executive announces a departure or even hints at it. If an organization does not acknowledge and take steps to address these issues, what begins as normal anxiety can result in a major disruption to services and the work of the organization. A failure to communicate clearly around a transition also may encourage key staff to exit or at the least begin exploring other options. Finally, a transition may alter traditional board-staff dynamics. The board often begins to hear directly from staff about their concerns, setting unhealthy precedents for board-staff communication in the future. And without the executive director in place, the board's direct responsibility for, and general contact with, staff increase. Without thoughtful management of this heightened role, the organization's stability and capacity may be undermined once the new executive director takes over.

Competing values

The founder and board may differ on which values are essential to the organization's work, and therefore, the characteristics and values needed in the next phase of the organization's life and leadership team. A values tension or disagreement may emerge as the founder tries to shore up her or his "legacy" and belief about what is "sacred" to the organization. Often, deep beliefs that have shaped the organization emanate from the founder and his or her allies. What the board and new executive think may be quite different, particularly as the board begins its independent work and develops its own aspirations.

Accountability

For some founders, performance reviews are brief discussions about compensation. Sometimes they are nonexistent. Similarly, the board may not have

a culture of assessing its own performance. Succession planning or a transition requires healthy doses of self-examination. Unused to these kinds of interactions, this can be challenging for both the board and the departing executive.

- **Unattended organizational weaknesses**
  A founder's entrepreneurial nature has powerful benefits, but in some cases it may result in under-attention to structure and systems. As an organization grows, its needs and the founder's needs may differ. Linnell in the article "Founders and Other Gods," points out the impact of life cycle changes as an organization evolves from an ad hoc effort to an established entity.[10] Often, through the founders' hard work, long-term relationships, or an organizational culture oriented to the founder, the board simply misses or ignores significant organizational weaknesses. As the executive disengages—or shortly thereafter—the impact of these shortcomings becomes unavoidable. The financial management system, cash flow, results measurement, resource development, and/or gaps in other internal systems and infrastructure may require significant board attention.

- **Fundraising dependence on founder**
  Quite commonly, the founder is the organization's main rainmaker. From the board's perspective, funds come in as if by magic. Often, the biggest asset leaving with the founder is her or his relationships, particularly to the organization's funders. Boards may be understandably concerned as they confront the possibility of fewer resources or begin to understand what it takes to sustain current resource levels.

- **Mission creep and/or static or unfocused direction**
  The unique and often highly trusting relationship between founders and their boards documented by Block and Rosenberg can lead to several problems for organizations.[11] In many cases, idea-driven executives may lead an organization far afield through new programming and initiatives that are of idiosyncratic interest to the founder or necessary to balance the budget. This may leave the board with a pressing need to refocus the organization once the founder leaves. These issues of course are not unique to founders and may be present in a variety of transitions.

Transitions raise a long list of issues that point to the complexity and difficulty of such pivotal moments. The challenges may seem overwhelming and produce even greater incentives to avoid confronting a transition. While there may be no simple solutions, the next section lays out several paths founders and their boards can pursue to address these issues and strengthen their organizations.

Successful transitions require significant changes from both founders and organizations. Founders must tend to private and personal issues to prepare to depart. Similarly, boards and their leadership must often increase their levels of effort and involvement. Tim Wolfred of CompassPoint Nonprofit Services describes this board engagement process as "stepping up."[12] Our experience to date suggests that the quality of the executive's private work and the board's ability to step up can predict both how successful the transition will feel to those involved and ultimately its impact on the health and vitality of the organization.[13]

Either the board or the founder can initiate discussions about succession and/or transition. Both the board and founder then have a responsibility to plan for the transition itself. These are not simple conversations, and this is not a simple path. Bridges, in his book *Managing Transitions,* notes that transition is more than a discrete event. It is rather a psychological process occurring over months and sometimes years. To experience a new "good beginning," according to Bridges, organizations need first to have a "good ending" for the departing executive and travel through a confusing in-between period he calls the "neutral zone."[14] This next section will suggest ways through the transitional period that increase the odds of a successful transition for both founders and their organizations.

Early, "Scary" Steps

As noted above, founders must confront a variety of complex issues in starting the transition process. This is often scary and uncomfortable territory. In a classic *Harvard Business Review* article, "The Dark Side of CEO Succession," de Vries describes the conscious and unconscious "psychological dramas" that can affect transition for some founders and their boards, successors, and remaining management team. "Founders who see their companies as symbols of their success and extensions of their personalities," he writes, "often have a particularly hard time letting go. Relinquishing power is a kind of death for executives long accustomed to great power."[15]

In the nonprofit setting, Valkanas, in *Arts Leadership for the 21st Century,* describes a national conference of senior arts leaders. A panel raised the question: "Are you ready for succession?" in the midst of what had been an animated discussion. "Awkward silence filled the room," writes Valkanas, "before the senior arts leaders steered the conversation to other issues."[16]

Given leaders' discomfort with the idea of succession, avoidance may be the natural response. Ultimately, the leader reaches what former Yale University psychologist Daniel Levinson describes as the "point of no return," where the question shifts from "Should I leave?" to "What's next, not only for my work, but my life?"[17]

Getting Started

Getting to a clear decision to move on generally requires a good deal of forethought. This thinking can be triggered by a floating sense of restlessness or by proactive concern about what is best for founder and organization. Either way, what results is a period of self-reflection for the founder that looks at two key questions:

1. What's going on?
   - Do I still want to lead this organization?
   - Is it right for me? For the organization and its needs?
2. Am I ready to make a decision?
   - Am I physically and emotionally ready to take on this important life question?
   - Am I financially ready to make a change, whether to retirement or another position?
   - Do I have the necessary support systems in place to go through what is an emotionally and intellectually challenging change process?

Work with founders through the Annie E. Casey Foundation has revealed a mix of executive ambivalence, fatigue, and unease that can complicate the process further.[18] This loss of balance or focus does not necessarily connote the "point of no return," but signals that some change is needed. For example, one founder felt burnt out and began executive coaching. A three-week vacation to Europe re-energized him and led to a renewed commitment to his organization. Thinking about transition and even taking a break, therefore, may not necessarily mean a transition is imminent.

Depending on the presenting circumstances, this private reflection period can last months or even years. At some point, some action becomes necessary. Possibilities include:

- Formulating the key personal and professional questions raised by the prospect of transition;
- Taking a long vacation or sabbatical to prepare for or to begin exploring the decision to depart;
- Getting professional consulting or support around the transition decision; and/or
- Setting an initial timeline for deciding or for departing.

From Reflection to Assessment

Reddington and Vickers, in *Following the Leader: A Guide for Planning Founding Director Transition,* point out that as a founder begins to think about moving on, a new kind of leadership is required. "It is not the leadership of imagining a new thing, or creating, building, sustaining, and renewing that thing.… [Your organization's] culture is the outgrowth of your personality, and its ways have been your ways. But now your leader wisdom needs to focus on a new set of issues. The new issues can be categorized by two kinds of challenges: the leadership of preparing the way and the leadership of letting go."[19]

Letting go is not easy, particularly for leaders for whom control is important.[20] For founders who choose to face the question of "letting go" proactively, the private reflection period is often followed by a second and more intentional private assessment phase. Here, the founder privately launches both "letting go" and "preparing the way" activities. (For some, this work may already be well under way; for others it is a new initiative and a major adjustment.)

The founder begins to broaden his or her circle of trusted confidantes, who help ask the hard questions. For some, one or two friends or mentors serve as informal sounding boards. Others combine this work with an executive coach. Still others create a small "trustee advisors group" that meets periodically to provide personal and confidential guidance and support.

Ott, describing her experience leaving the Buffalo literary organization she founded, clearly captures some key questions informing this part of the process: "Should this organization survive beyond the founder?" "Does the founder want it to?" "Do the board and supporting community want it to?" "Why?"[21]

It is through this private assessment process that the founder faces the "point of no return" and begins to envision new options. The founder of a national training organization, for example, wondered privately about the financial viability of his organization. In his personal assessment work, he developed three exit strategies that addressed his concern and provided choices for the board. He also undertook a number of organizational strengthening initiatives focusing on expanding resources, sharpening strategic direction, and developing the board to increase the odds the organization would survive and thrive after his resignation.

Peer networking in confidential and safe environments has also proven valuable to founders during this personal assessment period. In "Next Steps" workshops sponsored by the Annie E. Casey Foundation, we have found that founders and long-term executives:

- Get a needed opportunity to address the isolation so often associated with transition decision making;
- Develop a usable framework and language for thinking and talking about transitions with others; and
- Become clearer about the issues related to their own transitions, particularly the timing of their departure and their role in the transition period.

Without personal clarity about what is best for both the founder and the organization, the odds of a positive ending decrease significantly. The founder faces a paradox: he or she must look rigorously at what is in his or her personal best interest (often after having sacrificed and put the organization first for many years) and at making decisions that are in the best interest of his or her organization and successor.

About Timing

Founders often wonder when and how to go public about their intention to leave their organizations. What is the right amount of notice to give? Some are concerned about creating too long a lead time and becoming a "lame duck" leader. Others want to ensure proper treatment of their legacy by thoroughly orienting and "training" the new executive. To do this, they envision a long overlap period, perhaps six months or a year.

There are no hard and fast rules about the length of a transition process and when to publicly announce a founder's exit. It is both a personal and organizational decision that should be negotiated based on what is best both for the executive and the organization. To use the executive transition management (ETM) process (see page 16) fully, it typically takes six to nine months to complete the preparation, recruitment, and selection phases. Given the complexity of founder transitions, a one-year notice is often needed for an active and thorough ETM process.

Other factors that influence the timing of the announcement include:

- **The founder's ability (emotionally, physically, intellectually) to stay engaged and make a positive contribution to the transition.** Where burn-out or other factors are in play or the board has lost confidence in the founder, a much shorter time frame supported by an interim executive may make sense.

- **Whether the founder and board have already worked on succession planning or leader development.** If this has occurred, some of the transition planning work may have been done or can be addressed more quickly. In these cases, a six–nine month public announcement period may be appropriate.

- **If departure-defined succession planning has occurred.** Where a general (two–three year) or specific (e.g., when I turn 60 in May 2006) timeline is agreed to by the founder and board, the important step is to firm up the date and make it public nine–twelve months prior to the actual date. Vagueness about the timing (e.g., five years that ends up being ten years or really meaning never) or too much flexibility can be detrimental. The process of letting go is challenging for everybody. Clarity about when the transition is "real," therefore, is important to a successful ending.

Transition and Installation Timing

Once the transition is more active and public, other considerations begin to predominate. Where relationships are positive among the executive, board, and staff, an organization can take longer than the normal six to nine months to complete the search. The overlap period between the founder and new executive may be driven by the needs of the new executive and the organization's ability to afford it. On-call consulting for a month or two may be sufficient. For complex organizations, an in-the-office, part-time overlap of the new and departing executives for a few weeks may be useful. The new executive does not generally benefit from an extended overlap, which may counter her or his ability to effectively assume leadership.

Founders in Transition

In 1969 the National Economic Development and Law Center (NEDLC) was created as a vehicle to support the work of legal services organizations. In 1986, James Head joined the staff as executive director, and in 1989, became president.

Under James' leadership, the NEDLC became a national leader. He successfully expanded the group's funding base to include several national foundations including the Ford Foundation, the Mott Foundation, the Annie E. Casey Foundation, Hewlett Foundation, San Francisco Foundation, and the David and Lucille Packard Foundation, among others. He and the NEDLC staff developed a powerful niche in workforce development, child care, and community development. Additionally, Head, an African-American, played an important symbolic role in the national nonprofit sector, where executives of color continue to be underrepresented.

Roger Clay (left), Executive Director of NEDLC, and former Executive Director James Head.

When Head decided to step down in 2003, the board looked at several options. It was familiar with the work of executive search firms but new to the executive transition management (ETM) process. (See page 16.) After some initial skepticism and dialogue, the board embraced the ETM approach and asked for an extensive organizational assessment.

The assessment provided a process through which NEDLC could consider the changes in executive leadership that would help the agency keep up with changes in the external environment. In retrospect, board member Griffith Garwood says that the assessment gave the board and transition team a clear look at NEDLC. "A national board meets infrequently, and it is hard to get a handle on the organization," he recalls. "The document also proved very useful to our applicants, a number of whom referred to the assessment in our discussions."

Following a four-month search process, NEDLC successfully hired Roger Clay, a former partner in a housing development and real estate law firm and most recently a senior adviser to nonprofits and public agencies with an international management consulting firm. Clay hit the ground running. While maintaining the continuity of NEDLC's broad strategic direction, he made visibility an organizational priority and laid the foundation for a more integrated management structure.

"I said, if you're not willing to have someone come in and change things then I'm not the right person," Clay remembers. "They were clear about what they were looking for. What gave me the most comfort was that they communicated to me that they were ready for and wanted change."

This is tough, complex work. One of the challenges of midlife is determining what one needs to do differently to be successful going forward. Founders are used to trusting their instincts and are not as a rule tormented by doubt. Letting go of something they've co-created and value deeply can shake that confidence and may require uncomfortable doses of self-reflection, and in some cases, outside support.

Preparing the Way for Transition

The transition process depends on the circumstances and the founder's timing for departure. This personal reflection and assessment period generally results in decisions about what preparation work makes organizational sense before the founder resigns her or his position. Departure circumstances vary widely. Some founders are retiring or moving to a less active work life and therefore have some flexibility about their end date. Others are heading to a new position with varying lengths of notice ranging from 30 days to six months to even one year.

Founders planning on moving to another position often take some time to make and ultimately announce the decision. Talking publicly about the planned departure is different from beginning an "internal" preparation period for transition. Doing this internal preparation work does not require going public.

The following are three typical scenarios and some of the options that founders and their boards may consider in preparing the organization for major leadership change.

Scenario One: Departure in 18 months to 3 years

Here, the founder has a certain or fairly clear date in mind by which he or she plans to leave, and this date is 18 months to three years or more away. In this scenario, there is ample time for preparation, which may include one or all of the following:

- *Strategic planning*
  Revisiting and updating the strategic plan—including a review of mission and vision—can be quite helpful to transition planning. The challenge is to balance setting the direction of the organization while leaving room for the next executive to make his or her mark. The more time left before the planned departure, the more detailed the planning process can be. When the departure is two years or less, a review and freshening of the plan may make more sense than launching a full-blown strategic planning process. Depending on when the last plan was done and the level of involvement by the board, this process connects board and staff to future decision making. In the best cases, this can create greater organizational capacity that will be critical to the next leader, particularly if the board leads the process and the founder steps back.

- *Board and/or organizational self-assessment*
  If a strategic plan is already in place, a more limited board and organizational assessment may be sufficient. There are a number of organizational and board self-assessment tools available. (See www.transitionguides.com for a list of assessment tools and how to access them. Some are available and can be downloaded at no cost from the Web.) A board self-assessment is a powerful tool for helping a board look at how it currently operates and creating a vision for how it wants to change. Strengthening the board prior to a founder's departure makes sense as more will most likely be required of board members as they step up their leadership during the transition process. Similarly, an organizational assessment provides a helpful map of the organization's current health and vitality, the strengths to build on, and challenges to address.

- *Succession/sustainability planning*
  Succession planning is a relatively new practice among nonprofits. Approaches and terminology are still evolving. Generally speaking, succession planning has to do with sustaining the work of the organization over time through attention to its leadership, programs, and systems. For some, the primary focus is ensuring a smooth transition among key staff and board positions. This approach is generally focused on preparing to replace these pivotal leaders.[22] For others, succession planning focuses on leadership and staff development in the entire organization, placing it centrally in the strategic planning process and the day-to-day organizational culture. This approach is sometimes referred to as "leader development" planning. For still others, succession planning involves a broader look at the entire organization and its programs, systems, and leadership. The intent of this process

is to look at the organization's sustainability through the broadest lens possible.

Depending on time and the organization's resources and needs, a board and founder may focus only on "emergency succession," that is, what happens if the founder or another key leader is unexpectedly unavailable to perform his or her duties. On the other hand, an organization with more time may choose to launch a broader succession planning effort in the context of organizational sustainability or planning.

- *Key competencies and relationship review and development* A review of important staff competencies and relationships with funders and stakeholders may also be carried out either as part of a broader assessment or as a discrete step of its own. In either case, it is critical is to examine the role the founder and other key leaders play in carrying out these functions and managing these relationships. This helps sharpen the picture of where there may overdependence on the founder. In turn, it provides an opportunity to begin any needed cross-training on important competencies and to hand-off or share crucial organizational relationships.

Scenario Two: Founder departure planned in one to two years

This time frame is usually too short to launch any major planning initiative. Instead, it is more helpful to conduct a focused assessment that creates clarity about organizational strengths and competencies and begins the process of preparing for life after the founder. Here, it is important to pay close attention to the board and its capacity to manage the transition and provide leadership to the organization. A year or so out, the focus really shifts to putting in place the executive transition management (ETM) process. This may sound like a long time to a founder and some board leaders. In reality it goes quickly, and the complexity of founder transitions generally requires at least a whole year for effective ETM.

Scenario Three: Founder departure in less than a year

While a longer period is generally preferred, founders and their organizations may have fewer than 12 months to prepare for transition. For some leaders, health or family responsibilities can make it impossible to continue. For others, a milestone birthday approaches, converting a nagging feeling about moving into an active transition. A change in funding or the nature of the work may lead to disengagement. A once-in-a-lifetime opportunity may come along. In all of these shorter-term situations, the ETM process described below is the recommended focus for founders and boards facing a transition. Deciding on the leadership structure for transition and considering the need for an interim executive are two important early steps in this work.

Active Transition and Executive Transition Management (ETM)

Whatever the period of early preparation, the time to move into active transition eventually occurs. This shifts the focus from planning and assessment to conducting a thorough ETM process.

A number of practitioners—including CompassPoint, TransitionGuides, Maryland Association of Nonprofit Organizations, and other transition consultants—have developed a unique approach to reducing the risks and maximizing the potential of the active transition period. This ETM model combines traditional executive search and organizational development services in a way that can be tailored to the transition and broader needs of any agency. In particular, these services are designed for organizations ranging from start-ups with no budgets to those with annual operating outlays up to $10 million—groups not typically served by traditional search services both because of cost and the broader range of services required.

ETM is a comprehensive strategy for managing the entire transition process from the current executive's departure to the new leader's successful launch. This innovative approach consists of a flexible set of practices that are widely adaptable but take place in three identifiable phases.

PREPARE: Transition and Search Planning

The ETM process begins with preliminary transition planning. This makes certain that the organization's executive leadership needs are addressed during the transition period. This planning also confirms or clarifies the organization's strategic direction and should identify the transition-associated implications of this strategic focus. This planning and accompanying assessment should also lay out any capacity-building efforts necessary to prepare the organization to provide a solid platform for the next director.

PIVOT: Search, Selection, and Organizational Preparation

ETM activities in this middle phase generally include a diligent and proactive outreach process that involves everything from establishing a diverse and qualified finalist pool through the formal hire itself. All of this work is conducted with the organization's growth and development in mind. Transitions are a time of organizational vulnerability, and very importantly, a period of heightened opportunity. As the organization becomes somewhat "unglued" in this in-between time, board and staff have to change to address issues left over from the departing executive's tenure, prepare staff for a new leadership approach or style, and/or do needed financial or infrastructure strengthening. This effort can have powerful and positive long-term effects.

THRIVE: Post-Hire Launch and Support

In this final phase, the organization plans and conducts an appropriate welcome for the new executive. The executive, in turn, develops an entry plan, which is a brief personal document outlining learning goals and relationship-building priorities. As part of a social contracting process, the board and executive create a leadership agenda, a more public document that captures the agreed-on priorities for the first 12 to 18 months. They become clear on their respective roles, responsibilities, and key expectations. Importantly, they define systems for monitoring and evaluating board and executive performance.

If you would like to read a fuller description of the ETM process, please refer to "When the Boss Bails-Surviving and Even Thriving After a Change in Leadership" in the Fall 2004 issue of *The Stanford Social Innovation Review*, or visit the website of the Annie E. Casey Foundation at www.aecf.org/initiatives/leadership and download a copy of *Capturing the Power of Leadership Change: Using Executive Transition Management to Strengthen Organizational Capacity.*

The approach is tailored to the organization and its unique transition needs. Services are often configured in ways that capitalize on the board's skills and volunteers' help to carry out key tasks and reduce overall costs. The result is a positive, forward-looking relationship between an executive who fits the organization's current and future leadership needs and an organization and board prepared to work with this talented new leader.

Final Thoughts: Legacy and Letting Go

While the ETM process follows a tested model, no simple recipe exists for founders seeking positive transitions. Each founder and organization is unique. Like an estate, a "legacy" has significant value and must be handed on. For the founder, the legacy may be personal and perhaps idiosyncratic. In some cases, there may be a financial or marketable value to the legacy as well. The founder's challenge is to detach sufficiently to engage in a process of clarifying what about his or her legacy the organization should sustain. From this more objective position, the founder can posit what is non-negotiable for the next executive and what is subject to change.

These discussions confront the founder with both the wonder of what has been accomplished and the possibility that valued ideas, strategies, or programs may be lost. Guided or facilitated story-telling about the organization, its history, and work is one way to identify and begin to clarify the founder's legacy—for both the founder and the organization. Important data about the organization's culture and what is valued can rise to the surface. This process provides a way for the founder, board, and staff to explore the organization's "sacred" values, which should be sustained under new leadership. For example, a national organization engaged in workforce development clarified its commitment to a democratic and inclusive management philosophy through a story-telling process.

This, in turn, helped to shape the competencies it sought from its new executive.

Some founders find it helpful to draft an "ethical will." This is a statement of what they think is important and valuable about the organization and its work. It also may describe what the founder wants to hand off to the next executive and what he or she hopes for the future.[23]

For the board and organization, updating a strategic plan or revisiting the mission, vision, and direction of the organization can also sharpen the founder's legacy. Boards and founders face a balancing act of getting sufficient clarity about direction from the founder to hire the right executive, while leaving enough room for the new executive to contribute. As deVries points out, founders who look for a "clone" to keep everything the same once they leave are often disappointed in the results.[24]

Clarifying the founder's legacy is important to the communication planning around the transition. This plan may include two or three sentences about how the founder wants to be remembered and for what contributions. Similarly, this statement can describe what the founder's next focus will be and will help develop his own new sense of identity. The communications plan may also address how the founder will be recognized or honored going forward and how and over what time period the board will select a successor.

Besides their legacies, all founders have their shadows or weaknesses. Sometimes in the pain of letting go, the founder's many positive contributions may even be overlooked. Undue attention may focus on organizational areas needing improvement. It is important for both the founder and the board to provide a balanced, and to the extent possible, positive perspective on the founder and his or her contribution.

Typically, the transition process becomes public between six and twelve months before the founder's desired exit date. Founders typically choose one of three distinct ways to assist the board with transition management. These include:

1. **Hands-on management**
   The founder continues to lead the board in making key decisions. He/she decides if an interim leader is needed, if outside transition or search assistance makes sense, reviews resumes, and recommends candidates. This approach may appear efficient, but generally does not leave room for the board to assume its full responsibility in the transition or to take advantage of any capacity-building opportunities that may present through the transition process.

2. **On-call resource**
   The executive defers to the board the key decisions about how to manage the transition process and the selection of a successor but remains on-call to help. Boards may need to be strengthened and/or encouraged to step up to the transition period's often time-consuming responsibilities. Using the transition process to bolster the board and its involvement is usually in the organization's—and founder's—interest.

3. **Hands-off involvement**
   This is a more radical strategy, foreign to most executives. However, it may be best in some circumstances. Here, the executive does his or her private planning, announces his or her resignation and a date, and lets the process unfold. This situation occurs when the board leadership has sufficient experience to guide the process, or the organization needs to end its dependency on a founder or long-term executive.

Any of the above options can work. Option 2 is most typical and seems to work best for most boards and their founders. Option 3 can also be quite effective. Option 1 is generally the thorniest choice, as it tends to cloud the ending work and makes the new beginning for the successor and the organization more difficult. In all cases, an intentional choice should be made that reflects an agreement between board and founder, seeks to strengthen the organization, and is supported by sufficient internal and external resources.

(Excerpted with permission from Adams, Tom. "Departing, Arriving, Surviving and Thriving: Lessons for Executives." *The Nonprofit Quarterly.* Winter 2002, pp. 6-11.)

Letting Go and Leaving

Community Ministry of Montgomery County

Founders in Transition

After 25 years as executive director, Lon Dring, a larger-than-life leader who founded Community Ministry of Montgomery County (CMMC) in Maryland, decided to retire.

"I was worried stiff about this whole thing," he recalls. "I'd made up my mind that when I turned 65, I was going to do something different. But I was clueless about what I was supposed to do and what the board was supposed to do. I knew the board had to be stronger, and people needed to identify someone other than me with the organization. I didn't want 25 years of work to go down the drain."

Dring's personal confusion intensified when he informed his board chair about his plans for retirement, which was still two years away. The board chair expressed a different worry: "Could anyone follow in Lon's footsteps?" Dring himself—perhaps less aware of his reputation and personal power—minimized the challenge and wanted only that someone who cared and was right for the organization should follow him. He wanted to do the right thing to help support an orderly succession.

Community Ministry Executive Director Becky Wagner (left) with former Executive Director Lon Dring.

Despite his initial uncertainty, normal for such big life changes, Dring made three decisions early on that contributed to his successor's and the organization's success in coping with his retirement. First, even before beginning to speak publicly about his retirement, he helped the board recruit new members with more nonprofit experience. From this outreach, a new board chair and a more engaged board emerged. While deferring more to the board was challenging, Dring knew the board had to be stronger if the organization was to thrive after his departure.

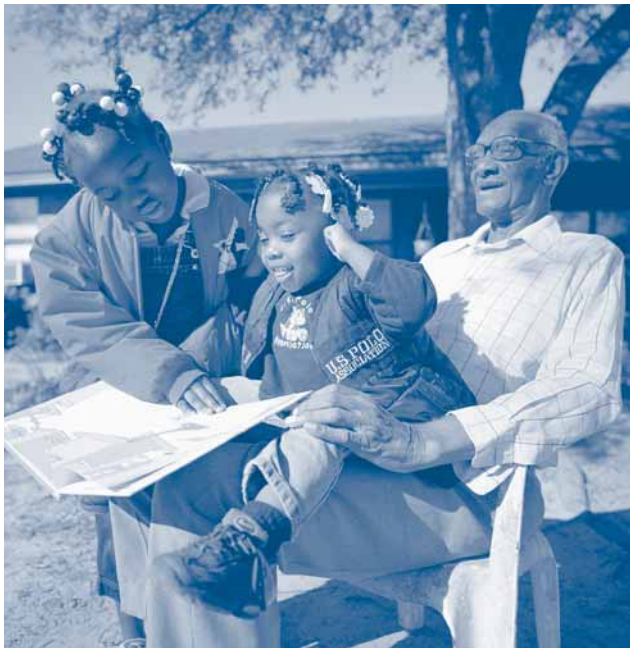
Next, he identified and recommended to the board an executive transition management (ETM) consultant to work with the organization through the entire transition process. Dring checked in with the consultant and sought his counsel about questions of timing and process. CMMC was just completing a strategic plan, also part of Dring's exit strategy, and quite helpful to the transition process.

His third decision and perhaps most difficult was to let go and leave the successor selection to the board. Lon attended only one meeting of the Transition and Search Committee—its first—and shared his thoughts about the process and desired attributes of his successor. After that he was kept informed through monthly conference calls with the Transition Committee chairperson and the ETM consultant. Dring also had breakfast once a month with the consultant, both to stay informed and to talk about his own letting-go process. When the finalist pool was established, the board invited Dring to meet with and provide input on the candidates to the search committee.

Ultimately, the board hired Becky Wagner, a veteran housing volunteer and former aide to a U.S. Senator. Five years later, CMMC is thriving under Wagner's leadership, and Dring continues to enjoy retirement, which includes a part-time pastoral position.

A large number of "new beginnings" for founders, organizations, and the nonprofit sector are largely unavoidable. A significant percentage of nonprofits are currently run by these long-term leaders—at least one-third according to recent research. Perhaps two-thirds of these are over 50.[25] As baby boom executives retire during the next few decades, founder and other transitions will increase in frequency, requiring careful and imaginative approaches to these challenging periods.

On the whole, founders are gifted entrepreneurs who love to imagine and build. In the nonprofit sector, they work their creative magic under enormous constraints. The challenges of creating a stable funding infrastructure and the costs of growth are omnipresent. Finding "unrestricted operating support" is extremely difficult, as often becomes evident when a successful founder leaves and a successor tries to sustain the founder's programs.



Facing the growing number of transitions is a tremendous opportunity for the sector. It is a chance to celebrate founders' contributions and to understand better their unique and essential roles. It is also a moment to be intentional about the hand-off to a new generation of leaders and to encourage dialogue about the values, ideals, and principles that are the bedrock of our critically needed organizations. Similarly, these transitions will give us the opportunity to look at the need for larger systemic changes that will make the work of future founders and all nonprofit leaders more results-oriented and rewarding.

We encourage founders, long-term executives, and their successors to join with their boards, funders, and allies to prepare for these new beginnings and the big changes ahead. This will ensure that their organizations remain strong and that they continue to provide critically needed services that benefit families, communities, and our nation as a whole.

Resources

Websites

To read all of the monographs in the Executive Transitions Monograph series, please see the Annie E. Casey Foundation's website at www.aecf.org/initiatives/leadership.

TransitionGuides, with support of the Annie E. Casey Foundation, has developed a comprehensive website on leadership transitions (www.transitionguides.com). This site includes articles, detailed bibliographies, case studies, and more on ETM oriented to founders and other executives, their boards, and successors.

CompassPoint Nonprofit Services is a leader among management support organizations and executive transition service providers. Its website (www.compasspoint.org) includes information on services, links to its popular Board Café e-newsletter, and excellent articles and research reports on related topics.

Books and Publications

The following are specifically written and recommended for founders:

Linnell, Deborah. "Founders and Other Gods," *Nonprofit Quarterly* (Spring 2004) 8-17. A well-written article with lots of examples that puts the founder's challenge in an organizational, life-cycle context.

Reddington, Emily and Vickers, Donn. *Following the Leader: A Guide for Planning Founding Director Transition,* The Academy for Leadership & Governance, Akron, OH, 2001. Call 614-228-7444 to order this informative 33-page booklet.

Stevens, Susan Kenny. *In Their Own Words: The Entrepreneurial Behavior of Nonprofit Founders,* Stagewise Enterprises: Long Lake, MN, 2002. Also, Stevens, Susan Kenny, "Helping Founders Succeed," *Grantmakers in the Arts Newsletter* (1999) 2-3. The first is the most comprehensive study of nonprofit founder executives located in our literature review. The second is a short and very insightful article. For copies, contact: publisher@stagewiseenterprises.com.

The following are books and articles on transitions generally and leadership transitions specifically. They offer a broader context and understanding of the transition process for the founder and her/his board.

Bridges, William. *Managing Transitions,* New York: Addison-Wesley Publishing Company, 1991.

Gilmore, Thomas North. *Making a Leadership Change*, New York: Authors Choice Press, 1988, 2003.

Weisman, Carol and Goldbaum, Richard I. *Losing Your Executive Director Without Losing Your Way.* San Francisco: John Wiley & Sons, 2004.

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Adams, Tom. "Departing? Arriving? Surviving and Thriving: Lessons for Executives," *Nonprofit Quarterly* (Winter 2002) 6-11.

Adams, Tom. "When the Boss Bails–Surviving and Even Thriving after a Change in Leadership," *Stanford Social Innovation Review,* (Fall 2004) 54-56.

Wolfred, Tim. "Stepping Up: A Board's Challenge in Leadership Transition," *Nonprofit Quarterly* (Winter 2002) 14-19.

Endnotes

[1] The Internal Revenue Services Master File of Tax Exempt Organizations reports an increase of charitable organizations (501c3 and 501c4) from 406,000 to 561,000 between 1977 and 1987. By 1997, the IRS reported 835,000 charitable organizations.

[2] In 2001–2002, Maryland Association of Nonprofits and the Annie E. Casey Foundation both surveyed executive directors and received responses from over 100 executives in each survey, including community-based organization executives in the Casey survey and member executives of MD Nonprofits. For MD Nonprofit executives, 77% planned to leave within five years, and 39% were founders or long-term (over ten years' tenure) executives. For Casey grantee executives, 85% planned to leave within seven years, and 52% were founders or long-term executives, of whom 33% were founders. Studies by CompassPoint Nonprofit Services (2001) and the CEO Roundtable of Community Foundations (2003) report similar findings.

[3] While this monograph is written primarily for nonprofit founders, many of the issues apply to transitions involving long-term executives. A long-term executive is one who has served long enough to make a lasting mark on the organization and whose name is closely associated with the organization's identity. This can happen in five or ten years or more quickly when an executive leads a major turnaround or repositioning. Long-term executives and their boards and supporters are certainly encouraged to read the monograph.

[4] Boards and founders often make an implicit assumption that the work of the organization ought to continue and a new executive is needed. While this is generally true, founder transitions work better when there is an explicit discussion among the board about whether the organization needs to continue, and if so, their commitment to lead that effort. In some instances, boards decide either to merge with another organization or go out of business.

[5] Stevens, Susan Kenny. *In Their Own Words: The Entrepreneurial Behavior of Nonprofit Founders,* Stagewise Enterprises: Long Lake, MN, 2002. After a thorough literature review, she reports that "… the research on nonprofit founders is…sparse…."

[6] Herman, Robert D. and Heimovics, Richard D. *Executive Leadership in Nonprofit Organizations,* San Francisco: Jossey-Bass Inc., 1991.

[7] Stevens, Susan Kenny. "Helping Founders Succeed." *Grantmakers in the Arts Newsletter,* (1999) 2–3.

[8] Stevens, *In Their Own Words.*

[9] Block, S. and Rosenberg, S. "Toward an Understanding of Founder's Syndrome: An Assessment of Power and Privilege Among Founders of Nonprofit Organizations."*Nonprofit Managementand Leadership,* (Summer 2002) Vol. 12, No. 4.

[10] Linnell, Deborah. "Founders and Other Gods." *The Nonprofit Quarterly* (Spring 2004) 8–17.

[11] Block, G. and Rosenberg S.

[12] Wolfred, Tim. "Stepping Up: A Board's Challenge in Leadership Transition." *The Nonprofit Quarterly,* (Winter 2002) 14–19.

[13] In 2001, the Annie E. Casey Foundation conducted a consultative session with founder and long-term executives to better understand their process and concerns in considering transitioning from leadership. This session made clear the ambivalence and mixed emotions that founders experience in considering transition, as well as the importance of support for personal decision making for founders.

[14] Bridges, Williams. *Managing Transitions,* New York: Addison-Wesley Publishing Company, 1991.

[15] deVries, Manfred F. R. Kets. "The Dark Side of CEO Succession," *Harvard Business Review,* (1988) 56-60.

[16] Valkanas, Alene. *Succession: Arts Leadership for the 21st Century,* Chicago: Illinois Arts Alliance Foundation, 2003.

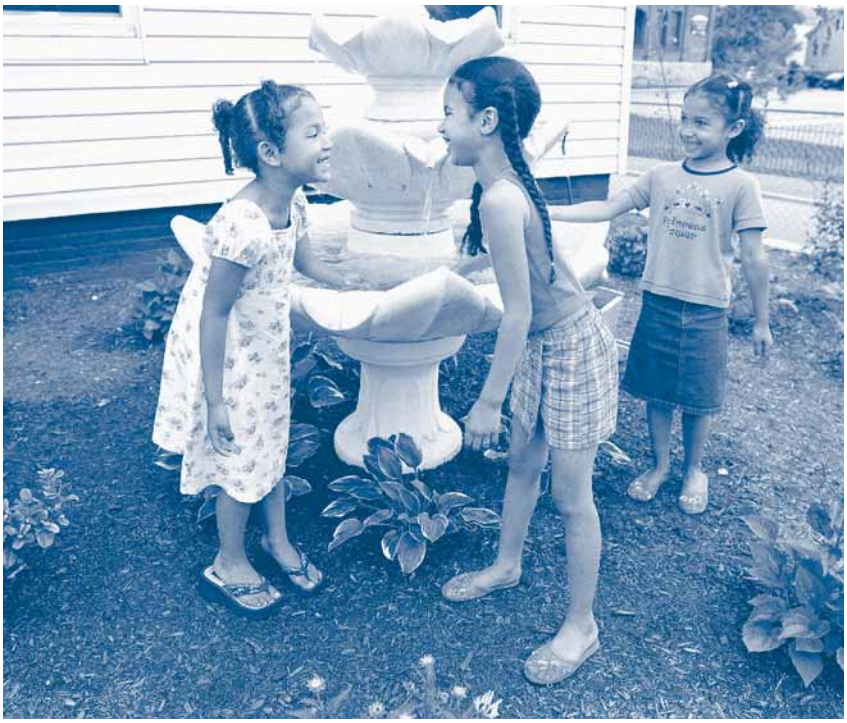
[17] Stevens, commenting on Daniel Levinson's theory of life structures (*The Seasons of a Woman's Life,* 1996), makes this point in *In Their Own Words,* 26.

[18] Annie E. Casey Foundation Consultative Session with Founder Executives, 2001.

[19] Reddington, Emily and Vickers, Don. *Following the Leader: A Guide for Planning Founding Director Transition,* the Academy for

Leadership & Governance, Akron, OH, 2001.

[20] Stevens, in *In Their Own Words,* 13-14, compares nonprofit founders to entrepreneurs and cites 1966 work by Rotter on the entrepreneur's internal locus of control and Bandura's more recent work on self-efficacy to help understand the founder's "can do" attitude. She also references the strong sense of "calling" or mission among entrepreneurs, and as cited, the influence of early childhood development on predisposition to achievement and control. From these observations, it would appear that there are a number of factors that contribute to the founder's inclination to "control," making the "leadership of letting go" more challenging for some.



[21] Ott, Debra. *About Face: A Guide to Founder Transition.* Treadwell, NY: Bright Hill Press, 2001.

[22] Conger, Jay A. and Fulmer, Robert M. "Developing Your Leadership Pipeline." *Harvard Business Review,* (2003) 1-8.

[23] For more information on legacy, see www.thelegacycenter.net or www.womenslegacies.com. For more information on ethical will as an approach to legacy planning, see www.ethicalwill.com.

[24] deVries, *Dark Side,* 56.

[25] See endnote 2.

Executive Transitions

Thank You's

We would like to thank the nonprofit organizations' leaders and executives who have participated through their use of ETM services and related workshops. Their contributions to the development of this capacity building approach—along with those of the participating consultants, interim executives, and foundation staff—have strengthened, shaped, and refined the ETM model.

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CMMC Staff	P. 20

Executive Transitions

The Annie E. Casey Foundation
701 St. Paul Street
Baltimore, MD 21202

410.547.6600
410.547.6624 fax
www.aecf.org

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evelyn & walter HAAS, JR. fund