NATIONAL CENTER FOR
FAMILY PHILANTHROPY

Succession Planning and Family Transitions
December 9, 2021

Description

Change is inevitable and can be especially complex in family philanthropy. There are a number of questions to explore to ensure the success of a collective giving effort. What are the anticipated moments of transition? What are the plans to navigate accordingly? Who is best suited—and prepared—to lead the family philanthropy effort moving forward? Is there a clear plan for succession and healthy transitions? In this webinar, learn how families have managed successful transitions and explore the necessary steps to prepare the family philanthropy for the inevitability of change.

Replay Link

View the webinar **replay here**.

Webinar Takeaways

Change, transitions, and new leadership are inevitable within a multi-generational family philanthropy, and it is important to have a succession plan that outlines the criteria and process for preparing for and selecting new leaders. Succession planning is necessary to:

- Ensure continuity: Executive and board leadership will always need to be in place to continue the work of the foundation and make decisions.
- Avoid disruption of mission and impact strategy: Without a clear plan in place, the foundation may have to pause aspects of its operations or decision making during a time of transition, leading to a disruption in impact.
- Honor legacy: Families can discuss legacy, donor intent, and family engagement throughout the succession planning process.
- Prepare and create common expectations: A succession plan names the process for ensuring leadership, preparing the foundation for an inevitable transition. The plan also builds common expectations – what to expect, how to proceed, and who is involved in the decision making.
- Consider lifespan: Succession planning creates the opportunity to think critically about the lifespan of the foundation, multi-generational engagement, and what the future of the organization looks like from a board or executive leadership standpoint.
- Engage the family: Ensuring that the family has engaged and informed future board members should be a priority for all multi-generational family philanthropies, and a succession plan will be one method for sharing how and when family members can expect to participate on the board.
- Connect with community: A succession plan should be built with the needs of grantees in mind, as well – a new executive, for instance, will need to build trust and relationships with community members and grantees.

There are four main steps to crafting a succession plan: engage, anticipate, define, act.

- Engage
  - Generate excitement about the giving effort, both within the family but also more broadly with staff, community partners, and other stakeholders.

- Communicate about the potential for engagement with the foundation, and provide opportunities for family members to get involved within the giving effort. Creating a pipeline for eventual board service is an important aspect of preparing for transitions.
    - Be sure to examine perpetuity and legacy as a family and organization. What is the lifespan of the organization? How important is family engagement over time?
- Anticipate
    - Predict expected transitions and consider unplanned ones: A long-time CEO will eventually retire, the foundation may have term limits in place for board chairs. Think about the likely situations that will arise and plan for them; consider the unexpected situations.
    - Check bylaws for term limits, age and retirement requirements: These documents may provide clarity around specific eligibility requirements and guide future decisions around succession.
    - Decide on family and community engagement: Will solely family members be eligible for board service, or are there opportunities for spouses to join the board, community board members, or an advisory committee?
- Define
    - Set goals and eligibility criteria: Think about the different skills and experiences needed on the board. For some giving efforts, it may be important to consider branch or generational representation on the board.
    - Determine roles of board/staff and develop job descriptions: Identify the specific roles for each person involved, and create job descriptions for board and staff so all parties are clear on roles and responsibilities.
    - Decide on process and budget: Name who will be involved, what the process for selection will be, and any related budget for the succession plan.
- Act
    - Adopt a succession plan and implement when needed: Adopt the formal succession plan and review over time.
    - Prepare to educate and orient: Orient board members/executive leadership to the policies and practices of the foundation, and continue to educate current and potential stakeholders in preparation of transition.

Takeaways excerpted from the "Succession Planning and Family Transitions" webinar transcript and presentation by Mary Phillips, GMA Foundations.

Resources

- CEO Transitions in Family Foundations (NCFP, 2010)
- Choosing and Preparing Your Grantmaking Successors (NCFP, 2010)
- Executive Transition Resources from BoardSource
- Family Philanthropy Transitions: Possibilities, Problems, and Potential (NCFP, 2015)
- Generations of Giving: Chapter 9 – Preparing for Future Generations (NCFP and Lexington Books, 2004)
- NCFP Family Giving Lifecycle: Succession and Legacy

- NCFP Policy Central: Board Meetings, Board Job Descriptions, and Rotation Policies
- Needmor Fund Board Job Description
- Ten Basic Responsibilities of Nonprofit Boards (BoardSource, 2015)
- One Foundation's Plan for Embracing the Next Generation (NCFP, 2009)
- Passages Issue Brief: Death, Legacy, and Leadership Transition (NCFP, 2020)
- Splendid Legacy 2: Chapter 13: Engaging the Next Generation (NCFP, 2017)
- Successful Succession: Inspiring and Preparing New Generations of Charitable Leaders (NCFP, 2003)
- Ten Ways to Plan for Board Succession and Continuity (GMA Foundations)
- Transitions in Family Philanthropy Content Collection

Panelist Organizations

- GMA Foundations
- Needmor Fund
- Virginia Wellington Cabot Foundation

Featured Speakers

Peter S. Myers, PhD, is the Chair of the Virginia Wellington Cabot Foundation and a fourth-generation member of the family. He is the Program Manager in the Office of Postdoctoral Affairs at Washington University in St. Louis. Peter advocates for underrepresented persons and is a leader in diversity, equity, and inclusion education and action. In his spare time, Peter is an amplifier of victims' stories as co-host and editor for a true crime podcast.

Mary Phillips has worked with foundation trustees, families, and individual donors for over thirty-five years, and is recognized in the field for her insight and focus on critical issues, and her deft facilitation of effective group meetings. Mary leads the GMA's consulting services and specializes in program design and assessment, governance structure, trustee orientation, planning for transitions, retreat planning and facilitation, foundation start-up services, and coaching for foundation leaders.

Mary is a founding member and past chair of the National Network of Consultants to Grantmakers, a learning community for consultants dedicated to increasing and strengthening philanthropy, and she is a past chair of Philanthropy Massachusetts, a New England-wide regional association. She is active in the non-profit community and is frequently asked to speak and facilitate workshops for Exponent Philanthropy, the National Center for Family Philanthropy, and other local and national organizations.

Mary holds a Master of Science in Leadership and Organizational Change from Regis College, and is a graduate of Emerson College with a B.S. in Business and Organizational Communication. Mary enjoys swimming, yoga, volunteering for community initiatives, taking Edx courses, and being a mother of one, grandmother of two, and aunt of 21. Her experience as a member of a very large family is the underpinning of her interest in healthy family dynamics.

Mary Sobecki is the Executive Director of the Needmor Fund, a 65-year-old family foundation based in Ohio. Mary first became aware of the work of Needmor while serving as Senior Program Officer for the Toledo Community Foundation. Lured by the call of social justice and supporting systemic change, she joined the staff in 2004, becoming Executive Director in 2017.