



Board Succession Planning: First Steps

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Board Leader Succession Planning Process

The list of steps of the Board Leader Succession Planning Process is adapted from materials developed by the Society of Human Resource Management (SHRM)

1. Establish and/or review your strategic plan
2. Evaluate current board roles and structures: confirm relevancy
 - Check alignment with strategic plan
 - Evaluate value proposition for attracting/retaining new leaders
 - Revise job descriptions as needed
3. Identify the competencies of current key leaders and prospective new leaders
 - What do we have in terms of skills, knowledge and mindsets to govern in the three modes; what do we need (Identify the gap). See page 3-5
4. Determine the key leader positions for whom successors will be identified
 - See Succession Grid Examples on page 6-7
5. Establish a “line of succession” for key positions
 - See Succession Grid Examples on pages 6-7
6. Analyze board/committee rosters for potential leaders
 - See Life Cycle of a Board Leader on page 8
7. Select/engage the high-potential members who will participate in succession planning
 - Identify gap between what the high-potential members are able to do presently and what they must do in their next leader role. See page 3-5
 - Perform leadership development activities with each high-potential member
8. Monitor progress/place new leaders
9. Evaluation

Profile of the Future-Focused Board¹

For a pool to succeed, it must have a board that is passionately committed to the mission, possesses substantial leadership skills, and is organized for strategic leadership. Nothing less will do during this time of heightened change. Boards continue to face the challenges of building long-term financial sustainability, weighing strategic restructuring options, planning for leadership succession, and more. The unrelenting pace of change challenges nonprofit boards to look and act differently. Some boards have already made the transition. They possess a number of qualities and characteristics that together define a new profile of board effectiveness.

The boards that fit this new profile possess the following characteristics:

- They are *visionary and future-focused*, spending most of their decision-making time looking forward.
- They possess an *entrepreneurial spirit*, understanding that their organizations operate in a fast-changing marketplace, which seeks products and services to meet emerging customer needs.
- The new-thinking boards' leaders are *risk-takers*, balancing the need to take chances with the traditional stewardship responsibilities of board service.
- They are *strategic decision makers* who, in partnership with staff leadership, utilize a range of planning approaches and tools.
- They are *effective communicators*, understanding the importance of good communication at all levels. They organize the board and its committees accordingly.
- They are *systems thinkers*, seeking to understand the root causes and forces that shape the issues and challenges they will face in the boardroom. They look for courses of action that will exert the highest possible leverage as they respond to those issues.
- In these “new” boards, leaders also look for creative ways to connect their organizations to the world around them, exploring and imagining new forms of partnership and alliances that will support their missions and advance their strategic plans.
- The “new” boards' leaders also have a deep appreciation of the strength of diversity. They understand that diversity helps assure a higher level of responsiveness to customers and also promotes creativity, innovation and organizational learning.

These qualities and characteristics that define effective boards equip their members to exercise a more visionary and strategic leadership style.

¹ By Frank Martinelli, appearing in *YOU and Your Nonprofit Board: Advice and Practical Tips from the Field's Top Practitioners, Researchers and Provocateurs*, published by Charity Channel Press 2013.



Three Modes of Board Governance: Fiduciary, Strategic & Generative²

The “Governance as Leadership” concept reframes the way we look at Board work with a goal to raising Board work and awareness to a higher standard. By thinking about Board work under three components: Fiduciary, Strategic and Generative, Boards can address their roles and achieve results in new ways.

Fiduciary: Focus is on “Conformance” – Control Mechanisms (Board as Sentinel)

Fiduciary duties and activities embrace the familiar “Board work” found on the agenda of any Board. Once ground level basic board functioning is in place, then in their Leadership role, Boards can take fiduciary governing and stewardship to new and higher levels of thought. Fiduciary roles include:

- Financial oversight
- Legal responsibility and accountability to members, governments & stakeholders, including liability and risk management
- Board role as the permanent entity for the organization
- Trustee role on behalf of the public, ensuring effective use of resources

Strategic: Focus is on “Vision of Intended Impact” – Direction Setting (Board as Strategist)

The Board is responsible for strategic thinking and decision making at the highest levels. Strategic thinking and wisdom can take a Board member beyond the immediate professional skills he/she brings to the table to value-added leadership in:

- Policy making for governance policies
- Problem solving
- Strategic planning
- Strategic decision making (different from the planning role)

Generative: Thinking leading to Breakthroughs – Sense Making (Board as Sense-Makers)

Working in concert with the Association Manager, generative thinking invites Boards to take a fresh look at opportunities and challenges from a broader perspective. Using knowledge and data plus Board insight, generative leadership provides long term impact and meaning to the non-profit organization by creating a fresh understanding of complex and ambiguous situations. This activity is called “sense-making” or “problem- framing”. *“When you put it that way, it makes sense”*. Generative thinking is characterized by:

- Noticing cues and clues.
- Looking at an issue from different perspectives and viewpoints. Reorganizing data into patterns, seeking different frames of reference.
- Thinking retrospectively to uncover patterns and to recognize the compelling organizational stories and history.

Generative thinking is the fun part of governance bringing a deeper meaning and value to Board service. Board members can provide incredibly valuable insight. Too often, decisions come to the Board packaged, digested and all that’s left is official Board approval. For major turning points, the Board needs to be involved when the issue is at the level of “Wow, we need to work on this”.

² Source: CentrePoint Non-Profit Management, Calgary, Alberta www.thecentrepoint.ca

Equipping the Board with Skills, Knowledge and Mindsets to Govern in the Three Modes

	Fiduciary Mode	Strategic Mode	Generative Mode
Board's role	<i>Sentinel</i>	<i>Strategist</i>	<i>Sense Maker</i>
Board activities in this mode	<ul style="list-style-type: none"> • Financial oversight • Legal responsibility and accountability to members, governments & stakeholders, including liability and risk management • Board role as the permanent entity for the association • Board member role on behalf of the public, ensuring effective use of resources 	<ul style="list-style-type: none"> • Policy making for governance policies • Problem solving • Strategic planning • Strategic decision making (different from the planning role) 	<ul style="list-style-type: none"> • Noticing cues and clues. • Looking at an issue from different perspectives and viewpoints. Reorganizing data into patterns, seeking different frames of reference. • Considering alternate futures • Thinking retrospectively to uncover patterns and to recognize the compelling association stories and history.
Action verbs that reflect this mode	<ul style="list-style-type: none"> • Oversee operations • Ensure effective and efficient use of resources • Ensure legal compliance and fiscal accountability • Evaluate AM • Monitor association results 	<ul style="list-style-type: none"> • Ensure mission is relevant • Scan internal and external environments • Monitor outcomes & impact via critical success factors and benchmarks • Review & modify strategic plan • Select the Association Manager 	<ul style="list-style-type: none"> • Discover strategies, priorities, and realities • Perceive and frame better problems and opportunities • Suspend the rules of logic to tap intuition and intellectual playfulness • Encourage robust discourse not quick consensus

Succession Grid Example

Source: Society for Human Resource Management

Key Leader Position	Incumbents	Potential Successors
Chair		
Chair Elect		
Treasurer		
Secretary		
Chair, Committee		

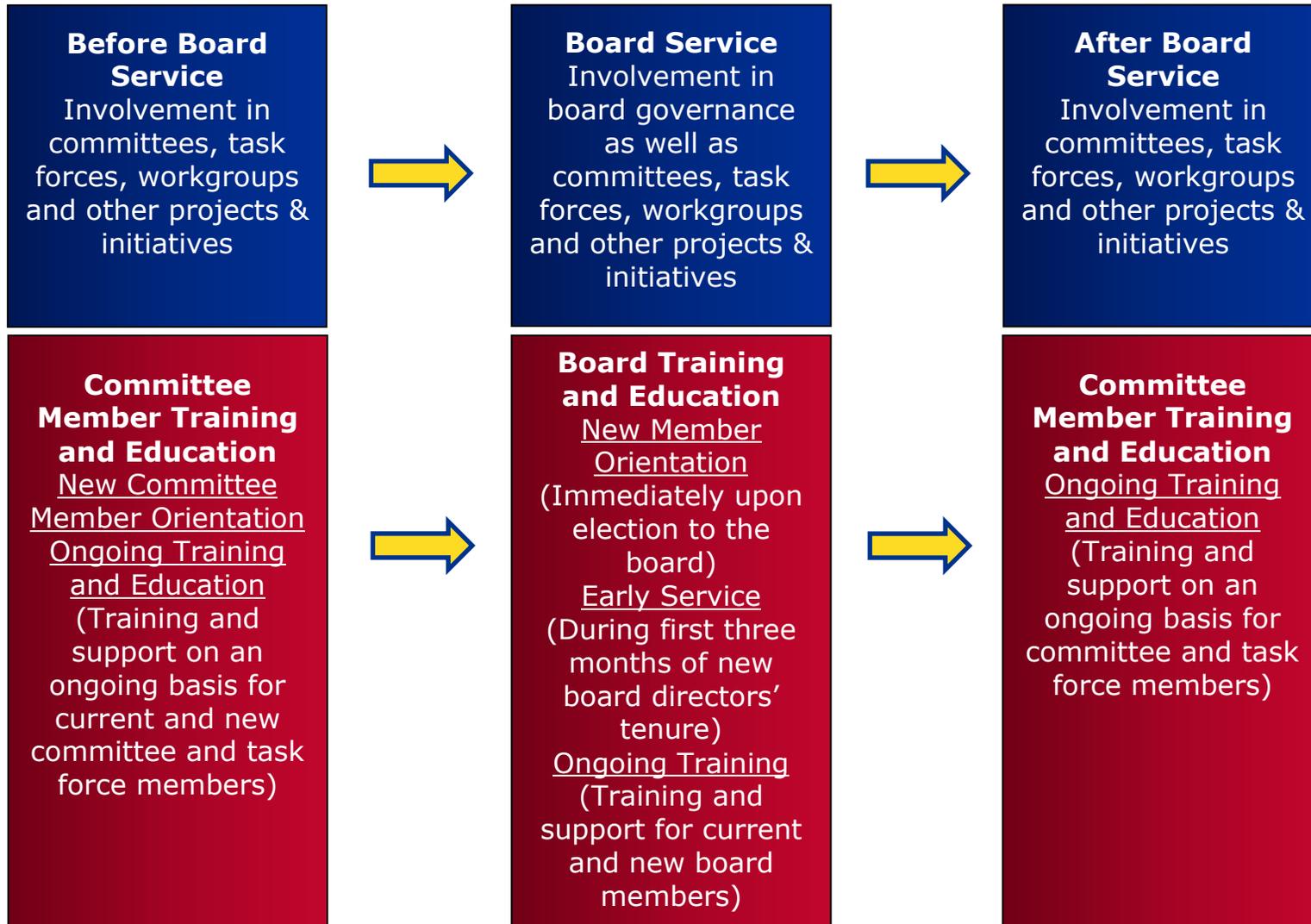
Succession Grid Example

Source: Society for Human Resource Management

Position	Current Leader	2019 Projection	2020 Projection	2021 Projection
President				
Vice President				
Treasurer				
Secretary				
Committee Chair				
Committee Chair				
Committee Chair				

Life Cycle of a Board Leader

This graphic reflects a long-term strategy to develop a board leader talent pipeline. We do this by establishing a comprehensive leadership engagement system that offers a variety of involvement options for leaders before, during and after board service. This includes board standing and ad hoc committees, task forces and workgroup structures. The goal is to develop a “feeder system” for passionate people and to find a way to channel their passion into various leadership roles.



Governance Committee Description³

General Purpose: The purpose of the Governance Committee is to build and maintain a strong Board for the organization (some organizations may fulfill the general purpose and responsibilities with varying committee structure – Nominating, Legislative, Education and Training). The Committee will establish and drive a continuous improvement process to help the Board and individual Directors become more valuable as strategic assets of the organization, contributing to our long-term success. Composition: The committee chair and members of the Governance Committee shall be board directors nominated by the Board President with affirmation by the Board of Directors. Non-board members may also serve on this committee at the discretion of the Board.

Responsibilities:

Board Recruitment

1. Review the structure and size of the Board and the Board committees. Periodically, review with the Board the appropriate skills and characteristics required on the Board in keeping with the strategic direction of the organization.
2. Identify and consider candidates for Board membership. On behalf of the Board, assess the skills and experience of prospective Board members. Present candidates to the full Board for consideration.
3. Review the institutional and other affiliations of directors and director candidates for possible conflicts of interest. Investigate any potential conflict of interest involving a director and make a recommendation to the Board for resolution.

Board Leader Development

4. Conduct assessment/evaluation of the Board, the President, individual directors, including each director's self-assessment, and Board meetings/sessions.
5. Identify leadership development opportunities for existing and potential Board members to maximize member's contributions.

Board Education

6. Plan Board education including new member orientation, education of Board members and Board retreats.
7. Plan training and education of the Board related to governance roles and responsibilities and with respect to bridging Board knowledge gaps

Board Governance Effectiveness

8. Keep up to date on developments in the nonprofit/pool governance field. Annually review and assess the governance practices of the Board and recommend any proposed changes to the Board for approval.
9. Evaluate and monitor governance structures and processes, including policy development and processes for Board monitoring/oversight of operations

³ The organization has adopted the Governance as Leadership board model. In this approach, the board operates in 3 modes of governance: the fiduciary mode, where boards are concerned with the stewardship of tangible assets; strategic mode, where boards create a strategic partnership with management; and generative mode, where the board's central purpose is to be a source of leadership for the organization in its principal role is as a "sense maker" – exploring new and potentially disruptive ideas and developments that may impact the organization in the future.