

The Nonprofit Chief Operating Officer

A lone ranger does not drive great results—rather, it is the combined talents of a team of senior executives working together that makes the difference. Steve Ballmer and Bill Gates, James Baker and Ronald Reagan, Dr. Watson and Sherlock Holmes—remarkable leadership is often the result of a remarkable partnership, and a strong second in command is essential to forming a successful leadership team in any organization or endeavor. Warren Bennis and David Heenan write in *Co-Leaders: The Power of Great Partnerships*, “Increasingly, corporations, countries, and other entities are realizing that top leaders and their co-leaders are not different orders of beings but essential complements: All are needed if the enterprise is to flourish.”

In today’s environment, with the increased complexity of the nonprofit executive director’s (ED’s) job, the imperative is ever greater for nonprofits to hire and retain strong senior management to complement the chief executive. This trend has led to a renewed focus on the chief operating officer (COO)—also called the deputy director, associate director, and director of operations, to name a few alternate titles.

The COO¹ role is nothing new to the sector. What is new is the formalized nature of the role and its relationship to the growing emphasis on the need for management and operations expertise in the nonprofit sector. Alan Ronkin, Deputy Director of the Jewish Community Relations Council of Greater Boston states, “In many organizations this role has gone from informal to formal. While the ED may have always had a ‘go-to’ person on staff, the increasing complexities of organizations have elevated the role beyond an informal position.”

Since January of 2004, Bridgestar and its members have been exploring the COO role through regular gatherings of executives in the co-pilot seat of their organizations for broad-ranging conversations about their work. In addition, we recently conducted a brief electronic survey of 23 COOs and a series of 16 in-depth interviews about the COO position with nonprofit COOs and EDs representing a diversity of organizational growth stages, budget sizes, funding sources, geography, missions, and individual backgrounds and tenures. While the leaders who have shared their experiences with us do not represent a statistically significant sample of executives in the nonprofit sector, we believe that their powerful insights and lessons learned can be helpful to other individuals and organizations.

¹ While organizations use a wide variety of titles to refer to their chief executives and seconds in command, for simplicity we use the terms chief operating officer (COO) and executive director (ED) here.

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Roles and responsibilities

The most salient characteristic of the COO job seems to be its variety. COO roles, and the organizational structures in which COOs operate, are highly varied across organizations and even within a single organization over time. Perhaps more than any other role, the COO position is tailored—and in some cases created or eliminated—to fit the needs of an organization at a particular point in its development. The way a COO's responsibilities are defined differs significantly depending on the organization's strategic imperatives, design, history, and culture, as well as the strengths and weaknesses of the ED, COO, and other key leaders.

Consider the diversity of COO positions in the nonprofit sector and the fact that, as we will see below, two COOs' sets of responsibilities may actually have no overlap whatsoever. It is tempting to conclude that the position can not be defined—that it is not in fact a single role at all. However, in Bridgestar's research on the position, we have encountered enough common themes, issues, and approaches that we believe it is indeed useful to talk about the COO role as one entity.

For purposes of this discussion, we define the COO at a nonprofit organization as a manager who . . .
. . . is second in command to the ED, and/or
. . . reports to the ED and oversees operations and administration, and/or
. . . has the title COO.

While the variations on how COO responsibilities are structured appear endless, most COO positions can be categorized under one of three basic models:

The COO oversees all operational and administrative functions. In this model, the COO oversees the functions that support the programs but do not relate directly to participants, and other senior managers are responsible for the programs themselves. For example, as COO of Citizen Schools, Emily McCann oversees all the network services that support the program sites, including finance, office management, human resources, technology, curriculum and instruction, performance management, and research and evaluation. Other senior managers who report to the president and chief executive officer (CEO) oversee the Boston program, the national network, development, and field building initiatives.

The COO oversees all programs. In contrast to the first model, some COOs are responsible primarily for programs, while the ED, the chief financial officer, or another senior executive oversees the more administrative functions. When Lyndia Downie was vice president of Pine

Street Inn, all of the programs reported to her, and she was second in command. Human resources, finance, planning, facilities/operations, and development and external affairs reported to the president.

The COO oversees all internal functions. This third model is the broadest: the COO oversees everything internal, freeing up the ED to focus on external matters such as fundraising, public relations, and partnerships. David Williams, Executive Vice President and COO of Habitat for Humanity from 2000 to 2004, ran the organization internally while Founder and then-President Millard Fuller was the external face of Habitat. All of the other senior managers reported to Williams.

In addition to these variations on how organizations define COO responsibilities, there are differences in how organizations see the COO as a leader in the organization and a member of the management team. For example, is the COO a possible future ED learning the ropes? An implementer whose hands-on approach complements the ED's vision and charisma? The Harvard Business Review article "Second in Command: The Misunderstood Role of the Chief Operating Officer"² describes seven such roles, from "the partner" to "the heir apparent," and the corresponding circumstances under which a company might hire a COO in this mold. While some of the roles described in the HBR article are not applicable in the nonprofit sector, clearly the diversity in COO roles is a phenomenon that cuts across the sectors.

Challenges and keys to success

The COOs with whom we spoke consistently mentioned three interrelated issues both as challenges of being a COO and as keys to success in the position: defining the COO role clearly, forging a strong working relationship with the ED, and managing variety and complexity. Having wrestled with these issues for periods of time ranging from a few months to several decades, they offered their insights and advice.

Role definition/clarity

Because the role is so varied across organizations, and because a COO's domain is potentially so broad, getting clarity about how the role is defined (e.g. what the COO's responsibilities are, what decision-making power the COO has) is absolutely critical. In practice, defining what will be in the COO's purview, communicating that information throughout the organization, and maintaining role clarity is not a simple

² Nathan Bennett and Stephen A. Miles, "Second in Command: The Misunderstood Role of the Chief Operating Officer," Harvard Business Review, May 2006.

process. It requires significant work up front when the COO is hired, as well as ongoing clarification and adjustment. However, doing it well can mean a much smoother ride for the COO and the organization overall.

The process is particularly challenging with an organization's first COO. In many cases the creation of the COO role is a process of breaking the ED role into two parts. Figuring out how to divvy up what had previously been one person's responsibilities is a complex task, and many COOs told us that the EDs they worked with struggled with handing over responsibilities and didn't seem to have thought through fully how adding this position would change their own jobs.

Role definition is not necessarily straightforward when a COO is hired into a preexisting position. Through both our research and our talent-matching work with organizations, we have learned that, with COO positions changing frequently to suit the needs of growing and evolving organizations, role definition is often an issue even when the role already exists.

Both because the COO and ED roles are closely linked and because creating new COO positions often means "inserting" the COO into what had previously been direct reporting relationships between the ED and other managers, COOs seemed to be more likely than others to have "dotted-line reporting relationships"—another challenge to role clarity. When Jerry Hauser was COO of Teach For America, the other senior managers reported to him. However, because a big portion of President and Founder Wendy Kopp's time was spent on marketing and fund development, Hauser said, "Many times it made sense for the head of development to work directly with [Kopp], but then there were questions about when the development person goes to her versus to me."

With so many factors coming together to complicate the role, getting a clear definition of it requires considerable effort. There was significant consensus among the COOs with whom we spoke that there are two key aspects to clarifying the COO role: working out the ground rules up front, and continuing to communicate and clarify roles over time.

David Williams, who was executive vice president and COO of Habitat for Humanity before becoming president and CEO of the Make-a-Wish Foundation, said, "Even though it's hard to really get clarification on who will do what, that shouldn't be an excuse not to sit down together at the beginning and really drill down into it. What decisions can the COO make alone, what will he decide jointly with the chief executive, and what decisions are out of his hands? Otherwise there are just too many opportunities to get in each other's way." Williams also pointed to the importance of identifying from the start whether the COO is a candidate to succeed the ED: "Is it 'definitely not,' 'definitely yes,' or 'it depends on how they do?' It's

critical to spell that out. If it's definitely not, then everyone knows that and you can move on. If it's one of the other two, that helps dictate what those roles should be.”

Hauser, who was Teach For America's first COO, said that he and Kopp “worked together more in the first few months, talking situations through in order to get aligned. During that period I would more often come to her and say, ‘Here's what's happening; here's what I'm thinking of doing. What do you think?’ The key was ongoing communication—taking real examples as they were happening, talking about them, and using them to talk about the broader issues.”

Relationship with the executive director

Successful clarification of the COO role—like nearly every other aspect of COO success—is closely related to the strength of the relationship between the COO and the ED, and it is nearly impossible to have one without the other. The COOs and EDs we interviewed reported that—as challenging as this relationship can sometimes be—making it work is critical to the COO's ability to do his or her job well. They said that a strong and functional relationship is one in which the ED supports the COO publicly and privately, the ED delegates real authority to the COO, the two are aligned when dealing with staff and other stakeholders, and they share trust and strong communication.

According to Sandra Timmons, who was the COO of Girls Incorporated from 1998 to 2003, in addition to having a strong relationship privately, “The ED and the COO always must present a united front.” As a COO, she found that when she had to communicate unpopular decisions to staff, from time to time they would go to the ED to make a case for reversing the decision. “That puts a lot of pressure on having a full, open, transparent relationship between the two top executives.” Williams said that the few times he and the president of Habitat for Humanity differed publicly while he was the organization's COO, they saw the effects on the staff long after the two of them had worked things through.

While both the COO and the ED have a clear interest in making it work, this relationship has some inherent challenges. According to Hauser, “A good COO is usually a control freak. The problem is that a good ED often is also a control freak. When you have the two together, some tension is inevitable.” Issues can also arise from differences between the two roles. For example, several COOs who worked in organizations that defined the COO's role as primarily internal and the ED's as primarily external reported that they found it challenging to persuade their EDs to make necessary investments in internal systems and capacity.

Another important aspect of the relationship between the COO and the ED is delegation of responsibility. As discussed above, for EDs, letting go of decision-making power over important organizational priorities

that have previously been within their purview can be an agonizing process. We saw that this was particularly true when the ED was the founder, and the organization was his or her “baby.” However, delegating authority, as difficult as it is, is not enough. For the delegation to be meaningful it has to be communicated to staff and key partners clearly and continually. Sandra Timmons said that one ED with whom she worked as COO did this particularly well: “From the start, she said, ‘Sandra runs the internal organization, and Sandra speaks for me.’ Whenever someone went to her with something we had defined as my responsibility, she sent them back to me.”

Real delegation of authority and a clear division of responsibilities between COO and ED requires trust. According to one COO, “You build the necessary trust by doing things you say you will do, doing them well, and keeping the ED in the loop while it happens. That takes time, and it’s something I have to attend to every day.” The COO’s history with the organization and/or the ED can also contribute to building trust. Hauser commented, “Being aligned on the culture is hugely important; the ED can’t give up that piece unless she knows the COO thinks about it in same way.” He felt that part of the reason Kopp was comfortable putting the organization in his hands was that he had been a Teach For America corps member many years before he returned as an executive.

Managing variety and complexity

Each individual COO we interviewed had a daunting volume and range of responsibilities requiring a wide assortment of skills and talents and an incredible ability to manage and prioritize. Milton Little, who served as executive vice president and COO of the National Urban League before becoming CEO of the United Way of Massachusetts Bay, said of the COO position, “You have to be prepared for ambiguity that comes with the job. You’re responsible for everything from the paint on the walls to making sure the CFO presents you and the ED with an accurate and trustworthy financial statement, and everything in between. No two days are alike, so you have to be pretty nimble.” The opportunity to work on and manage areas ranging from program to finance may be at the same time the most enjoyable and the most challenging aspect of the role.

Carrying out this great scope of responsibilities tends to require a very broad skill set. James Cleveland said of his vice president and general manager position at Jumpstart, “It starts with the basics: great general management, project management, and analytical skills. Then there’s strategic planning and thinking, managing others to outcomes, guiding people so they take on more than they may think they can and are successful at reaching their objectives, and being persuasive.”

In many cases, the expectations placed on COOs are incredibly high, often to the point of being unrealistic. COOs are often hired to create change and/or to address significant organizational

challenges, and these issues are layered onto their portfolio of ongoing responsibilities, creating a job that may at times be overwhelming. Hauser, whose six years as COO of Teach For America were a time of tremendous organizational growth, recalled, “There was always a lot going on, so the main challenge was just volume, and being on top of everything while at the same time trying to be strategic with your focus.” In addition to being proficient at the many different aspects of the job, COOs must also have the skills to manage the job itself, which include balancing, prioritizing, and delegating.

A number of COOs pointed out how important it is that other people within the organization be equipped to handle delegated responsibility. Benjamin Fenton, COO and Co-Founder of New Leaders for New Schools, said of the necessary factors to being effective in the COO position, “An incredible staff makes a big difference. I have great people I can depend on in a lot of the key roles.”

Fit between the individual and the role

People considering COO roles have the opportunity to stack the deck for success. They are far more likely to address the challenges of the COO position effectively if they are able to secure the right COO job at the right organization at the right time—not “right” by some objective standard, but rather by a specific standard: a good fit between their own skills, interests, and disposition on the one hand and the particularities of the role, organization, and leadership team on the other.

Assessing fit with the COO role generally is less complicated than assessing fit with a particular COO role, but there are a few general characteristics that are worth considering. As discussed above, most of the COOs with whom we spoke had a great volume and variety of responsibilities. A good candidate for the COO job is someone who not only has the skills and talents to balance and carry out these responsibilities but considers the variety and complexity within the job to be an advantage.

The COO role, while a challenging leadership position that interacts broadly across the organization, is of course not the top job, and COOs often do a lot of their work behind the scenes. The United Way of Massachusetts Bay’s Milton Little said, “You have to remember that your name is not at the top of the stationery. You get all the headaches but little of the glory, and you have to have ego that allows you to live with that.”

However, for someone who is passionate about making organizations work, the position can be very fulfilling. According to Martha Mueller Cook of The Crittenton Women’s Union, “Nobody says, ‘I’m going to grow up to be a COO,’ but I just love it. I like the mix of the strategic and the mundane, and it’s a great

opportunity to have impact on an organization. Also, I'm here more than the ED, so it's a real opportunity to lead and form the organization internally."

Even candidates who have determined that they want to be COOs need to look hard at the specifics of the COO roles they are considering. Beyond the basic fit issues any executive would face in considering a new position, the COO position poses particular challenges because of the considerable variation in roles across organizations. Cook says that when she was looking for a COO position earlier in her career, she found that, "Some people were looking for a COO who was very finance literate, while others were looking for someone to transform the culture of the organization. These are very different kinds and you have to be clear which one you are."

A number of the COOs with whom we spoke said they had struggled with responsibility sets that turned out to be quite different from what they had expected and only then realized that they hadn't fully understood their roles when they accepted the positions. They stressed the importance for COO candidates of understanding their own professional strengths and interests, the culture and needs of the organization, and the role and expectations of the COO at that particular moment in the organization's development. Bridgestar Director of Talent and Recruiting Kathleen Yazbak recommends that candidates "get out of sell mode" as early as possible and ask as many questions as they can about the position and the organization.

Finding the right fit with a COO position also includes finding the right fit with members of the leadership team, particularly the ED. As discussed above, there is a lot that the COO and ED can do to build a strong relationship, but it helps tremendously to start with a good connection. This doesn't necessarily mean similarity, as the organization's goal may be to find a COO with a skill set complementary to that of the ED. However, there must be some consensus about the most basic issues, such as mission and values.

While COOs we interviewed were sometimes able to be effective even in positions that were not an ideal fit across all of these areas, they reported that the better the fit, the fewer obstacles they encountered in negotiating the other challenges of the position.

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The COO position, in all its variety and complexity, presents a multitude of challenges. However, many COOs from whom we have had the privilege of learning have found that by utilizing the approaches

discussed above, they are able to manage it successfully and make a positive impact on organizations' ability to carry out their missions.

Editor's note: this article draws on two other pieces also available on this site that cover in more depth some of the topics discussed here. They are "COO Roles and Structures: Stories from the Field" and "Finding the Right COO Position."

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