

# A Legacy Lives On: The Mayer and Morris Kaplan Family Foundation's Successful Leadership Transition

By Dinaz Mansuri and Mollie Bunis

*Ask any family member and they are usually able to identify the current family leader. This is the person around whom everyone gathers; the person who takes responsibility for family networking, intervenes in family disputes, reminds others of the family's history and generally serves as the glue that holds the family together. And when this family matriarch, patriarch, or other family leader dies, sadly many families struggle to maintain their shared bonds.*

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The same holds true for family foundations. Vibrant and successful family foundations often have a family leader that inspires family involvement, manages family dynamics, and provides direction. When this leader dies, particularly if it is the founder of the family foundation, the emotional and organizational loss can be deeply destabilizing for the family and the foundation. Family foundations that wish to continue to grow and engage future generations must successfully weather this period of instability and reconfigure themselves around new family leadership. This is probably the most significant change a family foundation will experience and many family foundations fall apart after the founder dies.

The Mayer and Morris Kaplan Family Foundation, which was established in 1958, recently experienced just such

a leadership transition when its founder, Morris "Morry" Kaplan and his son Burt Kaplan, also an integral member of the foundation board, both died in 2011. Morry and Burt were clearly the family leaders. They worked in the family office which housed the foundation and were the ones that family and staff looked to for guidance, motivation, and direction on foundation matters. When they died, the family foundation faced an uncertain future. As David Kaplan, a 4th generation board member put it, "There was a moment of holding your breath and wondering how the family was going to react to the change and whether or not they would continue to participate in the foundation." Recognizing the significance of this transition, the family undertook a formal process for navigating the change and planning for the future.





As the National Center for Family Philanthropy continues its ongoing focus on the topic of transitions, this *Passages Issue Brief* shares the Kaplan family's experience with transition—the factors that contributed to their success and those that challenged them—in hopes of helping other families who will inevitably face leadership transitions of their own. Of course, each family foundation is unique and what has worked for the Kaplan family may not be appropriate or practical for other families. Family culture, values, size, and staffing are just a few of the variables that can influence how a family might navigate a leadership transition. But families facing leadership transitions will typically confront the same fundamental questions the Kaplans grappled with:

- How will we work together moving forward?
- Should we even keep the foundation going?
- How can we integrate the next generation?
- What should we focus on, given our generational and geographic diversity?
- How can we honor the family legacy?

Drawing from the Kaplan's experience, this article shares several important ingredients that we believe help answer these questions and ensure that a family foundation can live on (and thrive) following a leadership transition. These ingredients include:

- A foundation that plays a central and positive role in family life
- Cultivating and articulating shared values
- Permission to evolve
- Valuing and addressing family leadership
- The presence of effective and committed staff leadership
- Undertaking a formal process facilitated by an external consultant

### **A FOUNDATION THAT PLAYS A CENTRAL AND POSITIVE ROLE IN FAMILY LIFE**

Much has been written about the importance of preparing for leadership transitions and we couldn't agree more. Interestingly, for the Kaplans, the most valuable preparation wasn't a succession plan or formal training for the next generation. Rather, it was how the foundation was woven into the fabric of the family. As the founder and patriarch, Morry created an environment that encouraged family participation and engendered a strong desire across generations to see the foundation continue and to succeed into the future. This commitment to the foundation and its central role in the family motivated the Kaplans to do the necessary work (and it was work!) to successfully navigate the leadership transition. At the same time, as Beth Karmin, a 4th generation board member put it, "If the group can respect one another and enjoy working together, it makes the work easy and fun."

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The foundation was a part of Kaplan family life, and designed as a truly family affair. The family would gather a few times a year for foundation meetings and everyone was invited. Even though only direct descendants above the age of 18 were voting board members, spouses and kids of all ages were welcome to come and offer their perspectives. Nobody had to choose between being with their immediate family and participating in the foundation. Foundation meetings were



## ABOUT THE MAYER AND MORRIS KAPLAN FAMILY FOUNDATION

In 1958 Mayer and Morris Kaplan, father and son, established The Mayer & Morris Kaplan Family Foundation as a manifestation of their commitment to “Tzedakah,” a Jewish concept of helping others and encouraging justice. A large portion of the foundation’s resources came from the 1986 sale of the family’s business, Sealy Mattress Company, and a bequest of funds from lifelong friend Jerome Joss.

Five generations of Kaplans have served on the board of the foundation since its inception. Today, the foundation is led by three generations of family and a dedicated staff of professionals.

Historically, the foundation has focused grantmaking in the city of Chicago in multiple program areas including arts, education, social services, environment, and community organizing. In 2009, to allow Trustees living outside Chicago to better engage in the work of the foundation, the board expanded grantmaking beyond Chicago to include parts of California and the Rocky Mountain West. Today, the foundation makes grants focused on education and the environment in these three regions, while remaining committed to supporting programs and initiatives that forge a more progressive, inclusive and democratic society.

For more than 50 years, Morris (Morry) Kaplan’s strong leadership guided the foundation and inspired his children, grandchildren, and great-grandchildren to embrace philanthropic responsibility. Morry remained actively and passionately involved in the activities of the foundation until his death on June 1, 2011. Morry’s vision for the foundation was that it would not only promote philanthropy, but would also bring multiple generations together to discuss important issues and enjoy time together as a family. Today, Morry’s vision is reality—the family gathers throughout the year to make strategic and thoughtful funding decisions, and the ongoing participation of each generation honors Morry’s legacy and continues to shape the spirit and future of the foundation.



4th and 5th generation Kaplans working together.

Morry’s oldest son, Burton Kaplan, helped to establish the foundation’s philanthropic vision and remained an integral member of the board until his death in March of 2011. Much of the foundation’s grantmaking was guided by Burt’s commitment to providing educational opportunities for the underserved and his passion for art of all kinds. The legacy of these two leaders continues to influence both the family and its philanthropic endeavors.

### Mission Statement

The Mayer and Morris Kaplan Family Foundation is a multi-generational family foundation inspired by a tradition of Tzedakah, lifelong learning, and a commitment to social justice. We are dedicated to advancing educational opportunities for young people and promoting the sustainability of our natural environment. We focus our efforts in Chicago and in communities in which family members live.

### Vision Statement

Through family engagement and a commitment to lifelong learning, the foundation strives to improve under-resourced communities by focusing on issues of social justice. Utilizing a rigorous, compassionate, and innovative approach, we endeavor to strengthen our own family as well as families in our communities.



a time for this geographically dispersed family to come together and get to know cousins, aunts and uncles, nieces and nephews and grandparents. The meeting agendas always included time for the family members to visit and enjoy each other's company. Meetings often also included an educational component, which engaged the family and enhanced their work.

As Morry wrote in one of the foundation's historical documents, "Gathering as a family is the most profound aspect of our work. It has been a true gift to sit with my extended family three times a year to ponder how to best husband our resources to meet the challenges of our time. We've played together, learned to love and respect each other, and remained together..." With this deep commitment to family and the family foundation, the Kaplans were well positioned to continue. They just needed some help making sure that they had all of the pieces in place to carry the foundation into the future.

### **CULTIVATING AND ARTICULATING SHARED VALUES**

Shared family values also helped the Kaplans confront their leadership transition. Let's face it: it is much easier to work together when you have values in common. By being inclusive, respecting everyone's perspective no matter their age, sharing his love of learning and his commitment to giving back, Morry promoted these values in the rest of the family. The foundation provided a forum to both cultivate and live the family's shared core family values.

While there was a sense among the family that they had shared values, they had never formally articulated these core values. An important early step in their process was to identify their core values and spend time clarifying what those values mean. The family discussed a list of potential core values and surfaced additional values using Motivational Values Cards developed by 21/64. Through facilitated conversation and follow up work undertaken by a few family members, the family aligned around 5 core

values—family, learning, rigor, responsiveness, and social justice—and developed values statements to ensure common meaning. Doing so demonstrated to the Kaplans how much they have in common and gave them confidence in their ability to address the challenges before them. Their shared values provided a set of principles against which to weigh decisions made as they planned for the future and these values will continue to be a valuable guide moving forward.

### **PERMISSION TO EVOLVE**

Another helpful piece that Morry established prior to his death was clear permission for the foundation to evolve. By always welcoming the fresh perspectives of each generation, conveying his implicit trust in the family's ability to lead the foundation in the future, and always recognizing the importance of remaining relevant and responsive to the times, Morry's guidance positioned the surviving family to feel free to make the foundation their own. This was extremely helpful for allowing them to take stock, with an open mind and without imposed constraints, of every aspect of the foundation as they worked to define the direction for the future.

That's not to say the family was interested in throwing out the baby with the bath water. In fact, the family was deeply committed to honoring legacy and bridging the past with the present. As Beth observed, "The foundation needs to remain alive and fresh and reactive to the present, as well as know and respect the past and look towards the future." Honoring its founders was a major motivation for family members to continue the foundation. In their process of planning for the future, the family spent time telling stories from the past, reading historical documents and watching a video that Kaja Lundevall, a 5th generation board member, put together that featured interviews with Morry and other senior members of the foundation. The family identified things from the past that they wanted to be sure will live on in the foundation. They also decided to establish a family history archive.



## VALUING AND ADDRESSING FAMILY LEADERSHIP

When Morry and Burt died they left a major leadership void. Not surprisingly, the family's greatest challenge for the leadership transition (and moving forward) was satisfying the foundation's leadership needs. Filling this void would have been easier if there had been prior cultivation and planning for the foundation's next leader. By being more intentional about leadership succession, the family could have more easily transitioned to a new family leadership structure. There would have been a greater understanding of the important role that family leadership plays and there would have been family members who were prepared to take on the leadership mantle and be recognized by the rest of the family as such.



Morry and Burt Kaplan

In the absence of this planning, the Kaplans were unclear who would step up to lead the foundation—who had the time, inclination, and buy-in from the rest of the family and what sort of leadership structure the foundation would need. Furthermore, while the family recognized the hardship that a lack of family leadership posed on staff, there was some ambivalence about the need to even have clear and formal family leadership. Morry and Burt were uniquely positioned to play a certain kind of leadership role, given their age, involvement, and stature in the community and their proximity to foundation staff. In this way, they were irreplaceable.

Additionally, the surviving family was used to being on an equal footing. Nobody wanted to step on any toes or place undue pressure or accountability on each other.

Fortunately, the Kaplans began to address their leadership challenge before the leadership void led to any significant or insurmountable negative impacts. Identifying their leadership needs and strategies for fulfilling them was perhaps the most valuable and important work the family did as they worked through their transition. The family developed a greater appreciation for what leadership provides to a foundation, articulated the qualities that they would like to see expressed in their leaders and discussed the practical aspects of ensuring effective leadership now and for the future. The Kaplans made a number of important decisions to strengthen the family leadership, such as encouraging a family member to have a presence in the family/foundation office and adding the new leader to the executive committee. They established a board development committee that was charged with creating “job descriptions” for officers, the executive committee, and board and committee members. They were also in charge of developing a New Board Member Program to prepare the next generation for foundation stewardship, and creating an annual evaluation mechanism to encourage family accountability.

By working through this transition, family members were able to practice leadership and natural leaders were able to begin to emerge. The family leadership structure began to evolve to meet the family's realities and the organization's needs. Continued attention to the foundation's family leadership needs is paramount for the foundation's success and continuity.

## EFFECTIVE STAFF LEADERSHIP

With the gap in family leadership following the death of Morry and Burt, the foundation's staff played a critical role in leading the family through the transition. The staff, comprised of the executive director and a program officer, provided both



psychic support and professional organizational leadership. They were a source of continuity and level-headedness during this difficult time in the family's life. The family could turn to staff with issues and concerns and could trust that they had a team in place to keep things together. "This was an opportunity for staff to rise to the occasion and shepherd the family through the change and to reaffirm that all will be ok in the end," said David Kaplan. "Staff reminded the family that the process can be positive. It's important for the work of staff to be exceptional during a transition to give the process validity."

Staff helped the Kaplans recognize the importance of this moment in the foundation's life and come to the decision to undertake a comprehensive and intentional process to create a framework for the foundation's future. They were also key to ensuring that the process was successful. They identified the consultants that the family retained to assist them through the transition, and provided important insights into the family context. Although as executive director Dinaz Mansuri noted, "Staff also had to be open and let the process unfold without an agenda or preconceived outcomes." Staff also ensured that implementation would happen; a transition process will only truly be successful if the family implements and executes the thoughtful decisions that they worked so hard to make.

### **UNDERTAKING A FORMAL PLANNING PROCESS**

Undertaking a formal process facilitated by an external consultant was instrumental to helping the foundation navigate its leadership transition and position itself for continued success (in the interest of full disclosure, the co-author of this article was one of the external consultants who worked with the Kaplans). Working with a philanthropic advisor helped the family and staff define their needs and goals and design a thoughtful and inclusive process for realizing them. "It was essential to explain who we are to someone else to define who we are to ourselves," noted Trustee Beth Karmin. David

Kaplan agreed, "Having a professional consultant lead the process brings energy, interest, and passion which can be exciting and motivating during a time of change."

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The facilitated process provided a structured framework that encouraged meaningful communication across generations, and promoted thoughtful discussion and decision-making, and led to positive outcomes. Professional expertise grounded family decision-making in good practice and provided a broad perspective relative to options and considerations. Families often find it helpful to know how other families "do it."

Interestingly, when the Kaplans first decided to seek outside assistance, their purpose was limited to finding a facilitator for a family retreat to revisit the foundation's mission and put structures in place to prepare for the involvement of the next generation of Kaplans. The board had recently revised their grantmaking program and wanted to update the mission to reflect it. The board and staff had also begun to look at governance, formalizing the roles and responsibilities of board members, and clarifying the committee structure, and were looking to complete this work.

Through conversations with the consultant to define the scope of their work together, it became clear that the foundation was at an important juncture in its life cycle. This was an opportunity to take a step back and take stock of the foundation as a whole and create a framework to ensure success and continuity moving forward. Therefore, a critical



first step in the process was to conduct an in depth assessment of the foundation and get a full picture of the family's perceptions related to the foundation's current construct and their hopes for the future.

In addition to reviewing key foundation documents, the consultant interviewed each of the 15 Trustees, spanning three generations, and surveyed spouses, most of whom participate on foundation committees, as well as the next generation who will soon be ready to join the board. The consultant also met with staff to garner their perspectives about all aspects of the foundation. Questions covered perceptions related to legacy, vision, values, mission, governance, leadership, grantmaking interests, family dynamics, and the foundation's role in the family. This discovery process proved

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quite fruitful. As Trustee David Kaplan observed, it was important for the foundation "...to take a top down approach, look at everything about the foundation, [ask] questions such as who are we now and how we should proceed...and look at the fabric and core of the foundation to ensure that it still holds great value for us." The discovery process helped family and staff reflect on and develop clarity about their hopes, questions, and

concerns relative to the foundation, and provided a valuable opportunity for sharing perspectives with each other. Family members were hungry to know how other family members were feeling about the foundation. The discovery process also surfaced themes that clearly identified the issues the foundation needed to address to position itself for continued success. This was a critical step for designing a process to achieve positive and enduring outcomes.

Each family and family foundation will enter a leadership transition with different strengths and challenges and will therefore need to address different areas in the transition process. The key is to assess the foundation relative to what research has shown to promote success and continuity across generations and to address any gaps. For this part of the process, NCFP's *Generations of Giving*, which provides an in-depth analysis of leadership and continuity of family foundations, provided a helpful backdrop for helping the Kaplans understand their strengths and challenges and determine what areas they needed to address.

Ultimately, over the course of two family retreats in a span of nine months, and work conducted in between meetings, the Kaplans worked on: understanding family history and legacy; defining shared values; developing a shared vision and mission; strengthening their current and preparing for future leadership; and aligning around a grantmaking program—all with an eye toward making the family foundation something that everyone wants to participate in moving forward. A family working committee was established to preview meeting materials and provide input into the process. This helped cultivate family leadership, move the work forward, and create buy-in. By the end of the process the family had fully recommitted to the foundation and had new mission, vision and values statements, a refined grantmaking program, a new leadership structure, a plan for bringing on the next generation of Kaplans and an action plan for implementation.



### KAPLAN FOUNDATION TRANSITION TIMELINE

**1958:** Foundation was established by Morry and his father. Morry's wife Alice, and their three children Burt, Bob, and Jean, were all involved early on. Burt's wife, Anne, was also part of the early, and more informal, years of the foundation.

**1990's:** First staff was hired.

**March and June 2011:** Death of Morry and Burt respectively.

**November 2011:** Decide to Retain Outside Assistance.

**March 2012:** Began formal facilitated process with discovery, including a review of foundation documents and giving history and family/staff interviews and surveys.

**April 2012:** Working Committee met to discuss findings from discovery and provide feedback on preliminary family retreat agenda and background materials.

**May 2012:** Family retreat, which began over dinner and continued through the next day, culminating

in another family dinner. This first meeting focused on legacy, leadership, values and vision.

**May 2012:** Working Committee met to debrief retreat, affirm summary and action plan, finalize mission and vision statements and determine next steps.

**August 2012:** Additional discovery conducted related to mission and grantmaking program, including a grant history analysis and a family survey.

**September 2012:** Working Committee met to review findings from discovery and begin to develop recommendations for a refined grantmaking program.

**October 2012:** Working Committee met to review materials and prepare for family meeting.

**November 2012:** Family retreat, which began over dinner and continued through the next day. This meeting focused on refining the foundation's mission and grantmaking program and implementation of decisions made at the first meeting.

**December 2012 and beyond:** The work continues...

To successfully embark on this work, the family needed to commit significant time and resources into the process, and success required buy-in from the entire family before moving forward. What compels a family to invest in such an effort will vary and timing is everything. A family must be ready and motivated to embark on this sort of undertaking. For the Kaplans—with the loss of Morry and Burt, the next generation joining the foundation, and the recent shift in the grantmaking program—it was clear that they were in the midst of an important transition. The foundation played a valuable role in the family and they wanted to

ensure that it continued to do so. For the Kaplans, this work wasn't about making big changes, but instead, it was about strengthening and building on the foundation's long and proud history.

### CONCLUSION

Transitions can be accompanied by uncertainty, vulnerability and anxiety, but these moments of change are also wonderful opportunities to reassess, reaffirm, explore options, and renew commitments. As Dinaz observed of the Kaplan's experience, "Transitions are never easy and this process for the foundation was no exception.



The family had to be willing to be vulnerable and honest in confronting their emotions and vision for the future. Above all, they had to be willing to put in the time and energy. I'm proud of the work we accomplished as a group—it took courage and hard work and the family was engaged from beginning to end.”

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Only time will tell whether the Kaplan Foundation will succeed in the long-term, but all signs are positive that they have successfully navigated this difficult transition and are well-positioned for continued success into the future. While in many ways this process reaffirmed much of the foundation's existing approach, it was also transformative. By revisiting and collaboratively making decisions about key areas of the foundation, the surviving family members reclaimed their sense of ownership and embraced their leadership of the foundation.

“Going through this process allowed each family member to ‘buy-in’ and have a voice in the foundation's future,” concludes Dinaz. “It gave

everyone a shared experience that has led to greater engagement and investment and a better understanding of the importance of collective thinking and action.”

Families who have a deep commitment to their foundations and a respect for each other, invest in a thoughtful and inclusive process for defining their foundation for the future, and ensure that their leadership needs are addressed, are well-positioned to make the most of a leadership transition and enjoy the act of giving together as a family for generations to come.

### ADDITIONAL RESOURCES

A variety of additional resources on the topic of successful transitions in family philanthropy are available in the National Center's Knowledge Center. Featured resources include:

- Buhl, Alice, 2011. *A Letter to Seniors (and Will Be Seniors): Planning for Your Future in Philanthropy*. Washington, DC: National Center for Family Philanthropy.
- Buhl, Alice, 2008. *Passing the Baton? Generations Sharing Leadership*. Washington, DC: National Center for Family Philanthropy.
- Esposito, Virginia, 2003. *Successful Succession: Inspiring and Preparing New Generations of Charitable Leaders*. Washington, DC: National Center for Family Philanthropy.
- Esposito, Virginia, 2013. “Transitions in Family Philanthropy,” presentation at the CEO Workshop in San Jose, California on January 27, 2013.
- Gersick, Kelin, 2006. *Generations of Giving: Leadership and Continuity in Family Foundations*. New York, NY: Lexington Books and the National Center for Family Philanthropy.
- Phillips, Mary, 2010. *Choosing and Preparing Your Grantmaking Successors*. Washington, DC: National Center for Family Philanthropy.



**About the Authors**



Dinaz Mansuri is the Executive Director of the Mayer and Morris Kaplan Family Foundation, a multi-generational private foundation. In this role, Dinaz oversees a robust grantmaking program and manages a board of Trustees and committees which include 22 members of the

Kaplan family as well as a growing number of next generation Kaplan's. Dinaz joined the Kaplan Family Foundation in 2005 as a program officer before being appointed to lead the Foundation in 2010. Prior to her work at the Foundation, Dinaz was a Program Director at Casa Central where she developed and managed programs for low-income seniors. Dinaz has been a member of the Illinois Caucus for Adolescent Health Sex Education Advisory Committee, the Communities for Public Education Reform funders' collaborative, and the Hispanic Providers' Council. She is active with the Donors Forum where she is currently serving as Co-Chair of the Family Foundations committee and is a member of the Redesign Task Force. Dinaz has a B.A. in Psychology from Loyola University Chicago, an A.M. in Social Service Administration from the University of Chicago, and a Certificate in Nonprofit Management from the University of Illinois at Chicago.



Mollie Bunis joined Strategic Philanthropy Ltd. in 2004 and recently assumed a Senior Management role, as Director of Philanthropic Services. Her primary responsibilities include acting as a senior advisor on client engagements and helping to ensure that the best practices

that are the hallmark of the firm's continued success are maintained as the company grows. Mollie is a certified consultant with 21/64, a non-profit specializing in next generation and multigenerational strategic philanthropy and serves on the advisory board of the Center for Nonprofits at the University of Wisconsin-Madison. Mollie has a B.A. in Political Science from the University of Wisconsin-Madison, an M.A. in Applied Ethics from Loyola University of Chicago and a Certificate in Conflict Resolution from Woodbury College.

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