

Groom to Grow

By Jari Tuomala, Donald Yeh, and Katie Smith Milway

In Bridgespan’s organizational surveys of nonprofits, succession planning rises to the top as both an acute need and persistent gap. That’s because too few nonprofits have a system for grooming the next generation of leadership to grow their organizations. They don’t have a deliberate game plan for each phase of transition from identifying future leadership prospects to developing them and ultimately promoting them to the C-Suite.

But there are happy exceptions: the succession-planning track record of BELL (Building Educated Leaders for Life) speaks to this. Co-founded in 1992 by Earl Phalen as an education nonprofit serving a handful of school-aged boys and girls living in Cambridge, MA, by 2016, BELL was delivering after-school and summer educational programs to 14,606 girls and boys per year living in poor communities in 21 states. During this time, BELL successfully sustained not one but two leadership transitions, including both co-founder Phalen and his hand-picked successor, Tiffany Cooper Gueye.

BELL’s secret? Board focus on building an internal leadership pipeline. “Two of the most important decisions a board can make are choosing who the next leader’s going to be and making sure that leader is set up for success,” says Laurene Sperling, BELL board chair during both transitions.

Here’s how BELL learned to tap its inside talent to stay the course and fulfill its mission.

1. Build a record of success

When it comes to grooming next-generation leadership, think in terms of years, not months. By the time Phalen left BELL in 2008, he had known for three years that Gueye, a talented researcher and developer of out-of-school programs, would make an excellent leader. Recognizing that nobody comes prepackaged with the perfect set of skills and



experiences, Phalen and the BELL board identified skills that Gueye lacked—namely, management experience and external visibility—and set to work helping her to acquire them.

Phalen and Sperling hit both targets by appointing Gueye as executive director for the organization's New York region, with an \$8 million annual budget. This position allowed her to do the hiring, fundraising, and interacting with the board, building a record of accomplishment and success while burnishing her reputation both inside and outside BELL.

“By the time I became CEO [in 2008],” says Gueye, “I would say the vast majority of our stakeholders were already very familiar with me.” To support Gueye's increased responsibilities in the New York region, the board connected her to executive coaching for fundraising and a whole host of other competencies.

Then it was Gueye's turn to plan ahead. After six or so years at the helm, she put a time frame around her own departure—several years out. Gueye developed a list of core competencies that her successor, whom she had identified as BELL's President and Chief Strategy Officer Dr. Lauren Sanchez Gilbert, would need to be successful and shared them with BELL's governance committee. In this way, Gilbert would have the benefit of a nice, long ramp-up time to prepare herself to lead.

2. Get your board on board

Sperling believes the board “and especially the board chair” should play a leadership role in succession planning and leadership development. “A strong, active board provides continuity when it makes succession planning an ongoing agenda item along with talent management,” Sperling says. Once identified, Sperling personally took Gueye under her wing, where she learned how to work with BELL's board. “You have to establish boundaries, dividing things that need to be run past the board versus things that don't,” Sperling says.

As Gueye's own transition out of BELL leadership approached, to reinforce a habit of open and honest communication, Sperling spent even more time fostering communication between Gueye and Gilbert and the executive committee.

An implicit role of a nonprofit CEO or ED is chief fundraiser, so one of the most important transfers in leadership succession is that of donor relationships. The BELL board used both Gueye's and Gilbert's grooming process to plant donors firmly in their corner. Explains Sperling of BELL's success in this regard: “We were fully transparent with our major funders from the get-go. In fact, by bringing them into our succession planning process, we found our major funder was actually quite helpful—and very grateful—to have been brought along. They offered us some interesting insights and became a sought-after partner in the whole process.”

3. Meet the new boss... different than the old boss

Your next CEO isn't the only one who needs to be groomed. You also need to groom your stakeholders—staff, donors, partners, and board—to accept new leadership. BELL

discovered that the best way to forge this acceptance was to give the rising stars carefully structured chances to shine before they assumed the mantle of authority.

For example, well before Gilbert took over as CEO, she and Gueye began to co-lead the organization-wide, quarterly meetings. For presentation and discussion of near-term initiatives, Gueye took the reins. When talk came to multiyear decisions that would come to fruition during Gilbert's tenure, Gilbert took the lead. Just as Phalen had done, Gueye included her successor in key hiring decisions and donor relations activities.

As stakeholders come to feel more comfortable with, and confident in, the future leader, the current CEO must finalize the transition by passing the baton once and for all. On this score, the best thing many CEOs can do for their successors is to give them room.

For Gueye, stepping down as CEO to move abroad with her family meant a clean break, for at least a year, with plans to join BELL's board on her return.

Conclusion

Of course, not all organizations are able to promote from within on every occasion. But if you're not at least cultivating candidates, you may be hurting your long-term success. The key to strong, consistent organizational performance over time lies in making talent management and succession planning two of your organization's top priorities. "People worry that when a successful leader moves on, he takes all his institutional knowledge and networks with him," says Phalen. "That won't happen in an organization that actively cultivates future leadership from within."

THE BRIDGESPAN GROUP

BOSTON 2 Copley Place, 7th Floor, Suite 3700B, Boston, MA 02116, USA. Tel: 617.572.2833

MUMBAI Bridgespan India Private Limited (registered address) 1086 Regus, Level 1, Trade Centre, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra, 400051, India. Tel: +91.22.6628.9624

NEW YORK 112 West 34th Street, Suite 1510, New York, NY 10120, USA. Tel: 646.562.8900

SAN FRANCISCO 88 Kearny Street, Suite 200, San Francisco, CA 94108, USA. Tel: 415.627.4500



www.bridgespan.org

contact@bridgespan.org

contactindia@bridgespan.org