

Fourth in a Series from the Life After Leadership Project

# THE LONG GOODBYE

**Advice, How-Tos and  
Cautionary Tales for  
Extended Leadership Exits**

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## **About the Authors**

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For over a decade, The Building Movement Project (BMP) has been working at the national level to support and advance the potential for nonprofit organizations to be sites for progressive social change. We develop research, tools, and training materials that help nonprofit organizations support the voice and power of the people they serve

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# INTRODUCTION



**A decade ago, concern about the exit of the baby boom generation from nonprofit leadership started to take shape. The dominant narrative which emerged predicted the sector was headed into a crisis—so many boomers would be leaving positions that organizations would be unable to fill top jobs unless something was done.<sup>1</sup> In the end, economic and other realities made leadership transitions more routine, but the alarm helped organizations to prepare and plan for the exit of long-term leaders.**

Now as they age, the boomer exit is accelerating. With 10,000 baby boomers turning 65 each day<sup>2</sup> and thinking about their next phase of life, the question has widened from the crisis in leadership to include what the boomers will do after they make their exit. Long-term nonprofit leaders say they are ready to leave their jobs; they want less responsibility and more flexibility, but they also want to

continue to make a contribution.<sup>3</sup> And many still need an income. So it is no surprise that more leaders are asking to stay in their organizations in another meaningful role and that organizations are wondering whether they should hang onto the talents of their exiting leader before letting them go completely.

Conventional wisdom from most executive transition experts, including most search firms, is that executive exits should be carefully planned and implemented with a clean and firm departure from the organization, and only a short period of overlap when the new leader arrives. Despite this prevailing advice, many organizations at least consider the “stay” option—that is keeping the long-term leader in the organization. The reasons for this vary. Often it is an emotional decision based on factors such as fears about the stability of the organization that the Board believes only the exiting leader can resolve; or it may be about loyalty that the Board feels towards the long-term leader. Offering a new position to the older leader can be a

1 Tierney, T.J., The Leadership Deficit, Stanford Social Innovation Review: Summer 2006.

2 Pew Research Center, Baby Boomers Retire, December 29, 2010.

3 Kunreuther, F., Segal, P., Clohesy, S. The New Lifecycle of Work: Long-Term Leaders Prepare for their Future, Building Movement Project, 2012. Kunreuther, F., Clohesy, S., Segal, P., The Leadership In Leaving, Building Movement Project, 2013. Clohesy, S., Kunreuther, F., Segal, P. New Roles, Few Rules: Planning for Purpose Beyond Position, Building Movement Project, 2014.

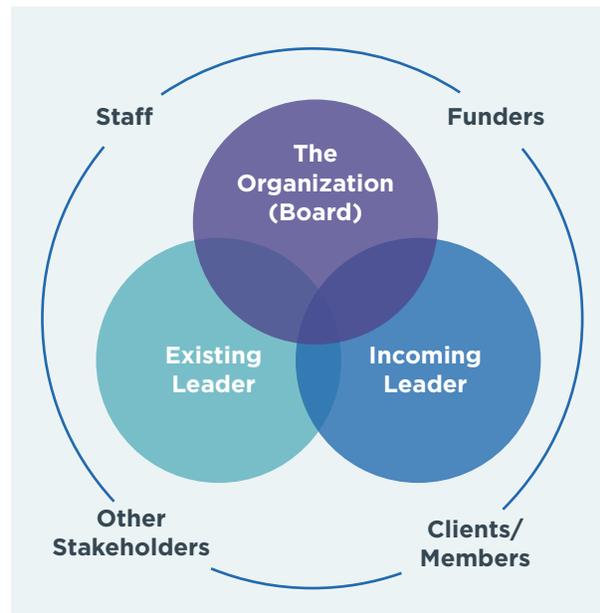
sign of respect and honor. And there are some boards that are used to having the leader make decisions and they simply go along with whatever the exiting executive proposes. Whatever the circumstances, most organizations reach a decision without fully assessing why and how to make it work.

This report is designed to help organizations and their leaders take practical steps to reflect on their assumptions, motives and needs in order to create workable solutions for choosing and managing an extended executive exit.

The insights, advice and tools are all designed from a fundamental recognition that there are three sets of interests that need to be balanced in any solution—it is a “table for three” and anything less will not work.

There are also other players surrounding the table from the staff, to funders, to stakeholders.

In most cases, though, these three—the Board representing the organization, the exiting leader, and the incoming leader—are the key decision-makers about whether the departing director will stay in the organization after they leave positional power.




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## Background

In the 2009 publication, *Table for Two*, Mark Leach and the Management Assistance Group envisioned a “mutual success model” that could be called into play when a board decided that a leadership overlap would be of greater value than the simple “graceful exit” of the long-time leader.<sup>4</sup> *Table for Two*, which focuses on founders, recognizes that a clean break with one leader leaving and the other beginning is and should be the most common transition. But the author also highlights organizations

where an overlapping period of time between the long-time leader and the new one, serves the organization in positive ways. This mutual success model highlighted in *Table for Two* describes several elements needed to make this proposition work, such as a good (and previous) relationship between the exiting leader and the new leader, a defined and limited role for the exiting leader, and the need for a finite period of time in which the exiting founder stays in the organization.

4 Leach, M. *Table for Two*, Management Assistance Group, 2009.

Our findings, as described below, expand the “table for two”—whether it is for the graceful exit or mutual success model—into a more complex table setting that includes the organization itself as a third equal party in the creation and implementation of a process. This multi-party model lifts up the organization’s interests and the significance of the board’s continued leadership role in an extended exit. A “long goodbye” with an exiting leader is complex and has both financial and emotional costs attached. The benefits to the organization need to be clear and the board needs to stay engaged, strong, and involved. This report—and its accompanying tools—can help everyone at the table to assess costs, benefits, and return on investment for all.

*The Long Goodbye* is timely because the increasing volume of executive transitions in the workplace will drive more organizations to consider the value of extended transitions. This report is part of the Building Movement Project’s series *Life After Leadership*, in which the emerging patterns of transition for social sector leaders are described and documented. Tens of thousands of executive transitions will occur in social sector organizations for at least another decade as baby boomers age through exits, encore careers and eventually leave the workforce altogether. But they will do it in a different way than previous generations.

The *Life After Leadership* series confirmed that leaders exiting their long time executive roles are ready for less executive responsibility but are passionate about continuing to serve the missions and movements they support.<sup>5</sup> Some are eager to move into new environments while others want the chance to continue serving the organization they love. Although most respondents in the *Life After Leadership* surveys were not conflicted about moving out of the C-Suite, they were concerned about their organization’s prospects for sustainability. And many worried about their own prospects for finding the next right place to invest their talents. It is inevitable that more exiting leaders and their organizations are thinking about a different kind of leadership exit.

*The Long Goodbye* is based on a series of interviews in which pairs of leaders (exiting and incoming) were questioned about the quality and impact of their experience with extended transition. The pairs represented both successful and unsuccessful transitions. In addition, we talked with just under a dozen people who work in nonprofit executive transition management. We also relied on executive transition literature, the *Life After Leadership* series, and *Table for Two*.

5 To access the three other reports in this series, go to [www.buildingmovement.org/tag/life+after+leadership+series](http://www.buildingmovement.org/tag/life+after+leadership+series).

# KEY FINDINGS



**Leaders and organizations are often caught by surprise as they discover that extending a role for an exiting long-term leader is not easy. That may be why almost every executive transition consultant we talked with—including the author of *Table for Two*—advised against it.**

As a starting point, extending the stay for an exiting executive can be difficult because of real and perceived confusion around roles and

responsibilities. In an executive transition, this confusion is complicated by other factors: money, motives, egos, relationships, and competing needs to name a few. An extended transition should be undertaken with great care and caution. It requires reflection, thoughtful negotiation, documentation and accountability.

The six major findings presented here should be used to help an organization consider whether extending a new role to an exiting leader makes sense. The tools we offer, after describing the findings, can help with that process.

## KEY FINDING: 1

### A “Table for Three and More”

The Board of Directors representing the interest of the organization, the exiting executive, and the incoming executive (identified and hired or not) are all essential players in the decision and implementation of an extended executive transition. It takes all three parties to negotiate (and sometimes renegotiate) the agreement. That means that they all need to strongly assess their own and the organization’s best interests.

In addition, the knowledge and participation of other staff members and supporters can be crucial to making the final exit of the outgoing leader and the entry of the new leader a success.

How to involve the new incoming director can be problematic because of timing and circumstances.

If a plan is being negotiated before the search/hiring of the new person then the two parties (board and exiting director) need to anticipate the role of the new leader and plan for some final shaping of the agreement that will take place once the new person is on board. Such an

agreement also must be transparent and fully disclosed in the search process.

If the successor is identified (e.g. an internal succession or an early hire) then the new leader should be involved and “at the table” to co-create the agreement.

#### KEY FINDING: 2

### A Strong, Healthy Organization is the Ultimate Goal.

While an extended departure may be motivated by personal concerns or loyalties, the real goal of all parties should be to boost the support, structures and sustainability for a healthy organization. It is not likely that anyone would be acting to harm the organization, but each party may promote their own needs and that could work against the organization’s best interests. Boards cannot expect an exiting director to fulfill their desires to correct organizational deficiencies and weaknesses during a leadership transition. Exiting directors should not expect a permanent reprieve from the discomfort of their own transitions. And incoming directors cannot expect to be sheltered from fundraising or financial issues by having the exiting director on-hand.

Boards have different reasons for wanting an exiting leader to stay on. Some have relied on the leader to run all aspects of the organiza-

tion and they feel more comfortable having the former leader manage the transition. Others feel they should have helped the exiting leader plan better for his/her own future and staying on for a few months after years of service is an easy “perk” to extend. There are boards that feel they want the new leader to benefit from the exiting leaders’ experience. But organizations considering an extended transition are often side-stepping deeper systemic weaknesses in the organization or failing to appreciate a new opportunity in the making. Often the urge to hang on to the exiting leader is an unarticulated recognition that the board (and the exiting leader) has not yet built the organization’s sustainability to survive a transition. This chart may help board and leaders recognize problems and opportunities that need a richer solution or actions taken long before a transition occurs.

What we say...	What we should be asking...
<p>The organization can't survive without the exiting leader; they hold so much knowledge...a new director will never know all that overnight.</p>	<ul style="list-style-type: none"> <li>• What has not been <b>systematized</b>?</li> <li>• <b>Why</b> is the exiting leader holding so much information?</li> <li>• How are staff responsibilities <b>allocated</b>?</li> <li>• What is the knowledge base of <b>the board</b>?</li> <li>• Can the <b>transition period</b> be used to strengthen the organization systemically?</li> </ul>
<p>The exiting leader holds all the key donor relationships; we need the exiting leader to continue fund-raising or complete a campaign or handle the major donor relationships at least for a while after the new leader arrives.</p>	<ul style="list-style-type: none"> <li>• Why haven't we <b>broadened</b> the leader relationships with donors?</li> <li>• Who has the information about the <b>donors</b> and their history/interests?</li> <li>• Do others in the organization have the <b>right skills</b> to build donor relationships?</li> <li>• What should <b>the board</b> be doing?</li> </ul>
<p>We "owe" the exiting director... we've been under-paying; we didn't really offer great benefits especially retirement savings.</p>	<ul style="list-style-type: none"> <li>• Do we have a <b>financial plan</b> for the exit of our longtime director? Do we need to raise a special <b>transition fund</b>?</li> <li>• What is a <b>fair package</b> for the exiting director including any financial settlement?</li> <li>• What is the best way to <b>structure a fair exit plan</b>?</li> <li>• Have we anticipated these <b>issues in the budget/contract</b> for the new leader?</li> </ul>
<p>The exiting director wants to stay and an extended exit will make it easier to find their next opportunity... eventually.</p>	<ul style="list-style-type: none"> <li>• Is an <b>extended role</b> the best way to help your exiting director to prepare for the next stage of life?</li> <li>• Are you <b>creating a role</b> for the exiting director just so they can stay on to avoid the exit transition?</li> <li>• Would it be <b>better</b> to offer coaching? Exit counseling?</li> </ul>
<p>The community identifies the organization with the exiting director. We need the exiting director to stay to reassure the stakeholders that the organization is stable.</p>	<ul style="list-style-type: none"> <li>• What are <b>all the ways</b> in which the organization can reach out to stakeholders to reassure them of the organization's stability and commitment?</li> <li>• What should <b>the exiting director do</b>? What should the board do?</li> <li>• What is the <b>communications strategy</b> for the exit?</li> <li>• What is the <b>role of the incoming leader</b> with the stakeholders?</li> </ul>

**KEY FINDING: 3****The Importance of Collaborative Skills and Culture.**

An extended transition requires facilitative, collaborative skills that can make room for and optimize the shared presence of past and current leadership. The social sector touts the value of collaboration and “post-heroic” leadership practices, yet few resources are invested in collaborative leadership development. As a result most collaborative leaders are self-taught and improvisational in creating shared leadership opportunities. And the organizational

culture is often built to reject power-sharing in favor of the clarity of a traditional command model. An extended exit requires a plan that reinforces collaborative or shared culture in the organization for both the exiting and incoming leaders. It also means there is transparency among staff and between staff and board. Clear responsibilities, decision-making processes, and rewards all need to align to support the arrangement that has been negotiated.

**KEY FINDING: 4****Financial Planning and Transparency.**

Transitions cost money including items such as payouts of benefits and bonuses, or settlements and extensions to the exiting director; organizational costs to upgrade or stabilize functions like fundraising; and search/recruitment and onboarding. The Board—with the help of the exiting director—is responsible for ascertaining these costs and budgeting to meet them. While planning for the transition, the board and the exiting director also need a thorough and honest analysis of the organization’s finances. It may be important to have an external review of finances to be sure that both board and the exiting director see the same financial picture.

The need to understand the finances is especially critical in the search process. The board is obligated to be honest with prospective candidates about the financial condition of the organization. And the final candidate(s) should assume the responsibility of a thorough review of the organization’s budget, sources of income, and reserve funds.

Without a shared understanding of both the transition budget and the overall financial situation of the organization, the board, exiting director, and incoming director will easily fall into conflict that can endanger the stability of the executive transition.

**KEY FINDING: 5****Insider Advantage and the Search.**

Most of the successful examples of extended executive exits in this study involved exiting and incoming leaders who already had a substantial working relationship. In one case a CEO hired a vice president with the intention of promoting the VP into the CEO position within a year or two, a plan that ultimately worked out smoothly. In another organization the two directors had multiple past relationships (as colleagues, and also board/staff roles) which led to a successful extended transition. In fact, this relationship was so durable that they were able to handle several decisions that contradict good practice (e.g. the exiting director had a

well-defined project but also served on the management team and the arrangement was for multiple years).

In all the organizations in our sample, the inside candidates did participate in a search process and won their appointments after competing in the search. This piece is critical. In a case where the outgoing executive selected and groomed the successor with little Board involvement, the extended leadership transition was not successful. In fact, within a year, the organization's capacity had diminished, none of the original Board members remained and most of the staff had been replaced.

**KEY FINDING: 6****Optimize the Potential Success of the Deal.**

Though we know that most extended attempts do not work, what seems to be changing is the frequency with which organizations are considering this option. There is substantial consensus among advisors and those who have experienced such transitions on the elements of success. It is important for all parties at the table to be aligned on these ideas:

- The exiting executive will have a well-focused assignment with clear deliverables that are of high value to the organization.
- There is a time limit for the arrangement, usually less than a year.
- The exiting director has a clear reporting relationship to the new executive and understands the benchmarks of accountability.
- The Board has helped to negotiate the deal and can support the new leader in building and managing the relationship with the exiting director.
- A coach is regularly involved with the exiting and incoming leaders to work out any extended transition issues, and has access to involving the Board if necessary.

## Even The Best Laid Plans...

Sometimes the preparation for an extended exit appears to have been done well and yet the experience still does not turn out successfully or happily. A few areas where caution is advised are listed below:

### **No written agreement.**

Everyone has shaken hands but they didn't write it down. Even midstream, a written agreement can clarify expectations and can be used for dialogue and problem-solving.

### **Communication confusion.**

Staff and stakeholders and possibly some board members do not understand the transition structure and are still habitually going to the exiting director for advice and counsel. It is important for the board and leaders to speak with one voice and to lay out the roles and responsibilities to everyone. It is good to involve staffers early on to assess potential pitfalls. There is almost no such thing as too much information during a transition.

### **Isolation of the exiting leader into a narrow task or role.**

It is helpful for the exiting director to have a limited scope of work; but over-isolating the person by withholding information or shunning them from some of the camaraderie of the office will usually backfire into more tension and unrest. It could even prompt staff to begin to take sides.

### **An unexpected financial crisis.**

Tight finances often will threaten an extended transition as staff and board wonder whether the arrangement is "worth it." All three parties may need to come back to the table to renegotiate the terms of the deal, possibly

making a change in duties or an adjustment in remuneration or timetable.

### **Shift in organizational priorities.**

For most exiting directors on relatively short extensions (3-12 months) a shift in organizational priorities will not be significant and few adjustments—if any—will be needed. But if the exiting director is working on a sensitive project (e.g. with donors or core programs) then a re-negotiation of work scope and goals may be needed. Regardless, at the end of the agreed time, the exiting leader, new leader, and board should do a final assessment. Any extensions or new agreements should take place between the new leader and the previous one at the new leader's discretion.

### **Board loyalty.**

The Board needs to be prepared for any disputes that may occur between the exiting and incoming leaders. They can do this by offering coaching and other ways to work out any disagreements. This does not mean the Board is giving up its oversight. Strong board leadership means staying attuned to the transition while supporting (and assessing) the incoming leader's vision and judgment. The new leader has the obligation to help the board to understand any new decisions and plans of action including those that affect the agreement with the outgoing leader. The board should routinely address the new leader's performance, especially in the first months of their tenure. However, a board that automatically sides with the exiting director will be in danger of losing the new leader and beginning a search process again with many consequences of lost resources including stress on the remaining staff.

# TOOLS

## *for assessment and reflection*

**Many organizations are reluctant to let go of a long-time leader’s knowledge, relationships, and insights; and often an exiting leader feels there is still more to offer the organization. This starts the process of negotiating a soft or elongated exit rather than a crisp departure. As our findings indicate, it takes an enormous amount of candor and reflection to make a “long goodbye” work.**

The following tools can help an organization get started in this process. We offer five different tools that can help exiting and incoming leaders, and their boards reflect on whether this type of arrangement is a good option.

**Tool One:** This is a fun and easy True/False quiz that will help board members and exiting leaders test their assumptions and about the wisdom of keeping the current leader staying in the organization. It helps to set the stage when considering whether a leader stepping down from position power should stay.

**Tool Two:** This tool is a quick and easy way for each party to think about the reasons for keeping long-term leaders in the organization once they step down from their leadership role. The scoring process can be used to start the conversation and has no right or wrong meaning.

**Tools Three, Four and Five:** Taken together, these are three parts of the same tool for assessing readiness—one for the exiting leader, one for the incoming leader, and one for board members. These three tools help each party dig into whether a “long goodbye” will work for them and the organization. The results each of these tools can be used for self-reflection and discussion across the table.

Finally, a caution: We did find situations in which the long goodbye worked. But more often than not, it was a problem especially for the new leader. These tools are meant to encourage you to take the time needed to think about this type of transition. An extended transition may be right for your organization but it is not a substitute for addressing other issues - ranging from a fearful board to an executive who hasn’t planned for the future - that should be taken care of in a different manner.

**TOOL ONE****TRUE OR FALSE****True or False: Gaining Insight on Where to Start**

*Test your Assumptions about Staying in the Organization  
after Leaving Leadership*

These true/false statements are a good place to start. We recommend an exiting long-term leader spend time with her/his board or executive committee to take the test together and discuss the results and the implications for decision-making. The group may benefit if a consultant or facilitator guides the discussion.

**Statements:**

- |   |   |
|---|---|
| <p>1. Long-term leader exit transitions are most successful when there is a negotiated agreement for the exiting leader to stay in the organization in a different role.</p> <p><b>True      False</b></p>                          | <p>4. The exiting director who stays in another role should not be given management responsibilities.</p> <p><b>True      False</b></p>                                   |
| <p>2. Keeping a long-term leader in the organization after they leave their leadership role works best when the arrangement is very flexible.</p> <p><b>True      False</b></p>   | <p>5. A coach can help an incoming and exiting director to establish a good working relationship.</p> <p><b>True      False</b></p>                                       |
| <p>3. The most successful agreements for exiting directors to stay in the organization is when the incoming and exiting leaders know each other and have a well-established working relationship.</p> <p><b>True      False</b></p> | <p>6. Lack of clarity about the organization's finances can derail even the best-planned transition that keeps on the exiting director.</p> <p><b>True      False</b></p> |
|   | <p>7. Emotional intelligence is low on the list of factors that predict success in shared transitions.</p> <p><b>True      False</b></p>                                  |

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**Answer Key:**

- 1. FALSE!** Research shows that holding onto an exiting leader of a social sector organization by placing them in another role or project is complex, difficult, and often unsuccessful. However, there are also times when it works to the benefit of the organization. If the organization is considering keeping the current leader on in some other position, there are good practices that can increase the chances for success.
- 2. FALSE!** Data show that successful arrangements—with the agreement of the incoming leader and the board of directors—usually include a limited time frame that is specified in a contract with the exiting director. That period can be very short or longer but it has a firm end date. In recent research, most respondents agreed that less than a year is a good guideline. Success is more likely when the contract includes clear expectations of the work of the exiting leader and other details are spelled out such as who the exiting leader will report to, what outcomes are expected, and even where she/he will sit.
- 3. TRUE!** Trust and familiarity seem to help incoming and exiting directors make a deal and navigate their day-to-day responsibilities with more positive give and take. When the outgoing and incoming leader know each other and have a proven track record of working together, they can anticipate preferences, needs, limitations, and potential.
- 4. TRUE!** In most situations it is better for the exiting director to make a clear break from management responsibilities, leaving no confusion among staff and board members that there is a change in leadership and who is in charge.
- 5. TRUE!** Research respondents reported that coaches specifically assigned to help build and manage the relationship between the incoming and exiting executives are an asset and a positive factor in sustaining a productive situation. Most successful stories of long-term executives staying in the organization included regular coaching for exiting and incoming leaders throughout the transition period and often beyond. Coaches assigned to each leader individually in lieu of joint coaching were not seen as helpful to making the transition work.

- 6. TRUE!** Financial problems—or even different assumptions about the finances—that are not transparent to the board, exiting leader and incoming leader create distrust, discord and the unraveling of relationships. It can also pose a serious danger to the organization. During any transition (including the search process) the board needs to ramp up its involvement and understanding of the financial situation of the organization, making sure it has full and accurate information, and is paying close attention to both past financial performance and future projections. The long-term leader can help by providing additional accounting reviews or possibly a forensic accounting report that explains possible shortfalls or deficits. The incoming director should be thorough about examining the books. ***It should not be assumed that financial problems can be addressed by keeping the exiting executive.***
- 7. FALSE!** Although emotional intelligence (EI) cannot be assumed, it is a critical element of success in high level and complex relationships and transitions. The search process should probe for the EI strengths of potential candidates. The board should examine past reviews of the exiting director to gain insight and guidance on how well they feel the exiting executive can read clues and work well with the incoming one, and for building on his/her strengths. Interviewees often talked about the need for the exiting leader to demonstrate an ability to let go of their ego and/or need for control as a marker of success. EI should be discussed openly and be part of the expectations set out by board for a shared relationship.

***Some suggested steps for dialogue:***

1. Do each of these assumptions and the correct answer make sense for our situation?  
Are we dealing with any exceptional circumstances?
2. Are there any of these assumptions that we are tempted to disregard as “unimportant”?  
If so, go back and reconsider why it seems unimportant.  
Are all the “cards” on the table?
3. What are the most important insights to draw from this assessment?
4. How could these insights guide our transition planning?

**TOOL TWO****ASSESSMENT**

## Motivation for the Long Goodbye

As noted earlier in *The Long Goodbye*, long-term leaders often want to stay in their organizations for the wrong reasons: they don't know what to do next, they haven't planned for their retirement, their identity is synonymous with the organization, they don't think the organization can survive without them, and so on.

This QUICK Assessment is designed to provide *insight into the motivation* for having an exiting leader stay with the organization in a new role. The scoring is meant to start a conversation about the readiness and involvement of all three partners—the exiting director, the incoming director, and the organization represented by the Board. Each question is focused on an important dimension of a successful exit transition (including a transition option that includes a continuing role for the exiting director).

**Directions:** *This tool should be used to help you reflect on the decision-making process about whether a long-term executive should stay in the organization in a new role after they leave the top job. The tool is best used when it is filled out by the exiting leader and the Board of Directors.*

*Each person answering the questions should choose the answer that best describes the situation as **they see it from their perspective**. At the end there is a scoring mechanism.*

*The scoring process will help start the discussion as each person shares views about the transition plan. Discussing different answers to the same question and reconciling different assumptions and/or information about the organization will smooth the way for a good decision.*

Choose **one answer** for each phrase that **best fits** your situation

### Motivation

*The Board is considering whether an exiting long-time leader should stay in the organization because:*

- A. The Board trusts that the exiting leader's request/plan to stay is the best way to proceed since the long-term leader cares about what is best for the organization.
- B. The Board has not done as much as they wanted to plan for the future of the organization or the exiting leader; therefore, it is thinking it might be a good idea to keep the exiting leader on for a period of time to help stabilize the organization and/or help the long-term leader financially.
- C. The Board wants to make the decision with the new director about whether and what the exiting director will do after the transition to the new leader.
- D. The Board believes that despite some challenges, continuing the organization's work and honoring the exiting leader is important and could be eased by a leadership transition that includes a continuing role for the departing. The board has asked the exiting executive to work with the Board on a plan that includes an overlap of the outgoing and incoming leaders.

### Transferring Knowledge

*The Board is concerned about the transferability of fundraising knowledge and trust with the donors from the exiting executive to the new leader. To remedy this:*

- A. The exiting director suggests to the Board that they set up a separate discretionary project or campaign run by the exiting leader while the new leader settles in and begins to meet donors.
- B. The Board has little direct knowledge or experience in the organization's fundraising and therefore is hoping that the long-term leader will stay on to transfer important relationships to the incoming leader.
- C. The Board is talking to the incoming leader about whether the outgoing executive might play a role in helping to transfer relationships and projects, and the terms for such an extension.
- D. The Board has done an organizational assessment and believes the exiting leader needs to stay to complete a limited number of program and/or donor projects. The board will negotiate this with the incoming director.

### Financial Sustainability

*The organization's financial future has been dependent on the exiting director.*

*To address this:*

- A. The outgoing leader proposes a plan to fundraise for the organization during a transition period and is confident by the end of a year the organization will be financially healthy. The Board is relieved to have the exiting executive take on this responsibility.
- B. The Board is hoping the outgoing leader would be willing to stay on to insure the organization is financially sound while the new leader comes on. The Board is not confident it can guide the new leader in this area without the help of the long-term leader.
- C. The incoming director has carefully vetted the organizational budget and wants to work together with the Board and exiting leader to make a sustainability plan during the transition.
- D. The Board wants to make sure that the core budget remains in the black for the new executive's first year. It has a plan to work with the outgoing executive to do some exit fundraising to help ease this transition.

### Financial Viability of the Long-Term Leader

*The board has recognized that the organization "owes" a debt of gratitude as well as some financial reward to the exiting leader who served through years of small salaries, lack of benefits, and was generally undercompensated for his/her work.*

- A. The exiting director has negotiated a financial package including some work for the organization and will receive compensation and benefits. The Board readily accepts this plan which it believes is fair. The Board trusts that the outgoing and incoming directors will figure out how to raise the needed funds.
- B. The Board realizes how little attention was paid to preparing for the financial future/retirement of the long-term director. The Board has worked with the exiting executive on a financial package as part of the transition plan and wants to keep the exiting director in some role with compensation and benefits to ease the financial transition and as a reward for their dedication and good work.
- C. The Board wants to help "make right" the financial future of the exiting leader through a compensation packet and offer some work projects. They are being transparent with

potential new leaders of the organization about the extra responsibility to raise money for the budget expansion to cover the ongoing transition/financial package costs.

- D. The board has voted on a financial package and some discreet well-compensated tasks for the exiting director to help make up for the lack of attention to the outgoing executive's financial future. The Board has also started to systematize better benefits for staff including the new executive. The board realizes it has to take responsibility for raising the needed funds to "make this right."

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### Transparency

*With the long-term leader leaving, there are certain things that were just "taken care of" that are now coming to light. Because of that:*

- A. The exiting director has suggested to the Board staying in an advisory or resource role to clear up and repair any problems or "unfinished business" that may come to light (e.g. financial, human resources, legal issues).
- B. The Board is getting questions from the search firm and CEO candidates about the finances, program evaluations, and personnel. In response they are asking the outgoing executive to stay on to help answer these questions and advise the new leader.

- C. The incoming director has initiated meetings with the board and others to understand all the budget nuances and has requested that the exiting executive be available in a paid role.

- D. The Board has taken the initiative to ask the exiting executive to stay on retainer to answer Board and relevant staff members' questions related to the budget, programs and other issues; the Board will include the incoming leader in these discussions.

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### Understanding the Proposition

*For many long-term executives, the organization has been central to their life. To help ease this transition:*

- A. The exiting leader is proposing a role in the organization that will help allow him/her to continue to identify with the organization and a chance to figure out what to do in the future.
- B. The Board did not anticipate that the exiting director would want to stay in another role, but is willing to go along if the exiting leader organizes the role and a plan.
- C. The Board wants to offer a discreet role to the outgoing leader but is concerned about the impact on the incoming executive. It plans to stay involved in monitoring how things are progressing and offer support to the new leadership.

- D. The Board has great appreciation for the outgoing leader and wants to provide a soft landing by offering a role in the organization that is important but also discreet and time limited and meets the needs of the incoming leader.

### Anticipating Concerns

*Most experts discourage a long-term leader staying in the organization in a new role. In our case, we think it can work because:*

- A. The outgoing executive has worked out a plan and assured the Board she/he can let go of the executive role and support/report to a new leader.
- B. The Board has confidence that the outgoing leader can manage a new role and is relieved that he/she is willing to support a successful transition.
- C. There has been a discussion between the Board, the outgoing leader, and the new leader about how they will work together to ensure the success of this type of transition. The Board is also available to help the new leader if things do not work out well.
- D. There has been extensive conversation with the outgoing leader and the current Board about how the role the exiting executive can play without undermining or challenging the new leadership.

### 3-Way Success

*Keeping the exiting executive in the organization should be a way for both the incoming and exiting leaders and the board to ensure organizational success. This is being considered because:*

- A. The outgoing executive wants to stay in the organization to offer wisdom and history to the incoming leader. The long-term leader sees her/his knowledge of the organization as essential for a smooth transition.
- B. The outgoing executive and board are concerned that there is so much more to the transition than originally anticipated. They want to make sure the incoming and exiting leader have overlapping time in order to keep the organization viable.
- C. The Board is working with the incoming executive to assess whether there is a useful, productive, and supportive role that the outgoing leader can play in the transition.
- D. The Board is strong and sees both the outgoing executive's skills and also the importance for the new executive to have some breathing room provided by the long-term leader taking on some discreet tasks after the exit.

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### Making the Decision

*The Board and exiting ED are ready to decide if the outgoing leader should stay involved with the organization.*

- A. The exiting director is clear that staying is a good idea given the boundaries he/she has proposed to the Board.
  - B. The Board wants to ask the exiting leader to stay for certain tasks and feels confident the incoming executive will be able to work well with the outgoing leader.
  - C. The Board is leaving the decision up to the incoming leader.
  - D. The Board is willing to have the outgoing executive stay for certain tasks and will be involved in monitoring the transition.
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### Following Up

*Once the decision has been made, there is a need to make sure this arrangement is working. The arrangements made are best reflected by:*

- A. The outgoing leader will check in with the new leader to let him/her know how things are going and to keep the agreed arrangement on track. The Board will be available to respond to any problems or tensions brought up by the outgoing or incoming leader.
- B. The incoming director has full responsibility for the exiting director as a consultant or ongoing employee and plans to update the board if and when needed.
- C. The Board has a regular check-in with the new leadership about the arrangement and is closely monitoring how things are working. It also has set in place supports such as coaching and regular **check-ins between the exiting and incoming leadership.**

Add up your answers using the following chart

The number of circled **A** \_\_\_\_\_ x 1 = \_\_\_\_\_

The number of circled **B** \_\_\_\_\_ x 2 = \_\_\_\_\_

The number of circled **C** \_\_\_\_\_ x 3 = \_\_\_\_\_

The number of circled **D** \_\_\_\_\_ x 4 = \_\_\_\_\_

**Total Score** \_\_\_\_\_

Score	Explanation and Guiding Questions
<p><b>10-20</b></p>	<p>If your score is between 10-20, the outgoing executive director is primarily responsible for making decisions about the process of staying in the organization. In this case, strengthening the Board may be important to the success of the transition since so much still depends on the outgoing leader. If your score is in this range you may want to consider:</p> <ul style="list-style-type: none"> <li>• How responsible does the long-term leader feel for the organization and its success, and what impact will that have if you make this arrangement?</li> <li>• Why does the exiting leader want to stay and is it really necessary for the organization?</li> <li>• What needs to be done before the transition to insure the organization is in a healthy and strong place when the long-term leader leaves?</li> </ul>
<p><b>20-30</b></p>	<p>If your score is between 20-30, the Board is worried about its own ability to manage the transition and is deferring to the outgoing executive to play a central role to make the transition successful. It is important to be cautious here, since the Board is looking to offload its responsibility to the long-term executive and may not be able to handle any conflict or problems.</p> <ul style="list-style-type: none"> <li>• Is the Board worried about how it will manage without the exiting executive director?</li> <li>• Are board members clear about the board structure and their responsibilities, especially management and mentoring of the executive?</li> <li>• Does the Board feel the organization is in a good place financially and what role does it need to play to insure the organization's sustainability?</li> <li>• What role will the Board play in monitoring the relationship between the outgoing and incoming leadership?</li> </ul>

<p><b>30-40</b></p>	<p>This score means that the organization is relying on the new leader. The new leader and the exiting director have both been included in the design of the plan. This process has advantages of letting an incoming executive have a say in how the outgoing leader stays in the organization. On the one hand, the new leader has ultimately authority; on the other, the leader is new and still may find this hard to manage.</p> <ul style="list-style-type: none"> <li>• Is the Board playing a strong role in supporting and evaluating both the new leadership and the outgoing long-time leaders?</li> <li>• How open is the conversation with the incoming leader? Will the incoming leadership feel responsible to accept the presence of the outgoing executive in order to get the job?</li> <li>• What difference would it make if the new leader is from within the organization?</li> </ul>
<p><b>40-50</b></p>	<p>The Board is in charge of the process and prepared to be involved in the oversight of the transition and the new arrangement with the exiting executive director. It is working with the outgoing long-term leader, but it is clear that the focus is on the success for the incoming one.</p> <ul style="list-style-type: none"> <li>• How can the Board make sure it stays involved in the transition process especially the relationship between the exiting and entering leadership?</li> <li>• Has the board worked to create a written agreement for the extended stay of exiting executive?</li> <li>• How will keeping the exiting executive affect the organization’s sustainability?</li> <li>• How is the Board planning for its own succession?</li> </ul>

***Some suggested Summary Questions for dialogue:***

1. Based on our score, what do we need to do to get to a well-balanced “table for three”?
2. What help do we need to create a written agreement for an extended executive transition?
3. How do we need to change the negotiations with potential candidates? If a search firm is involved how do we help them to help us?

**TOOL THREE****READINESS: EXISTING LEADER****Thinking about Why to Stay Involved**

For exiting leaders who want to stay in the organization, we suggest you answer the following questions. These questions are meant to help you with your own internal process, but you may find it useful to share with others such as a coach, executive transition team, or Board chair. Rank these from 1 to 5. There is no right or wrong answer.

<b>I want to remain in the organization because...</b>		Not Important					Very Important				
1	There are things I haven't finished that I want to complete.	1	2	3	4	5	1	2	3	4	5
2	I can finally do a piece of work for the organization that I did not have time for when I was the leader of the organization.	1	2	3	4	5	1	2	3	4	5
3	This organization is part of my identity and I have more to contribute.	1	2	3	4	5	1	2	3	4	5
4	I need to keep earning money, I wasn't compensated for all the time I devoted to this job, and I love the organization.	1	2	3	4	5	1	2	3	4	5
5	I want to share the knowledge, experience, and wisdom I have gained over the past decade(s) to insure our good work continues.	1	2	3	4	5	1	2	3	4	5
6	I am ready to give up the responsibility of being the executive director/CEO but I still want to stay in this field and in this organization.	1	2	3	4	5	1	2	3	4	5
7	There are certain ways I feel I can help the new leader and I want to remain as long as the incoming executive feels I am useful.	1	2	3	4	5	1	2	3	4	5
8	I have relationships with funders and I can help with the transition by continuing to raise money.	1	2	3	4	5	1	2	3	4	5
9	The board has never really been as involved as they should have, so I want to make sure the new leader has the support to be a success.	1	2	3	4	5	1	2	3	4	5
10	To be honest, this is my baby—I care about the mission, staff, and people we work with—so I want to remain involved as long as possible.	1	2	3	4	5	1	2	3	4	5

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## KEY

These are to help you think through what we often call the “shadow side” of your interest in staying in the organization. It is not to say that exiting leaders should never stay on—as we noted in the first part of this document—but we do think it is important to be willing to look deeply into your motivation if you want to make staying a success.

For each item consider your ranking of its importance.

- Do your answers create any potential conflict with the board or the incoming director?
- Do your answers raise any unanswered questions for you about your plans for your transition?
- Are there issues that should be resolved in another way (not through the extended transition)?
- What do your rankings imply for the new director?

Below are some ways to interpret your answers, especially if you rated the question 4 or 5. Again, these should help you reflect on about your motivation to stay in the organization.

**1 There are things I haven’t finished that I want to complete**—We found that long-term leaders often want to stay in the organization because they have what one person called the “messy closet,” that is, the things she/he never has had time to get to and clean up. Many outgoing leaders are concerned about leaving this task to their successor. It turns out that everybody has a messy closet they leave behind, no matter how long they stay. It may not be a strong enough reason to take a new position in the organization, especially if you are ready to exit.

**2 I can finally do a piece of work I did not have time for when I was the leader of the organization**—It is exhilarating and exhausting to lead an organization. One thing we often hear from exiting executive directors is there is a certain piece of—usually programmatic—work that they would love to do that was impossible when they were in the top job. Now it is important to assess whether this is the right time and place to do that work.

- ③ **This organization is part of my identity and I have more to contribute**—The merging of identities of long-term leaders, especially founders, and the organization is not unusual. For many, their name and that of the organization are inseparable. Making a transition out of leadership brings up questions of identity and recognition. Some exiting executives feel they need more time for that separation but it is important to recognize that the separation will have to take place at some point if the organization is to survive.
- ④ **I need to keep earning money, I wasn't compensated for all the time I devoted to this job, and I love the organization**—Many exiting executives are worried about their financial future. They may have been undercompensated, without a savings plan, and generally more mission-oriented than personal-future oriented. They are ready to leave their leadership role but they still need to bring in income. Whether it makes sense to do that in the same organization is something that should be examined; especially the impact on the organization and the new leadership.
- ⑤ **I want to share the knowledge, experience, and wisdom I have gained over the past decade(s) to insure our good work continues**—We often heard from exiting directors that they are worried that all the work they have done to care and feed the organization will be lost if they do not stay for an extended period after they exit. They feel their accumulated wisdom will keep the organization from floundering under a new leader. Your knowledge about the history of the organization is important, but it may not affect its success in the future. Whether this is the reason to stay will need to be addressed as part of the transition.
- ⑥ **I am ready to give up the responsibility of being the executive director/CEO but I still want to stay in this field**—So many long-term leaders are ready for a new phase of work and life. They want to have less responsibility, more flexibility, and work that is interesting and rewarding. The question for the exiting leader is whether it makes sense for the organization and the new leader for the next phase of work to be done in the organization they have been leading. In fact, most of the exiting leaders we talked with found that satisfaction in applying their experience in other places.

- 7** **There are certain ways I feel I can help the new leader and I want to remain as long as the incoming executive feels I am useful—** Many exiting long-term leaders want to make sure the new leadership has the support they need to succeed. It takes flexibility, lack of ego, and letting go to help the new leader—for some people that is easy and for others it can be hard on both the outgoing and incoming executives.
- 8** **I have relationships with funders and I can help with the transition by raising money after the transition—**One thing a long-term leader excels at is keeping the organization afloat. That is frequently the result of building relationships with funders. Transferring these relationships (a key part of a successful transition of any sort) can often be difficult. One thing to consider is the power that comes with raising funds, especially if you are staying to maintain the connections with donors and other funders, and how that power needs to rest with the new leader.
- 9** **The board has never really been as involved as they should have, so I want to make sure the new leader has the support to be a success—**Board engagement is often an issue especially when there is a long-term competent leader who just “takes care” of the organizational needs. Building a Board that is strong enough to oversee the organization may be a task that the new leader will have to do on their own even if the exiting leader stays on after the transition.
- 10** **To be honest, this is my baby—I care about the mission, staff, and people we work with—**So I want to remain involved as long as possible—The hardest thing about leaving is, well, leaving. So many long-term executives just love the organization and want to stay involved. But they also need to think about whether their love for the organization means they should stay on in another role.

**TOOL FOUR**  
**READINESS: INCOMING LEADER**

**TOOL FOUR:**  
**INCOMING LEADER**

**Thinking about How to Manage an Exiting Leader’s Extended Transition**

For incoming leaders who are negotiating an extended transition for the exiting leader, there are a number of leadership and management issues to consider. We suggest you answer the following questions that are meant to help you with your own internal thought process. In addition, you may find it useful to share your responses with others such as a coach, executive transition team, the search firm, or the Board chair. Rank these from 1 to 5. There is no right or wrong answer.

As an incoming leader considering whether the long-term/founding leader should remain in the organization during a extended transition I believe...		Not Important					Very Important				
		1	2	3	4	5	1	2	3	4	5
1	The exiting director has decades of knowledge that I need to capture in order to succeed.	1	2	3	4	5	1	2	3	4	5
2	The exiting director needs to pave the way for me to build relationships with the biggest funders/donors.	1	2	3	4	5	1	2	3	4	5
3	I am confident I can establish my leadership as soon as I step into the new position even if the long-term leader remains.	1	2	3	4	5	1	2	3	4	5
4	There are gains for the organization and there is a designated coach available during the extended stay to work out any issues.	1	2	3	4	5	1	2	3	4	5
5	I have fully investigated the financial stability of the organization. No financial surprises!	1	2	3	4	5	1	2	3	4	5
6	I have a previous and good working relationship with the exiting leader.	1	2	3	4	5	1	2	3	4	5
7	The exiting director has a lot to offer, even though I have some concern how those outside the organization will view this arrangement.	1	2	3	4	5	1	2	3	4	5
8	I feel comfortable that I helped to create the extended agreement with the exiting director and am confident that it is workable.	1	2	3	4	5	1	2	3	4	5
9	The board seems supportive, though distant and not highly engaged.	1	2	3	4	5	1	2	3	4	5
10	The board and exiting director created a special budget for transition expenses.	1	2	3	4	5	1	2	3	4	5

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## KEY

These statements will help you think through some of the aspects of walking into a new leadership role that includes managing the former leader. Although not an easy situation, there can be benefits from a good and productive relationship with the exiting leader. It is important to be willing to look deeply into your own preferences, skills and emotional readiness for handling the complexity of an extended departure.

For each item consider your ranking of its importance.

- Do your answers create any potential conflict with the board or the exiting director?
- Do your answers raise any unanswered questions for you about your decision to step into this new role and the extended departure agreement?
- What—if any—transition issues need to be handled without the exiting director?
- What support do you need to bring your best to this new situation?

Below are some ways to interpret your answers, especially if you rated the question 4 or 5. Again, these should help you think in a nuanced way about your motivation to stay in the organization.

- ① **The exiting director has decades of knowledge that I need to capture in order to succeed**—What knowledge held by the exiting leader is most difficult for a new leader to learn on the job? What is best learned through personal interaction? In all transitions the exiting director is expected to pass on essential knowledge and information to the new one. If you have an extended exit arrangement and therefore a longer time table for information-transfer, it may be best to prioritize categories and set up some specific deliverables.
- ② **The exiting director needs to pave the way for me to build relationships with the biggest funders/donors**—Trust with donors has to be earned over time. The exiting director can make introductions and reassure donors. But what part do

you need to do yourself? Remember that the people who hold the funding relationships often have enormous power in the organization. You may want to ask yourself how you can best take responsibility for this important part of the work as soon as possible.

- ③ **I am confident I can establish my leadership as soon as I step into the new position even if the long-term leader remains**—Most new leaders find it important to start strong so that their leadership will be acknowledged and accepted. But this is a balancing act. When the former executive remains on staff for an extended transition, the new leader must establish their position while also respecting and collaborating with the former executive.
- ④ **A designated coach is available for the extended transition process**—Research has shown that a coach designated to the transition partnership between the incoming and exiting leaders helps increase the chances for success. Having separate coaches may be good for both of you individually but it won't necessarily contribute to the success of the transition.
- ⑤ **I have fully investigated the financial stability of the organization.** No financial surprises!—A financial surprise—especially a

negative one—can derail a smooth transition. It is natural to blame the exiting director and/or board when bad financial news appears soon after a new leader's arrival. This blaming can taint the relationship with the exiting director. With unforeseen financial problems, it can become more difficult to imagine paying for the exiting director to stay on regardless of the original agreement, and it is easy to make harsh judgments and ruin relationships. It takes a lot of skill to partner with the exiting director to find a solution to a financial surprise, but it can be important to do so.

- ⑥ **I have a previous and good working relationship with the exiting leader**—Having a previous working relationship with the exiting director seems to be one of the leading predictors for success in an extended transition. The prior experience opens up more understanding of the other person's skills, needs, gifts and pre-existing high levels of trust creates a transition in which the best performance can be cultivated.
- ⑦ **The exiting director has a lot of offer, even though I worry how those outside the organization will view this arrangement**—There needs to be a clear communications strategy that explains why the outgoing leader is staying and this should be consistent within

and outside the organization. This includes being clear on the outgoing executives role, tasks, and timeline. This will help clarify that the new leader is fully trusted by the board in the job and the exiting director is helping to assure that success.

- 8 **I feel comfortable that I helped to create the extended agreement with the exiting director and am confident that it is workable**—Extended transitions have a better chance for success when the incoming leader has been part of the negotiations and/or has the opportunity to provide direction on final terms and implementation.
- 9 **The board seems supportive, though distant and not highly engaged**—The incoming leader needs the attention and engagement of the board, including their trust and support. To ensure that the board is an active partner to the new leader in an extended transition, there should be a

discussion with the board before the new leader takes the on the leadership role that clarifies the roles and responsibilities of all the parties involved, including the Board, and specific plans for supporting the transition.

- 10 **The board and exiting director created a special budget for transition expenses**—An incoming director has a huge advantage for success when the board and/or exiting director have had the foresight to create a transition budget to cover special items like coaching, consulting, staffing adjustments and, if negotiated, the extended role of the exiting leader. The allocation of the fund should be jointly agreed with the board but spending decisions should be at the discretion of the new leader. Such a budget, while enormously helpful, is not a guarantee for success.

**TOOL FIVE**  
**READINESS: BOARD MEMBER**

**Thinking about What’s Really Best for the Organization**

The board is holding—first and foremost—the best interests of the organization in its hands. Agreeing with the exiting leader to arrange an extended departure requires balancing the interests and needs of the organization with what the exiting and new leaders both desire. Sometimes the interests of the two leaders will be in conflict or difficult to manage. When approving an extended exit the board is agreeing to manage a more complex process. The board is obligating itself to be more attentive and available as the new leader takes the management responsibilities and the long-term leader reorients his/her behavior and answers to the new leader. We suggest that Transition Team members and/or the full board answer the following questions. The Team or full Board will benefit the most by discussing the questions and everyone’s answers and then using the discussion to move to action. Rank these from 1 to 5. There is no right or wrong answer.

<b>As the board considers whether the long-term/founding leader should remain in the organization during an extended transition I (as a member of the board) believe...</b>		Not Important					Very Important				
<b>1</b>	The exiting director has decades of knowledge that needs to be retained in order for the new leader (and the Board) to succeed in this important leadership transition.	1	2	3	4	5	1	2	3	4	5
<b>2</b>	The exiting director needs to personally make the connection between the incoming leader and our biggest funders/donors/stakeholders. This will cement a good relationship for the new leader.	1	2	3	4	5	1	2	3	4	5
<b>3</b>	I am aware that the exiting leader feels stressed about personal finances; it is our obligation to help smooth the transition for our longtime leader. Extended employment and benefits will help make the transition possible. We should have done more for the leader (better pay etc) for many of the previous years.	1	2	3	4	5	1	2	3	4	5
<b>4</b>	There are gains for the organization and there is a designated coach available during the extended stay to work out any issues.	1	2	3	4	5	1	2	3	4	5
<b>5</b>	I fully understand the financial stability of the organization and its readiness to absorb the costs of a transition.	1	2	3	4	5	1	2	3	4	5

6	I believe both exiting and incoming leaders have the leadership savvy, skills, and experience to handle an extended exit.	1	2	3	4	5
7	The exiting director has a lot to offer during an extended exit but I have some concern how those outside the organization will view this arrangement. We need a visibility strategy for this decision	1	2	3	4	5
8	I know we are in agreement as a Board that this arrangement has to be in writing and the goals/deliverables are clearly articulated.	1	2	3	4	5
9	The board members have agreed to be more available and supportive during the transition.	1	2	3	4	5
10	The board and exiting director have created a special budget for transition expenses; the board has raised or figured out how to allocate these costs.	1	2	3	4	5

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## KEY

These statements will help you—along with other Board members—to think through some of the aspects of accommodating an extended exit. In deciding to approve an extended exit the Board is agreeing to manage and mentor the new leader through a complex arrangement. Although not an easy situation, there can be benefits from a good and productive relationship with the exiting leader. It is important to be willing to look deeply into the readiness of the Board for this type of engagement: is the board structured well to help the new leader optimize the extended exit agreement?

For each item consider your ranking of its importance.

- Do your answers reveal the strengths/readiness of the board for this unusual exit?
- Do your answers raise additional questions about the wisdom of agreeing to the extended exit?
- How can the board work best to get optimum value from the extended exit arrangement?

On the following pages are some ways to interpret your answers, especially if you rated the question 4 or 5. Again, these should help you think in a nuanced way about the board’s role and responsibilities to support the extended exit.

- ① **The exiting director has decades of knowledge that the organization needs in order to succeed**—What knowledge held by the exiting leader is most difficult for a new leader to learn on the job? What is best learned through personal interaction? In all transitions the exiting director is expected to pass on essential knowledge and information to the new one. In an extended exit arrangement that therefore has a longer timetable for information-transfer, it may be best to prioritize categories and set up some specific deliverables. The extended exit must include a detailed plan for work/deliverables and a management protocol.
- ② **The exiting director needs to pave the way for the new leader to build relationships with the biggest funders/donors**—Trust with donors has to be earned over time. The exiting director can make introductions and reassure donors. But the new leader needs to quickly begin to take over the relationship-building. The board can and should take some responsibilities for introductions and connections.
- ③ **I am aware that the extended exit is driven somewhat by the exiting leader's stress over personal finances (along with love of the organization and eagerness to continue serving)**—The Board is responsible to work out a suitable and affordable financial transition.
- ④ **A designated coach is available for the extended transition process**—Research has shown that a coach designated to the transition partnership between the incoming and exiting leaders helps increase the chances for success. Having separate coaches may be good for both leaders individually but it won't necessarily contribute to the success of the transition.
- ⑤ **I have fully investigated the financial stability of the organization.** No financial surprises!—a financial surprise—especially a negative one—can derail a smooth transition. It is the board's responsibility to understand the finances and to not simply defer to the knowledge of the exiting leader. The board may even be tempted to blame the exiting director if any bad financial news erupts during the transition, but the board is an equal partner in all financial situations. Blaming can taint the relationship with the exiting director. With unforeseen financial problems, it can become more difficult to imagine paying for the exiting director to stay on regardless of the original agreement, and it is easy to make harsh judgements and ruin relationships. It takes a lot of skill to help both the exiting and incoming leaders to find a solution to a financial surprise, but it can be important to do so.

- ⑥ **The exiting and incoming leaders have superb skills and experience;** they should be able to pull it off. The board recognizes that extended exits are not widely seen as highly successful or advisable. But the board believes the two leaders are extraordinary and will respect and help each other.
- ⑦ **The exiting director has a lot of offer, even though I worry how those outside the organization will view this arrangement—** There needs to be a clear communications strategy that explains why the outgoing leader is staying and this should be consistent within and outside the organization. This includes being clear on the outgoing executive's role, tasks, and timeline. This will help clarify that the new leader is fully trusted by the board in the job and the exiting director is helping to assure that success.
- ⑧ **I feel comfortable that the Transition Team has created an extended agreement with the exiting director that is fair and workable—**Extended transitions have a better chance for success when the exiting leader understands that there are clear goals, deliverables, and timing. Success is also increased when the incoming leader has been part of the negotiations and/or has the opportunity to provide direction on final terms and implementation.
- ⑨ **The board has agreed to be supportive and has worked out a management system with the new leader and the exiting leader.** The incoming leader needs the attention and engagement of the board, including their trust and support. To ensure that the board is an active partner to the new leader in an extended transition, there should be a discussion among the board members before the new leader assumes leadership that clarifies the roles and responsibilities of all the parties involved—including the Board—and specific plans for supporting the transition.
- ⑩ **The board and exiting director created a special budget for transition expenses—** An incoming director has a huge advantage for success when the board and/or exiting director have had the foresight to create a transition budget to cover special items like coaching, consulting, staffing adjustments and, if negotiated, the extended role of the exiting leader. The allocation of the fund should be jointly agreed with the board but spending decisions should be at the discretion of the new leader. Such a budget, while enormously helpful, is not a guarantee for success.

# CONCLUSION



**With the anticipation of so many baby boom-age leaders leaving nonprofit leadership, taking a new role in the organization seems like a logical next step. For many long-term leaders, making a different type of contribution in the same organization makes perfect sense. We often heard these leaders talk about the knowledge, relationships, history, and passion they still had for the work.**

The reflective tools we offer will allow all the parties involved to learn more about their motivation for keeping a long-term leader in the organization and to have needed conversations with exiting leaders, boards, and incoming leaders about motivation, expectations, and roles.

**What we learned in doing this paper is that it is the rare exception when this arrangement works. It is not always clear why.** One reason is that the decision is based on making up for things the organization neglected for years ranging from not paying the executive director enough to not preparing for the eventual leadership transition. As a result, the

group ends up stressed and the new leadership is under pressure to make up for unaddressed issues. We also heard cases where the Board of Directors was either unable or unwilling to take up their own leadership role, finding it easier to follow any suggestion the exiting leader made or even convincing them to stay on because of their own insecurities as a Board.

The good news for exiting leaders who wanted to stay in the work is that most did so successfully, just not in their organization. And working in a new group, founding a new project, or consulting turned out to stretch their thinking and allowed them to see how broadly their work was appreciated by others.

We are in a time when a new definition of work throughout the lifecycle is starting to emerge. People are living longer and healthier, and that means we will want to (and have to) work longer as well. Right now we are at the beginning of understanding how people in nonprofits will contribute as they age. We know that “the golden retirement years” has little resonance or reality for the boomer generation. But the new path is just starting to be pioneered. It will be important to share what we know and learn together; and it will take all the wisdom and experience we have in order to develop the next stage of the lifecycle of work.

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## About the Life After Leadership Series

The Life After Leadership Project began interviewing leaders in 2012 about the immense generational transfer of talent that is getting underway in the nonprofit sector. Through extensive interviews, surveys and focus groups the project collected valuable information and reflections from an array of long-term nonprofit leaders looking to the future.

Read the other reports in the series at:

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