

Passing the Baton? Generations Sharing Leadership

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PASSAGES

EXPLORING KEY ISSUES IN FAMILY GIVING

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This is probably the first time the family foundation field has included so many well-prepared next generation members at the same time as a whole generation of longer living, active senior members. Today there are many actual and potential multigenerational family foundation boards. There are a variety of ways that generations can overlap, take charge, let go, share leadership, pass the baton.

The field has been very resourceful in promoting next generation activities. It has done relatively little to address the succession issues for the senior generation or to consider options for shared leadership between generations. This paper is the beginning of a conversation about ensuring continuity by looking at new ways to think about succession.

There are many very different pictures of the senior generation in family foundations today. One is of the vibrant 70-year-old who is still deeply connected in the community. This senior grantmaker is wise, experienced and adds significantly to the work of the foundation. He respects and mentors the next generation. The next generation values his advice and encourages him to stay on the board.

The second picture is of a 70-year-old who has become cranky and difficult. This senior resents any change. He doesn't think the next generation is very capable so won't let go of leadership. Everyone wishes he would retire.

Both of these 70-year-olds are present in the family foundation world, and sometimes in the same family (and occasionally even in the same person).

There are also many different pictures of the next generation, which is often actually the middle generation, not the youngest one.

The first picture of the next generation is of a 50-year-old daughter who has been personally involved in philanthropy much of her life, has served on the foundation board for years, and would like to see the foundation move in new directions, while respecting its heritage. She is ready to take on leadership.

The second picture is the 40-year-old daughter who doesn't know a lot about philanthropy but who would very much like to be connected socially by giving foundation money to big events in her community.

What's most clear in these sketches is that like many issues in family philanthropy,



there's no "one size fits all", either in describing or working through the dilemmas they raise. They do reflect, however, familiar patterns.

One recurring reality, for example, is that the 70 year old who is deeply connected to the community would often be the first to suggest that the next generation assume leadership. He has suggested retiring but has been encouraged to stay. The involved next generation person who is ready for leadership has such a deep respect for the role of the senior generation that she will often wait... maybe too patiently... until other philanthropic opportunities draw her attention and leadership.

So why do we have this dilemma?

Let's start with the aging process today. As one pundit said, "Age ain't what it used to be." The age of 65 today has little resemblance to the age of 65 in 1970. Some say that the marker for old has moved to somewhere between 75 and 80. (I hear voices from the middle generation saying, "Oh, dear, do we have to wait even longer?")

In addition, retirement from work or even philanthropy doesn't hold the enticement it once did. In the past, success was often defined as retiring as early as possible. Now many are defining new ways of keeping active as they age. A University of Michigan study found that the most powerful predictor of life satisfaction after retirement is not health or wealth but the breadth of a person's social network. "Stay connected to people you love, people you enjoy, and people that appreciate you and see value in your presence. . . Both long life and happiness are tied to the quality of your connections." (New Retirementality, p. 83-84)

A financial advisor says, "My most distraught clients are the retirees with great portfolios who are bored out of their minds. These individuals feel as if they have been removed from the mainstream of life, are watching from the sidelines and are not allowed to get back in." (New Retirementality, p. 6)

Popular culture and the economic news now provide many examples of resistance to such marginalization, such as Warren Buffet, still very active in his late 70s or Lee Iacocca, fabled former CEO of Chrysler, who says he flunked retirement.

So is it any wonder that the senior generation continues to be active in the foundation? They are healthier and living longer than previous generations. For some the foundation is the place to be active after retiring from other work. Many donors increase their philanthropic activity as they decrease their activity in their family business.

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The patterns of next generation have also changed. We all know that the once-traditional model of marrying in your 20s and immediately having children no longer holds for many. Now many in succeeding generations marry and/or have children later. Their availability for foundation work will differ significantly depending on whether they are going to school, pursuing a career, or parenting young children. They may have time this year but not next year.

As families of wealth move into the third and fourth generation more members may need or may choose to develop a career or earn an income. Working or gaining experience in the family business can be absorbing, leaving less time for philanthropy than parents may have had. They may want to be involved in the foundation but at a different level or in a different way than their parents.

In many foundations, there has been an extensive process to involve the next generation. Some next generation people have attended conferences for

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years; they have served on a next generation board or on the board or on committees. Some have developed projects, recommended discretionary funds, interned in the foundation, been on site visits.

In many foundations there is a very sophisticated next generation waiting ...and waiting...and waiting.

The senior generation says the next generation is not really interested, or not ready, or too busy, or doesn't have enough experience, forgetting that they were probably much younger when they began their foundation leadership. In some foundations the senior generation says the next generation isn't willing to "step up to the plate."

The younger generation says back: "You don't give me any opportunity for leadership, for real decision making. Sure I'm on the board but often we are only approving grants the seniors have already decided to make. What can I add when all we do is support organizations the foundation has funded forever for the same causes? I can do other philanthropy work where my skills are used and my abilities are taken seriously."

One family I worked with in the northeast has a very large business and several years ago appointed a 40 year old member of the next generation to head the largest operating company in the business, a significant responsibility. But in that family's foundation, the next generation, including this company president, isn't seen as experienced enough to be elected to the forum where the real decisions are made in the foundation.

Another wonderfully philanthropic family in the southeast collectively woke up when one of the next generation was elected a member of the state

legislature. Yet, this legislator was still relegated to the "next generation board," ineligible to serve on the "big board" as it's sometimes called. This family now rotates next generation membership on the board and is developing a plan for the next generation to serve as officers.

LEARNING FROM FAMILY BUSINESSES

Family philanthropy and family businesses share many characteristics, advantages and dilemmas. In both family members govern an organization together and face both organizational and family issues. However, the family business field has had a more robust research and study program that family foundations can reference

Succession and Continuity. In the family business world, there have been extensive studies on succession issues in family businesses. Kelin Gersick suggests the complications:

"The most common story about succession is the clash of two opposing forces: the senior generation's difficulty leaving, and the junior generation's difficulty waiting. It seems that if there were a formula for determining precisely the optimal moment, the best meeting point of senior and junior readiness, a high percentage of family business dilemmas would be resolved..."

"In fact the process is much more complicated than just timing. It is reflected in two words that are often used as synonyms: succession and continuity... Succession reflects the sequential aspect of the transition, as one thing needs to end and be 'succeeded' by something new. Continuity refers to the part of the present world that needs to be preserved in the new era. Both succession and continuity are essential, in proper balance, in order to minimize the disruptive consequences of a generational transition."
(*Generation to Generation*, page 95)

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It often helps to start with the continuity questions: what needs to be preserved in the new era? Families can work together across generations to clarify the philanthropic values that are the family's legacy. As seniors see that the next generation respects these values and often shares them, they are more willing to share or transfer leadership. As next generation members better understand the key values that underlie the family's philanthropy, they can find new ways to honor the values.

Once values are clarified and/or reaffirmed, then the family can consider what needs to end and what is needed to succeed it. Even though family members share philanthropic values, the next generation may have different ways of expressing those values. Senior family members may need to clarify what has been important to them and why so that the next generation makes decisions based on shared information and not just individual comments. Both generations need to work at being flexible and creative to identify what needs to end and what is needed to succeed it. These are the issues that need discussion over time, as the leadership transition is anticipated and takes place.

Characteristics of Key Leaders or Donors.

We can also learn from family businesses about the different ways key business leaders approach succession. Four styles of departure of a key leader, originally developed by Jeffrey Sonnenfeld, are often described in the family business literature. Family foundation observers will see many similar patterns in the donors and controlling trustees of foundations they know.

Monarchs. The Monarchs refuse to let go. They won't even consider succession planning. These are the people that family foundation consultants rarely meet since they don't want us in the door. In family businesses Ivan Lansberg reports, "Fueled by their compelling visions, monarchs rule until death, until forcible removal by palace revolts of the board or their subordinates, or until the firm is sold."

Family foundation monarchs may not be quite as strong, but those with compelling visions may have been so effective that sometimes there is no one willing to consider leadership following them. However, philanthropy also has monarchs without much philanthropic vision but a desire to continue

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to control nevertheless. Sometimes a health issue will dislodge a monarch, but it still often takes pressure from others.

Generals. Lansberg suggests that in business, "Generals are as determined to stay in power and control but their strategies are more devious and subtle. .By going through the motions of planning their exits, they raise hopes and expectations, only to dash them before any real change has occurred."

In family foundations, generals may agree to discuss succession planning but then postpone all the key decisions related to it. They often seem amenable but make sure a succession process doesn't work. They will have a retreat, hire a consultant but then make sure the recommendations get shelved. They will occasionally sabotage new ideas or next generation projects by making sure they have little support. Or they go along with a watered-down program that gives the appearance of attending to continuity but is actually so unattractive that the participation of the next generation is spotty and half-hearted—behavior that is then used as justification for considering them uninterested or uncommitted. (Generals would certainly deny they were doing these things.)

There are a lot of generals in family philanthropy. What I've seen often is a person who keeps saying he/she wants to retire, as soon as the next generation is "really" ready, as soon as they prove willing to step up to the plate, as soon as we clean up the bylaws, as soon as we structure the investment committee, as soon as, as soon as... Some

generals don't want to let go until someone they particularly trust is available to take on leadership, maybe a younger son or their own daughter if there are several branches.

Ambassadors turn over managerial authority but work out a continuing role for themselves as advisors. In one family foundation, the ambassador chairs a key program committee, but no longer chairs the board. In another the ambassador chairs the investment committee, but not the board. The ambassador role, if carefully designed, can be a win-win solution for both the departing senior and the next generation. All too often, however, too little thought is given to how it will actually work in practice (Keep an office/ have access to staff? Maintain or transfer personal relationships with key grantees? Represent the foundation in the community?)

Governors sever their ties entirely and move on to new challenges. Governors might spend time in their own foundation or philanthropy rather than the family's. Some governors have become involved in the work of the National Center for Family Philanthropy or other philanthropic networks, moving their philanthropic energy and experience to a different, often broader arena.

In another the ambassador chairs the investment committee, but not the board. The ambassador role, if carefully designed, can be a win-win solution for both the departing senior and the next generation.

Respect for Seniors

The third learning from family business is the importance of the respect the family gives to the knowledge and authority of elders. Kelin Gersick says it this way:

In many families, the best predictor of the level of ease and pleasure that is experienced in the

Passing the Baton stage is the extent to which the family has found ways to protect the heroic stature of the senior generation even after family management functions have been passed to the offspring. This requires that the family find ways to help seniors relinquish the power to control events in the business and the family, while reinforcing their authority and value as elders in each system (Generation to Generation, page 98).

It is not easy to let go but it is much easier if family members respect the continuing value an elder has in the family and the family's philanthropy. Seniors often have a great deal of wisdom to offer if they are asked and given opportunities to advise without controlling. Many learning opportunities are lost if the next generation assumes that the senior generation is out of touch or doesn't have anything to offer.

FACTORS AFFECTING SUCCESSION AND CONTINUITY

The recent research study done for the National Center by Kelin Gersick and his colleagues suggests a key factor that affects continuity: "What separates the 'high continuity' foundations from the others is that they do succession planning... not as a family process but rather as an organizational requirement. They think as trustees or directors, not as parents, grandparents, aunts and uncles." Questions to be asked include what kind of leadership does this foundation need to be effective now and in the future? What are the leadership skills and characteristics that we need on this board and which family members (or nonfamily members) are able to provide that leadership?

Family Size and Ages. The size of a family affects many governance decisions and certainly affects a leadership transition. Smaller families have a greater impetus to provide opportunities for leadership since there is lots to do and few people to do it. Larger families may feel as if they have to give a chance to everyone in this generation before moving on to the next. Larger families may also take participation for granted and not

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develop leadership as actively.

Where there is only one person in the second generation, that person often becomes the controlling trustee. Where there are only two siblings in the second generation, they (and often their spouse) have often had opportunities for leadership and are more likely to be ready to share or relinquish leadership.

Where there are three or more siblings, there may be several senior generation members of differing ages who want a chance at leadership. One northeastern foundation with four siblings had always assumed that the second oldest would take over when the oldest no longer wanted leadership. However, the second oldest had the first major health event. The oldest is still in charge but a plan is emerging for the next generation to become the next leaders. For leadership rotation to work well, it can't wait until the retirement of the oldest sibling.

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Opportunities for Experience, Learning and Leadership. One way families provide an opportunity for learning is to set up separate systems for the next generation, usually in the form of next generation funds. Some families provide many opportunities for participation but keep a tight rein on leadership in the foundation. Others seem to move more easily from participation to leadership.

This issue has a bit of a Catch 22 to it. Families who have helped the next generation learn may now have people ready and willing for leadership. They are knocking on the door and want an opportunity that the senior generation may not be ready to give.

Case: The Millers—at least the parents—together truly enjoy their foundation. It is a focus for them, particularly since Dad has retired from the family business. However, although each has a small discretionary philanthropic fund, the siblings don't get very involved with the foundation because they know how engaging and fulfilling it is for their parents. On the other hand, two of the siblings do get actively involved in their own philanthropy and have become quite experienced, savvy philanthropists. The two other sibs have not been nearly so involved. At the death of the parents, they have very different ideas about the future of the foundation. Some would like to have it be the center piece of the family's philanthropy. Others feel somewhat threatened by the experienced siblings who they fear will take over. These siblings had to do a great deal of work together before they were able to craft a philanthropic vision and mission they could all support.

Next generation members who haven't had as many opportunities for learning may have fewer expectations, but also fewer skills when leadership is needed.

In addition, some families emphasize experience in the foundation and believe you can't be really prepared unless you have "done your time" attending meetings or doing site visits. Other families place equal or even greater value on work or nonprofit experience.

Staffing. Foundations that have a history of family members doing the work face a particular challenge. The senior generation may have made all the site visits or done grant reviews. Even if there is now staff it is hard for some seniors to believe that it is possible to be a leader without having had hands

on experience. If the expectation is of 10 hours a week devoted to the foundation, few attending school, building a career or parenting young children will have the time.

Additionally nonfamily staff may either be compliant or caught in the middle. Long time older staff members may have been hired with skills that complement the senior generation's skills. Change could be threatening. More recent staff may have more empathy (and age similarity) with the next generation but may not have the credibility to support change.

Finally, the transition to next generation leadership raises core issues of mission, direction and resourcing the foundation. I have worked with staff who were key to helping a family move through these issues. These staff members raised questions, suggested options and provided strong support for change. But I have also seen staff who resisted and ultimately left (or were asked to leave) either because their loyalty was too strongly attached to the senior generation or they didn't have or weren't willing to gain the skills necessary to staff new leaders and/or new directions.

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CREATIVE POSSIBILITIES

In many ways the family foundation field is young. It hasn't been until the last 20 years that its members have consistently worked and learned together. The very first family foundation conference at the Council on Foundations was in 1988 with just 75 people in attendance and it is now over ten times that!

The field is only beginning to deal with the dilemma of leadership sharing and succession. Creative possibilities have to go beyond what people have done to what people might do, given what we can learn from other fields or from solutions just now being explored or implemented.

Creative possibilities also need to allow for a phase of transition, rather than an abrupt shift—a span of time with both generations sharing leadership in different ways that energize everyone. What's critical, in all these scenarios, is that the senior generation allow the next generation to make more decisions and even their share of mistakes. Possibilities also need to take into account the entire foundation and family to identify ways to strengthen both.

When leadership is passed thoughtfully and in a timely fashion, the experience can be rewarding for everyone. I have watched parents enjoy seeing their children and grandchildren begin to set direction for the foundation. Parents have an opportunity to see their children develop programs that respect the legacy of the foundation but that are important to them.

In fact, possibly the most outstanding reason to transfer leadership while staying active is that the senior generation can do a better job of assuring the foundation respects the family's historical philanthropic values. Parents and aunts and uncles can be teachers and mentors in new and very positive ways if they are willing to give up leadership. Seniors who hold on to leadership until their very late years, or even their death, risk being seen not as teachers or mentors but as the old guard who won't change. The built up desire for leadership or change can lead to dramatic and sometimes inappropriate shifts.

Here follow five possibilities (with as many permutations as our imaginations and ingenuity can summon).

Possibility #1. Create a next generation board, and make sure it has a significant role and real grant making responsibility. Next generation boards can be wonderful places for learning opportunities. They are especially good because members of the next generation get the opportunity to work and learn together. Their experience with each

other is extremely helpful when the next generation becomes the leaders.

My worry is that next generation boards can be used as an excuse for not including the next generation in leadership in the foundation itself. In addition, a number of next generation boards have fizzled. They thrive with sensitive staff work, serious responsibilities and active cooperation and interest, but not hovering by the senior generation. Some next generation boards that started out being effective because of the age and experience level of the next generation have probably outlasted their time. Maybe next generation boards should have an expiration date.

There are, in all, numerous ways to give next generation boards more leadership opportunities. The most obvious is to increase the amount they have to distribute. That leaves the senior board still with the power of final approval but can give the next generation more meaningful work. Or, the next generation board could be assigned specific governance or administrative tasks, such as nominating new board members, or drafting a new policy on board reimbursement. They could take on responsibility for a key program area.

Possibility # 2. Transfer leadership to the next generation. The practice of rotating leadership can make transitions easier. If leadership is already transferred among current leaders, it is much easier to transfer leadership to the next generation. One of the simplest and most powerful approaches is for next generation members to take over key officer positions. Senior generation members remain on the board but leadership is rotated among next generation members.

There are, in all, numerous ways to give next generation boards more leadership opportunities. The most obvious is to increase the amount they have to distribute.

The B&R Foundation began with a traditional donor who was in control. After his death, the second generation agreed to rotate leadership, among themselves and among the non family members. As the next generation reached its 20s, they were invited to serve a 3 year term on the board. Then all were given an opportunity to serve together. As the final step, an experienced next generation person was asked to serve as chair. At this point, several next generation members have served as chair and as other officers but the chair is also often held by a non family member. The second generation remains on the board.

One foundation began this with next generation members shadowing senior generation members for a year or so. They used titles like chair-elect, treasurer elect. It is expected that within two years, the seniors will no longer be officers. The next generation will take over, but the seniors will stay on the board.

It is somewhat easier for foundations with trusted staff to transfer leadership to the next generation. The staff can continue to carry forward the foundation's work even as new leaders learn their roles.

Possibility #3. Change the ratio of senior generation members to next generation members on the board. One frequent model of senior generation control is for the senior generation to maintain the majority of members on the Board with next generation members rotating on and off the Board. If current senior members want to stay on the board the size of the board could be temporarily increased to allow more next generation members to serve. At some agreed point in the not too distant future, the next generation would have a majority and be able to reflect its interests and concerns more directly. Alternately, an increase in size of the board could be done anticipating that over a three to five year period some senior members would be retiring.

Another approach might be for senior generation members to rotate off and on the board as next generation members now often do. In this model,

the senior members have an opportunity to see what it feels like to be off the Board, yet know they will have an opportunity to return.

Possibility #4. Establish an Emeritus Title.

Emeritus titles are used today, often too late to be meaningful. They are used when a board member is no longer able for health reasons to serve, or a board member has become difficult in the group. Instead, the board could agree that at a certain age, each family board member becomes Emeritus with possibly these privileges/responsibilities:

- Receive a fixed discretionary amount per year or a set lifetime gift amount that could be given at any time.
- An invitation to attend board meetings as a resource (without vote). This privilege can be abused, so careful guidelines need to be set, possibly beginning with the invitation taking effect after absence from one or two meetings. (If there are several Emeritus members, they might rotate attendance.)
- Participate in family discussions about the direction and purpose of the Foundation.
- Receive ongoing information about the foundation.
- Mentor next generation members

Possibility #5. Establish a Senior Council.

Maybe the most radical approach would be to establish a Senior Council. Essentially the foundation would use the same approach as with a next generation fund in reverse. At a certain age, all family board members move to the Senior Council. The privileges might be similar to those for Emeritus (above). However, the Senior Council could also actively meet and have an amount they could allocate together. The Board could give the Council or its members specific responsibilities or the opportunity, even the right to make recommendations on a specific program area, maybe one dear to their hearts and important to the foundation's work, but not of as much interest to the next generation.

Large families in the third or fourth generation might want to consider a progression of options within the family. A Next Generation

Board would provide an opportunity for those from 18-30 to learn to work together and learn about the family's philanthropy. The Board, for those from 25-65 would do the major program, policy and grantmaking. A Senior Board, for those from 60-90, might have more discretionary funds and mentoring responsibility.

PRACTICAL IDEAS FOR TRANSITIONS

Moving toward new leadership can be difficult, emotional and sometimes frustrating. However, when it is done deliberately and thoughtfully, it can also be helpful for everyone. Families with foundations need to take succession issues as seriously as they take estate planning and drafting wills.

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Case: The Irvings, John and Elizabeth, had four children. They were in their late 60s and very concerned because they saw very little interest on the part of their children (in their 40s) in the foundation although the siblings had been on the board for some time. They also believed that the siblings didn't want to work together. The foundation meant a great deal to the Irvings and they were sad about its future.

The siblings, in fact were excited about the foundation but saw it as Mom and Dad's. They didn't see a significant role for themselves. However, the parents were quite willing to provide greater leadership opportunities for the next generation. First, everyone worked together to agree on both new and continuing directions. Then the siblings took over as officers and leaders while the parents stayed on the board. The siblings made many changes, ultimately moving the office from its home city and hiring new staff. The parents were supportive; both the foundation and the family were strengthened significantly. Twelve years later, the Irvings are just now retiring from the board since their health is fading. The foundation is very strong with active involvement by all of the siblings.

Recently I led a conference session on this subject and was impressed with the response of a couple in the group. The couple was in their 60s but because their parents had lived long and the foundation was established at their death, this couple was very new to their foundation. However, they left the session realizing that they needed to plan and talk with their grown children about next steps in the leadership transfer. They wanted to plan to transfer leadership in 10 years.

So what are the ways a transition can happen positively?

The Senior Generation Starts the Conversation.

It's definitely best if the senior generation can do what this couple intends to do: get the conversation going in as positive way as possible. In many foundations the next generation has a very deep respect for the work and role of the senior generation. They don't want to upset their parents or aunts and uncles and imply in any way that they are no longer able to run the foundation.

In family businesses, the younger generation is often struggling with ambivalence and avoids the topic of succession (Generation to Generation, page 96). In family foundations younger generation members may not have had much experience working together, even though they have been active in the foundation. They often fear (or in some cases hope) that the senior generation will make the decisions about future leadership.

If the senior generation is willing to begin the conversation, that can be the best way to start. Sometimes that can mean a senior generation member who is not currently in leadership needs to convince her siblings or cousins that succession issues need attention.

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The Board Takes Responsibility. If you are an elected member of a foundation board you have a serious responsibility to consider its future leadership (if the foundation has chosen to exist into the future). Foundations might recognize this responsibility by including a statement in board responsibility such as, "Ensure the Foundation's long-term strength and vibrancy as a family endeavor."

The board's responsibility is serious. It is particularly serious if the key leader is fading or his or her ability to lead the foundation is in doubt. Boards must step up to their responsibility to deal with the leadership transition in a caring way. This action requires senior members and younger members working together to plan for a transition to new leadership.

When seniors are healthy and able, the board still needs a succession plan for what happens if a major health problem or accident happens and for when a succession or shared leadership will take place.

The Board's Governance Committee Does the Work. Boards need places to have conversations about the future of the foundation and the people and structures that are and will be needed to support it. A governance committee—a body often recommended for nonprofit organizations by students of the field—can fill that function, much as an Investment committee deals with the foundation's financial responsibilities. The governance committee can be charged with nominating board members and officers, considering the long term leadership needs of the foundation, board development and making sure the next generation has learning opportunities.

Boards need places to have conversations about the future of the foundation and the people and structures that are and will be needed to support it. A governance committee... can fill that function, much as an Investment committee deals with the foundation's financial responsibilities.

The governance committee can be active in helping all board members understand the importance of a succession plan. It can help direct the process to develop a plan.

The governance committee can also help figure out how to have a conversation with the senior members if that needs to be done. Sometimes a trusted non family board member or advisor can help. The committee itself should include next generation members. Ordinarily, the chair is also a member of this committee, presenting a challenge if the chair is the problem.

The Family Follows an Agreed-upon Process.

It is important to have a succession plan in place even if it isn't implemented immediately. Often a process can be negotiated to take place at a future time. Sometimes having agreed on a process, everyone relaxes because the tension has really been about who will decide future leadership. Besides, when you are 60, a retirement age of 70 may seem reasonable; at age 68, it may not.

Family members need to talk together about how a succession will take place, if not now, then in the future. This discussion is particularly important if there hasn't been a rotating chair in the past or if decisions have been made behind the scenes by family members with the most influence.

The process for choosing future leadership needs to be clear. The next generation can often figure this out with much less angst than their parents. I have worked with next generation members of all ages who were able to talk together and decide who had the skills, the time or the interest to provide leadership at a particular time. When parents try to choose there is branch tension as well as "favorite child" issues that get in the way. Often parents and aunts and uncles are quite relieved not to have to make this decision.

The process for senior generation members giving up leadership needs to be discussed and agreements developed. Creative thinking can help assure that seniors maintain key elements that are important to them as they give up leadership.

In the end, succession planning is about the personal choices each member of the family must make in order to achieve more productive outcomes for their collective philanthropic work.

The Board Chair of the Marning Foundation called me six years ago and said the foundation wanted to develop a succession plan. The current chair, a second generation spouse had been an exceptional leader for over 20 years; everyone appreciated the accomplishments of the foundation under his leadership. However there was some fear that he would want to anoint a successor who would then become a permanent chair.

We worked out several agreements that are important in succession. The next generation members agreed that the chair would be rotated in the future. The Board also agreed on a process for choosing the next Chair that would be used when the current chair decided to step down. The bylaws were changed to make these actions possible.

Two years ago, the chair had a number of medical difficulties and believed it was time to step down as chair. I worked with the Marning Foundation to help them implement their plan. All board members had a chance to weigh in but in fact, the next generation worked together very thoughtfully to determine who would be the best person to be a transition chair. They figured out a rotation process and in another year the second next generation leader, who is now vice chair, will take over.

The second generation chair still chairs a key program committee. However, the board has also established a category of Board Member Emeritus and several of the second generation members may choose this status, allowing even more next generation members on the Board.

If you are a member of the Senior Generation

- Do serious personal assessment of your role. Talk candidly with your siblings or the cousins in your generation. Talk with next generation members, and not just your own children or branch.
- Figure out a role for yourself that will also allow the foundation to move ahead. Foundation work and leadership has probably given you many talents. Are there other places you might continue to use them?
- Let go. That's tough work. Have the courage to face change and look for new adventures. Let the next generation make its own mistakes. Mentor creatively. Trust them in the way that you were trusted—or wished to have been trusted—by your elders years ago.

If you are a member of the Next Generation

- Respect and honor the senior generation. You may choose to make many changes over time, but doing things differently today doesn't mean that what was done yesterday was bad or wrong, just different. Build on the strengths of the past and acknowledge them.

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- If you would like to be a leader of the foundation in the future, get as much related experience and education as you can. In the family business field, family members are often encouraged to get graduate degrees and/or work in other businesses. They also often learn the business first by working in the production or customer service areas. One of the best ways to really learn about philanthropy is to work for a nonprofit and understand their service and financial needs.
- Be clear about the time you have available and be responsible about doing what you agree to do. Make specific suggestions about the leadership you and your siblings or cousins are willing to take on.
- Develop a life and interests besides the foundation. Your parents and aunts and uncles lived in a different time when there weren't as many opportunities, particularly for women. Remember that you will sometime be the senior generation and another younger generation will soon be waiting to take over.

Whether you are a member of the senior or the younger generation, think about your role in helping to strengthen the family and the foundation. Whether you are currently a leader or not, or hope to be one of the family's foundation leaders consider your role carefully. What can you do now to best help both those who need to let go, including possibly yourself, and how can you support those who take charge? What can you do to encourage shared leadership?

Times of transition are both a challenge and an opportunity for all family members. They require that family members consider together the role of the foundation in the family's philanthropy. If the foundation is a key element that the family wants to support and preserve, members of each generation need to renew the energy that created, has kept and will continue to keep the foundation strong. By being thoughtful, creative, caring, listening and deliberate in their succession planning, family members can together assure the continuity of the foundation.

FURTHER READING

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WE WELCOME YOUR COMMENTS.

The National Center for Family Philanthropy, a nonprofit 501(c)(3) organization, encourages families and individuals to create and sustain their philanthropic missions. In doing so, we are guided by a set of values and principles that reflect our own understanding of the importance, opportunity, and genius of family philanthropy. These values include:

1. We value the participation of individuals and families in private, organized philanthropy.
2. We value the donor’s right and ability to direct charitable assets through the philanthropic vehicles and to programs of choice.
3. We value both the concern for privacy and the responsibility of a public trust that are inherent in private, organized philanthropy.
4. We value the pursuit of excellence in philanthropy.
5. We value the role that philanthropy and philanthropic citizenship plays in a civil society.
6. We value the participation of new voices in our field.
7. We value collaboration and respect our colleagues in this work.

A full statement of these values and guiding principles is available on our website at www.ncfp.org.

Do you have an idea for a future edition of *Passages*?
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