



UP NEXT MONTH:

How and Why to Engage a Fundraising Consultant



5 REASONS TO HIRE A PROFESSIONAL INTERIM LEADER

The departure of a nonprofit executive can halt momentum and impact staff morale. The board might consider hiring a professional interim manager to:

- Continue daily operations and maintain governance before hiring a new leader.
- Stabilize operational issues before the new leader comes aboard.
- Assist employees in grieving the loss of the former leader and prepare them for a new leadership style.
- Proceed with large-scale fundraising and social events or policy decisions that cannot wait for new leadership.
- Avoid internal staff relationship disruptions caused by two qualified candidates vying for the interim leadership role.



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The Value of Professional Interim Management

Rushing to replace nonprofit leadership may have negative consequences

by Cassandra Larsen and Deborah Whitehurst

▶ Nonprofits that have lost a leader — to retirement, a career move, or even termination — often feel an urgency to find an immediate replacement.

This is, in many cases, a misguided strategy, says Linda Lyman, nonprofit consultant and retired president and CEO of New Pathways for Youth. “For a board that is feeling pressured to hire immediately, interim managers can provide a fresh, independent assessment as to what the organization needs to focus on in their next hire.”

In fact, the time afforded by appointing an interim manager (six months to a year, on average) produces innumerable benefits to nonprofits.

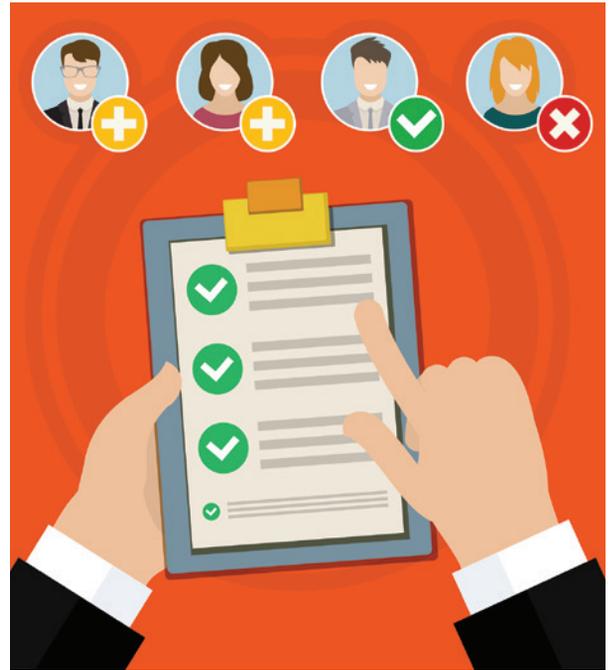
Opportunity to Strategize: A period of adjustment between leaders is often necessary to assess the nonprofit’s overall vision, mission and operations. What was working well? What areas need improvement? Is the organization’s structure still viable? What kind of leader will best serve future needs?

“When I was Educare’s treasurer, our board wanted to take a step back to reevaluate leadership expectations after turnover in the executive director position,” says Christine Nowaczyk, chair of Educare’s board of directors and senior vice president with Bank of Arizona. “Having a skilled interim manager who could step in and handle the organization’s daily operations was critical to giving the board the time needed to reassess the organizational structure and determine if changes were needed.”

Morale Boost to Employees: If the organization appears to be floundering before and during a leadership transition, key employees may leave in droves. It is the interim leader’s responsibility, working with the board, to communicate to staff that the interim period is an opportunity to reflect and engage in the process. An effective interim leader will meet with staff individually and in groups about the opportunities for the future of the nonprofit.

Sustained Donor Relations: Because loyal donors have developed personal, often long-term relationships with the previous leader, they may develop a “wait and see” approach regarding their own continued financial support. Will the institution hold to the same core values? Will the new executive director share similar philosophies? Will she or he be effective toward the nonprofit’s mission? The interim manager’s job is to allay fears and educate donors about the continued mission and future vision, and how this transition period is a positive step in moving the nonprofit forward.

Continued Board Function: Already overextended board members who volunteer their time to the nonprofit may feel compelled to step in and take on day-to-day operations in the absence of leadership, which may do more harm than good. Hiring an interim “keeps the wheels on the bus” — including



banking and insurance relationships, and audits — and allows the volunteers to continue performing their duties as board members. The majority of the board’s focus during this transition should involve working with interim management to assess current and future needs, determining what the nonprofit wants in a new leader, developing a job description to fit those needs, and outlining a process and timeline for the search and interview process.

Cost Savings: Says Lyman, “The use of interim executive directors is often less expensive in the long run rather than rushing to replace an exiting CEO. An interim executive director is a seasoned professional who has a wealth of experience.” The worst decision executives sitting on the board could make is a “reactionary” hire: bringing on someone whose principal characteristic is that she or he is not the same as the prior CEO. The end result — the wrong hire, who fails and leaves in 24-36 months or less — could result in an exodus of key staff members, damaged donor relations, and the need for additional financial resources to begin the search yet again.

Professional interim managers make sense. They send a message to all constituents and staff that the board is serious about moving forward in a thoughtful way, and that the organization continues to be strong and healthy. Interim managers are a conduit, a link and a partner to internal search committees or executive search firms, ensuring participation and input from the board, staff and constituents.

They can also have a positive ripple effect on the nonprofit’s future. “An external interim manager gave fresh eyes to our organization’s operations,” says Nowaczyk. “As a result, operations improved and new administrative policies and procedures were enacted.” ■

