NONPROFIT ORGANIZATIONS

Practical Guide to Succession Planning

FXG PARTNERS

Who's Next?

Nonprofit leadership transitions are becoming more frequent, but most organizations are not prepared. According to *BoardSource*, only 27% of nonprofit organizations have a formal succession plan. While planning for who – and what - is next may seem like a daunting process, it doesn't have to be.

Getting Started

Nonprofits often rely heavily on a small group of dedicated leaders. A departure can leave a significant void, potentially disrupting programs, fundraising, and stakeholder confidence. A thoughtful approach to succession planning can prepare any organization to mitigate these risks and take on any transition - planned or unplanned - with confidence.

So why are so few nonprofit organizations prepared? A little awkwardness and a lot (or lack) of time and resources. Some organizations feel like succession planning starts with asking a leader when or if they plan to leave (awkward). Others look to the for-profit sector and see formal, intensive processes that are a part of well-resourced talent management strategies (time and resources).

Succession planning for nonprofits doesn't have to look or work that way. Nonprofits can take a practical approach that balances proactive thinking with common sense next steps. Read on to learn more about the five steps any organization can take today.

Key Ingredients

No matter how your organization approaches succession planning, there are two ingredients for success:

Board and Leader Engagement
Board members and key leaders must both play an active role in succession planning. The Board Chair should oversee the process, establish protocols, and ensure alignment with the organization's mission and vision.

Documentation & Communication
As an output to proactive planning conversations, leaders must capture key decisions and outline procedures in a written plan. The plan should be communicated to select stakeholders to foster transparency and trust.

1) Make Time for the Conversations

It seems straightforward enough, but simply dedicating time to have intentional conversations about key leadership roles, evolving organizational needs, and potential approaches to the future can be very powerful. The most progressive nonprofit organizations establish a predictable cadence and timing for succession conversations (e.g. connected to a quarterly board meeting or end of the fiscal year). These organizations also take an inclusive approach and include a variety of board and organizational leaders in the conversations.

2) Maintain “Living” Role Descriptions

Organizations evolve and so do leadership roles. Instead of waiting to update a role description when faced with a hiring need, continually maintain descriptions to reflect the organization’s strategic direction, programs, and operational realities. Regularly reviewing and updating these descriptions - ideally annually - helps the board and leaders identify skill gaps, anticipate future needs, and develop initiatives accordingly. This proactive approach also fosters transparency, supports accountability, and reduces uncertainty during transitions.

3) Know Where To Look For Candidates

Don’t wait for a transition to think about where and how to search for a candidate. Internally, staff with strong performance records, alignment with the organization’s mission, and leadership potential can be cultivated through mentorship, training, and stretch assignments. Externally, nonprofits can tap into sector-specific networks and mission-aligned communities, including volunteers and donors who may already be invested in the organization. Potential external partners such as search firms can also be identified in advance.

4) Plan Ahead for Communication

Effective communication during any transition is critical. By developing communication plans in advance of a transition, organizations can help ensure all stakeholders receive timely, consistent, and transparent information. The most progressive organizations focus on the “who”, “when”, and “how” aspects of communication by mapping audiences, establishing who will communicate, and prescribing appropriate channels. With that work done in advance, leaders can focus more energy on the “what” when a transition arises.

5) Have Your Interim Plan Ready

Every organization should have a short-term contingency plan in the event of a sudden leadership departure (or unexpected leave of absence). This plan should include assignment of interim leadership responsibilities, protocols for communication, and a summary of key institutional knowledge (e.g. access information for key accounts or contact information for vendors or partners) to ensure continuity. Contingency plans should be documented in writing, shared with relevant stakeholders, and revisited on annual cadence to ensure they are current.

Flexible HR Support for Nonprofits

FXG PARTNERS

Our proven HR practitioners provide the expertise and capacity you need to solve your immediate HR challenges and ensure that your approach to people and culture powers your mission.

Your People Challenge

Effectively building, retaining, and developing your team can be the difference between meeting your goals or falling behind. But, managing your people and culture takes time and resources.

How are you optimizing your approach? You need a solution that combines expertise and capacity while flexibly supporting your evolving needs. And, you need it all at a cost that makes sense.

Our Unique Model

Many leaders find themselves unable to afford internal HR resources. FXG Partners offers nonprofit organizations another way with flexible HR support solutions that embed directly in your organization.

Flexible Solutions

We meet you and your organization where you are with a flexible partnership that complements your operations and your current approach to HR.

Proven Practitioners

We are HR leaders with deep functional knowledge and years of operating experience. We have been there before and will help you avoid missteps.

Cost Effective & Efficient

Our model is more cost-efficient than going alone or with other support. Our tools, templates, and proven approaches also make work go faster.

How It Works

1 Determine Goals & Objectives

Understanding your challenges and desired outcomes is our first priority, whether they are high-level or tactical.

2 Customize Your Partnership

We will then develop a customized and flexible partnership drawing from our suite of solutions to meet your needs.

3 Kickoff Our Work Together

We will kickoff with a meeting to align stakeholders and priorities, while also conducting a current state assessment.

4 Evaluate and Adapt

We then maintain a regular working cadence to measure progress and re-assess needs, adapting our approach as needed.

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If you're looking to optimize your approach to people and culture in 2025, reach out to us at inquire@fxgpartners.com or 943-200-7199.