

**Agility in a Time of Change:****Transition Services**

“Change”, with a capital ‘C’, describes life within an organization in the midst of a transition in senior leadership.

When searching for a new CEO, most organizations do not hesitate to spend considerable time and resources to find the best candidate.

But has the organization spent the resources to make this candidate successful? Do their 90-day expectations include:

1. Establish relationships with major
  - a. Donors?
  - b. Nonprofit clients?
  - c. Board & Committees?
  - d. Legal & Investment Advisors
  - e. Civil Society?
2. Establish working relationships with existing staff?
3. Develop an understanding of the strategic and operational issues they face?
4. Forge and communicate a de-facto operating plan, with decisive actions on needed expense management and revenue enhancement proposed for board consideration.



**Transition Services** provided by Yeager and Assoc. provides the analytics and industry knowledge to maximize the effectiveness of the new CEO’s first 90 days. It provides frank assessment of the current fiscal strength, staff capability and operations effectiveness key to effective decision making. It allows the new CEO to focus on the myriad of relationships that must be built, and to develop and test the directions they envision for the foundation.

The services offered will be directed by and provided to the new CEO. Whether the CEO chooses to share elements of the analysis and recommendations with the board or staff is at their discretion. The emphasis is on making the individual effective as quickly as possible. The services will begin with a broad outline based on the Yeager and Assoc. assessment methodology, but will evolve to meet emerging needs.

Staff retention and turnover is always a concern during executive transitions. Just as the engagement seeks to provide the resources to make the new executive a success, so too does the engagement strive to enable success for staff.

The pages that follow provide further details about this service. Scope and terms will vary greatly depending on the size and situation of the organization.

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<http://www.dougyeager.com/joomla/about-yeager-and-assoc/leadership.html>



## **A. Executive Transitions: A Time of Uncertainty**

A turnover in executive leadership is different in for-profit versus non-profit enterprises.

- Roles are simply not as well defined, and unclear boundaries breed misunderstanding and control issues.
- Nonprofit staffs tend to be more “invested” in the cause behind an enterprise, leading to disagreements that fester under the surface.
- The mere prospect of an employee being separated represents not only the loss of income, but a rejection of the person by their cause.

The new Chief Executive Officer, (CEO, a.k.a. President or Executive Director) is expected to be an agent of change. As hard as such a transition is in the private sector, to a nonprofit it represents clinical trauma. Persons experiencing high levels of anxiety are prone to dysfunctional behavior.

Just as a powerful storm makes its own weather, executive change can create a drama that distracts and diverts attention away from the real work to be done. Fear, uncertainty and doubt (FUD) raise their head both inside and outside the organization.

Internal organizational health is an antidote to FUD drama, and frank knowledge of capacity key to constructive change. The transition services offered here provide clarity and focus designed to counter-balance the drama of FUD, and offer a better chance that the new CEO can focus on the myriad of relationships that must be built.

## **B. Assessment:**

A multi-dimensional assessment tailored to the community foundation field will be used to evaluate the foundations. This tool includes elements designed to capture data about traditional business practices as well as emerging markets. It will include staff interviews and collection and analysis of historic data.

- Financial Analysis: an analysis of expenses and revenues will go beyond the bottom line to explore sources of revenue, assess comparative fee structures, examine expense ratios relative to workload and evaluate the fiscal strength of the operation.
- Trends in Gifting: what are the operational implications of shifting patterns in giving?
- Trends in Granting: how does granting activity compare with other foundations?
- Operations Assessment: Does the foundation have a track record of improving the efficiency with which it does its business? Are some activities consuming a disproportionate share of resources?
- Staffing: How effective is the current staff in their assignments? Are there role boundary issues that inhibit performance? Are there gaps in skills needed to operate a foundation?

The depth and scope of this assessment will be defined in consultation with the CEO. It can include more formal survey instruments and comparative analysis, or stay with established sources; it can include varying degrees of interaction with staff; it can produce working charts or presentation quality graphics.

**C. Recommendations:**

Whilst the foundation assessment relies on established methods, the resulting recommendations emerging from the analysis are completely organic and reflect the diversity of clients served. Foundations are different in many ways:

Tangible Attributes	Engagement	Management
Asset size and type of funds held	Degree of engagement with donors	Foundation corporate culture
Geographic reach	Engagement with nonprofits	Organizational structure
Use of supporting orgs and affiliates	Partnerships w/ government & private foundations	Delegation of responsibility
Emphasis of large or small gifts and/or grants	Nature of programmatic vision	Innovation

The diversity of results mirrors the diversity of foundations. However, the recommendations tend to fall into three groups:

- Confidential: executive briefings will provide a sounding board for the exploration of sensitive issues and options.
- Privileged: The research and analysis and resulting recommendations performed within the assessment are designed to be fully transparent to stakeholders. As a frank document, they are not designed for public consumption.
- Public: At the request of the CEO, an executive summary will be prepared to describe the process and resulting actions of the assessment. For instance, donors and grantees may appreciate a level of transparency that in essence says: "after an internal analysis, here are the things we are going to work on over the next year".

**D. Action Planning & Monitoring:**

At the direction of the CEO, the list of recommendations can be formalized into an action plan. The plan summary reflects decisions made by the CEO concerning the priority and timing of the list. The resulting document provides detailed analysis of the 3-5 initiatives critical to the short term management of the foundation. (See "From Wish-List to Action Plan" for an overview).

Project management is successful when it begins with a plan that includes specific actions to be performed (such as the action plan), and the follow through to keep participants focused on the subject. It is recommended that such sessions be scheduled at 30 days, 3 months, 6 months and 12 months.

**E. Terms:**

The variable scope of services under this proposal makes pricing a challenge. The following is only a model, to be formalized in an engagement letter:

- Duration: The initial assessment will take one month and about 80 hours. The Action Plan will take another month, but only 32 hours. Follow up monitoring will take 8 hours at the first month, and 4 hours subsequently (at 3/6/12 mo).
- Fees: Experience shows that this engagement works best when performed on a fixed price basis (using estimated hours at \$150/hr)
- Scope: work outside of scope will be performed by mutual agreement.
- Summary project updates will be provided on a monthly basis.
- Travel costs will be expensed.