



Nonprofit**HR**

Virtual Town Hall

Pause or Pivot: Unforeseen C-Suite Vacancies During **COVID-19 Pandemic**

Monday, April 13, 2020
12:00 – 1:15 pm (Eastern)

www.nonprofithr.com/covid19

Virtual Town Hall COVID-19 & Workforce Planning

Today's Presenters



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Pause or Pivot: Unforeseen C-Suite Vacancies During **COVID-19 Pandemic**

Visit nonprofithr.com to learn more about additional COVID-19 resources

Today's Focus

- Making the Decision: “Pause or Pivot?”
- Things to Consider
- Benefits of Interim Leadership
- Managing the Transition
- Key Competencies
- Q&A

Making the Decision: “Pause or Pivot?”



“Pivoting is not the end of the disruption process, but the beginning of the next leg of your journey.” —

Jay Samit

Are we ready?

How has your board of directors prepared for this type of departure?

SUCCESSION PLANNING AT A GLANCE

50%



OF COMPANIES DO NOT HAVE A DOCUMENT DETAILING SKILLS REQUIRED FOR THE NEXT CEO

MOST BOARDS SPEND LITTLE MORE THAN
1 hour
PER YEAR ON SUCCESSION PLANNING

50%

OF COMPANIES CANNOT IMMEDIATELY NAME A CEO SUCCESSOR IN AN EMERGENCY

65%
HAVE NOT ASKED
INTERNAL HEIRS APPARENT WHETHER THEY WANT THE JOB

69%

BELIEVE A CEO'S SUCCESSOR NEEDS TO BE "READY NOW"
YET, ONLY 54%
ARE GROOMING AN EXECUTIVE FOR THIS POSITION



39% OF COMPANIES **HAVE ZERO VIABLE INTERNAL CANDIDATES**

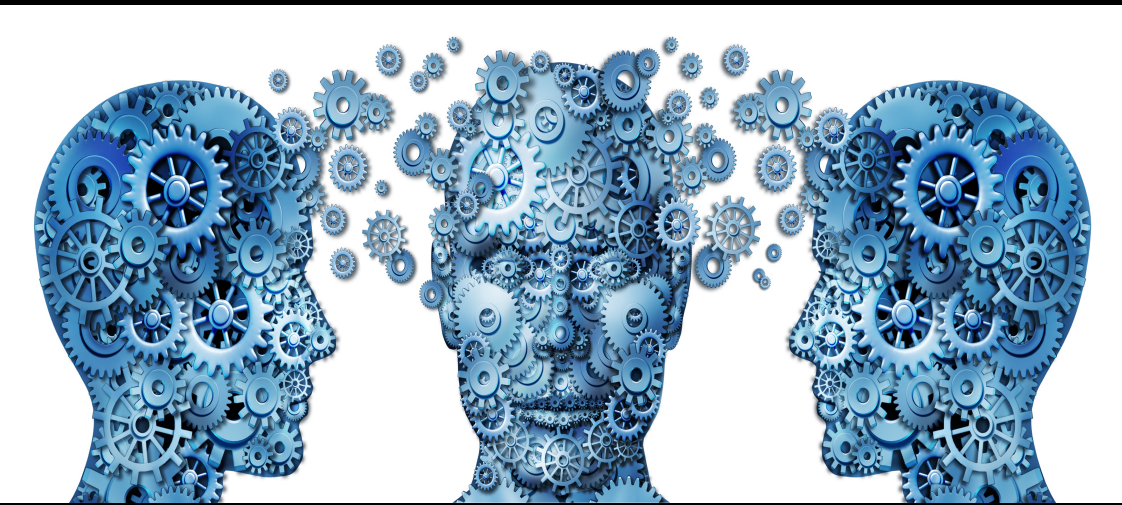


MONTHS:
HOW LONG MOST COMPANIES BELIEVE IT TAKES TO FIND A PERMANENT CEO



HOW LONG IT ACTUALLY TAKES TO CONDUCT A PROPER CEO SEARCH

What's Different About an Interim Leader?



They are:

- temporary leaders
- transition-focused
- agents of organizational change
- evaluate closely the functionality and viability of the organization
- build sustainability and success for the permanent leader

Things to Consider:

- Finances
- Talent
- Culture
- Performance



Your business or function

Take stock:

Do you understand the current performance and capabilities?

Take action:

Have you aligned and mobilized your team and organization on the future aspiration and priorities?



Culture

Take stock:

Do you understand the current culture and any shifts required to improve performance?

Take action:

Are you influencing those shifts with all levers available?



Team

Take stock:

Do you have the right team with the right skills and attitudes and the right structure?

Take action:

Have you together embarked on a structured journey to become a high-performing team?

When should we choose an interim executive?

- When there is significant disruption and change occurring in an organization
- When it is unclear what positions will be needed, and/or what skills will be needed for a particular position
- When leadership is needed urgently and there is reason to believe that a high-quality search will take time
- When someone is available who can transition into the position quickly but isn't available on a long-term basis.

Case Study – Interim CEO

- The Board needed to quickly terminate the current CEO due to severely poor (not illegal) financial management.
- After interviewing search firms, they realized a high-quality search would take 6-8 months, and they required immediate intervention to stop the hemorrhaging.
- Opted to hire an Interim CEO to calm the waters and created an aggressive plan toward financial solvency in preparation for a long-term visionary CEO.

Accomplishments

- Made significant reductions in expenses and changes to operations to balance the budget.
- Created special cross-functional teams to help standardize business processes and identify and disseminate best practices.
- Set the organization on track to see a surplus in year two after three years of million-dollar losses.

Case Study – Interim Chief Human Resources Officer

- In the midst of an internal employee related scandal, the CHRO of the organization resigned.
- There has been significant turnover in the role for the past three years.
- Staff have lost all faith in the human resources function and the CEO is beginning to question if the structure and/or competencies of the team are a match for the organization
- Opted to hire an Interim CHRO to focus on compliance, organizational development, and to conduct a cultural assessment to determine the actual needs of the organization.

Accomplishments

- Created affinity groups across the organization to activate a culture of diversity, equity, and inclusion.
- Conducted an extensive compensation analysis and created job bands and defined career paths across the organization.
- In a survey taken three months after the permanent CHRO was hired, 80% of staff indicated that they consider HR a valued resource and advocate.

Case Study – Interim Chief Development Officer

- A large organization set a goal to double the income from an upcoming capital campaign, over the previous year.
- With the departure of the Chief Development Officer, and multiple large-scale fundraising events on the horizon (annual gala, 5k Race, etc.) the CEO recognizes that they lack the leadership necessary to meet the goal.
- Opted to hire an Interim CDO to put laser focus on the success of the capital campaign and provide strategic oversight to the development team as they work through their event season.

Accomplishments

- Capital Campaign revenue increased by 125%.
- Down-sized Development Team from seven to four people, eliminating redundancies, and shifting staff to more suitable teams. (i.e., Digital Communications Manager moved to Marketing Department.)
- Facilitated three large corporate partnerships, deferring out of packet gala and race expenses by an additional 30%.

Benefits of Interim Leadership

- Diverse Experience
- Organizational Assessment
- Board & Staff Development
- The Luxury of Focus
- Accountability & Transparency
- Positive Message to Stakeholders



Interim Leadership Competencies

- Executive Operations
 - Finance
 - Administration,
 - Human Resources
 - Information Technology
- Change Management
- Strategic Communication
- Organizational Development



Managing the Transition

- Use the time to assess, reflect, and plan
- Actively define reality
- Use urgency as an alignment ally
- Communicate the score
- Set clear goals
- Think carefully about internal candidates



Important Takeaways

1. Uncertainty is not an excuse for inaction.
2. Consider all elements of the business when making a choice.
3. Use your interim executive as a trusted advisor, not an outsider.
4. Be fully present in the process to get the most out of it.
5. Remember the differences between an interim and traditional leader.



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Questions?

Reach out to Nonprofit HR at
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