CASE STUDY
Succession Planning at Momentum

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Special thanks to Momentum contributors:
Walter Hossli, Founding Executive Director and Director Emeritus, Momentum
Jeff Loomis, Executive Director, Momentum

momentum
Momentum is an award-winning, community economic development (CED) organization that has operated in Calgary since 1991. Its work contributes to reducing poverty and building stronger, more sustainable local economies. Momentum currently operates 18 programs that work with over 3,500 individuals annually to get good jobs, create their own job through micro business and manage and save their money. Now two years after transition process, Momentum continues to thrive as an organization which works to empower individuals and communities throughout Calgary by providing them with the opportunities they need to position themselves for prosperity and success.

Visit www.momentum.org for more information.

THE IMPORTANCE OF THOUGHTFUL AND STRATEGIC SUCCESSION & TRANSITION PLANNING

Succession and transition planning are a critical part of the future success for any organization. For not-for-profit organizations, however, the planning can be somewhat more complex. For example, when a founding or very long-term executive director (ED) decides to transition out of his or her role (as was the case with Momentum), there are some unique elements to the departure. It’s often a far more emotional experience for a founder given that they have not only built organizations from the ground up, but have had the opportunity to break through barriers, achieve great successes and impact culture, direction and overall organizational development. There is more of an attachment to both the role, the way the role is carried out and the organization as a whole.

For this and several other reasons, planning is often delayed, or does not take place in a proactive, thoughtful way. Many founders and long-time EDs are concerned that the process of planning for their succession will hasten their exit, taking the control out of their hands. The planning process can also create personal fears surrounding their identity and significance beyond exit. There may also be unease as to whether there is a capable successor with the skillsets and experience to take over the role of executive director once they step away. And finally, operational demands can make it difficult to find the time to sit down and engage in a thorough planning process. In fact, more than 50% of organizations admit they have no formal transition plan in place.

The truth is a successful succession is truly the completion of the cycle of a founder’s or long-time ED’s contribution to the organization. There is no greater gift they can leave to the community, the employees and the customers of the organization they have built than its continued success. Effective succession planning ensures the process is clear and transparent so that there are no surprises in the process which could negatively impact the founder or the organization.

Finally, a good plan ensures the next leader is the right leader for the future – not simply a replica of the long-term leader – and that he or she is fully supported and prepared to realize the new vision and goals of the organization.

People are the most important assets of every volunteer-driven organization. It is important to identify candidates who are committed to the vision, priorities and purpose of the organization. Retirements, resignations or more sudden and unexpected losses of key people could put an unprepared organization in significant risk. For this reason, it’s essential
not to leave a succession plan until an executive director is close to considering retirement. Proactive preparation is often key to a successful succession process.

This study focuses on succession planning as a process which coalesces three key elements: the vision and strategic direction envisioned by the Board, the culture and leadership within the organization itself and the objectives, knowledge and experience of the long-time ED or Founder. All three must be at work in an organization in order for the strategic selection of a successor to occur and for continuity of qualified leadership and planned organizational growth to take place.

THE PROCESS

Founder Perspective  Walter Hossli

Walter Hossli first announced his intention of transitioning out of his role of founding executive director of Momentum three years prior to his planned departure. At this point, Walter hired a coach to help him prepare for his first steps. He then reached out to two colleagues from the private sector, who had gone through the succession process themselves and were able to provide advice and insights based on personal experience. Finally, Walter also touched base with an academic with extensive experience working alongside executive directors in not-for-profit organizations. Realizing how emotional this journey could be, Walter was happy when all four of his ‘succession mentors’ helped him navigate through the entire succession process with the board, the leadership team and later, with his successor – in order to ensure a smooth, successful transition.

Walter now maintains a part-time role of founder and Director Emeritus, working as an advisor and ambassador with Momentum. Walter primarily works with and through his successor to add value without having undue influence on Momentum’s operations and future direction.

Succession Consultant Perspective  Lynne Fisher

Six months after Walter’s announcement, the Momentum board’s Human Resources committee decided to engage Lynne Fisher, a senior manager with MNP’s ExitSMART program. Lynne laid out a full multi-stage plan which began with “discovery” and ended with the transition of leadership to the new leader. Critical pieces of this plan included the technical work of defining the executive director role and Momentum’s leadership needs, facilitating board decisions around candidate selection and how to best identify and prepare both his successor and Momentum as an organization for a seamless transition.

Externally, the demand for Momentum’s services was only increasing and day-to-day operations could not be disrupted by a succession. The goal was for the ongoing leadership to continue facilitating the needs of the organization while the succession plan was implemented.

Internally, the culture of Momentum has always been strongly embedded in the organization to the point where it was considered to be a competitive advantage. It was critical the succession plan needed to not only be aligned with the culture, but ideally strengthen it.

Because Walter had been, up until this point, the primary face and lead within the organization, his transition involved significant knowledge transference, mentorship and open communication with external stakeholders who might have felt uncertain about the future of Momentum.
As an effective, third-party liaison between the board and staff, Lynne was able to develop a future executive director profile, implement ED candidate feedback based on surveys and interviews and create a leadership development plan for the internal successor candidate. This contributed to the goal of both Walter and the board to ensure transparency and collaboration in choosing the right successor.

The question of whether to hire a successor internally or externally was brought to the board after a full ED profile was developed. The development of the ED profile included a number of tasks such as:

1. Comprehensive Document Reviews (strategic plans, role descriptions, organizational charts, etc)
2. Individuals interviews and surveys with the board and leadership team
3. Conducting an in-depth culture assessment to gain a full perspective of Momentum’s culture as a tool towards defining the requirements, values and attributes necessary for the new ED

Once the profile was clearly defined and used to develop an updated ED job description, the decision could then be made as to whether the candidate search should be conducted externally or internally. Initially, the board decided to conduct an external search, while also considering Jeff Loomis (who was part of the current leadership team with Momentum) as a possible successor. A short time later, the board made the decision to evaluate Jeff’s capacity and potential for success in the role. A key part of this decision was the strength and depth of the Momentum culture. If an internal candidate was eventually selected, the risk of compromising the culture would be mitigated, and in fact, the existing culture would very likely be strengthened should an internal be selected.

In the spirit of minimizing bias and selecting the best candidate, a decision was made to evaluate Jeff against the criteria established in the ED profile at a number of check points over an 18-month period, which involved a total of three 360 assessments. This again, provided room and opportunity for transparency within the organization. After the second 360 assessment, the entire staff was made aware of the fact Jeff Loomis was the internal candidate – which allowed everyone in the organization to be a part of what was essentially an extended job interview. The board agreed if Jeff did not show progress or regressed at any point throughout this process, there would be an “off-ramp,” whereby his candidacy would be revoked and an external search would begin. This approach was presented to Jeff, at which point he agreed it was important to him that he should be offered the role on his own merit and not based on his role in the organization.

Once the Board officially made the decision to confirm Jeff Loomis as the candidate for the role of the ED with Momentum, Lynne took on a more advisory role and supported the Momentum staff as they developed a leadership transition plan.
Effective integration was a critical part of Momentum’s transition plan. Jeff was honoured for the succession opportunity and committed to the success of the process. As the new executive director, he would face unique challenges while also holding an important strategic position within the organization. In order for Jeff to successfully transition into his new role, the succession process occurred in two phases, the development phase and the transition plan.

1. The development phase involved:
   - Regular coaching with both Walter and an external coach. Training with Walter involved comprehensive decision-analysis sessions and meeting debriefs. The external coaching focused more directly on Jeff’s key development goals. The fact Jeff and Walter shared the same external coach, was beneficial, as she was able to develop a comprehensive understanding of the organizational context in order to fully support the succession process.
   - Specific leadership courses and volunteer opportunities were identified based on the development goals such as active listening, change management, time management and financial management. To support his active listening goals, Jeff volunteered regularly on the Distress Centre crisis lines.

During the development process, several measurable processes were put in place to gauge Jeff’s progress and performance. These included:
   - A development plan with specific measures to assess his performance in the identified developmental areas, along with an accountability agreement, which outlined specific progress measures.
   - Two additional 360 assessments. One of these took place as a mid-point check-in, which provided the board and staff an opportunity to provide input. At this point, the organization could ‘off-ramp’ Jeff’s candidacy, were they to decide this was the appropriate move. A final 360 assessment was made to confirm Jeff as the internal candidate.
   - Board members were given opportunities for informal assessments of Jeff’s progress. Because the board was already quite familiar with Jeff prior to the succession, he was able to communicate with members easily and frequently throughout the process.

2. The Transition Plan key processes involved:
   - Jeff and Walter working together with Lynne and Momentum’s Human Resources director to implement a seven month transition plan. Each month had a designated focus for transitioning a specific area of work from the executive director job description from Walter, over to Jeff. The transition plan was shared with the board and all staff to keep people up to date on the transition process.
   - The bulk of the primary knowledge transfer process. Each month, coaching between Walter and Jeff would focus on the specific area of work which was being transitioned according to the monthly plan. At this time, Jeff also interviewed Walter and the director responsible for each area of work to receive input pertaining to the responsibilities of the executive director in that field. To reflect the transition process, Jeff’s job title changed to Associate Executive Director during this period.
THE RESULTS

Because of all the preparation, transparency and effort put into the succession planning, the transition was relatively seamless. When Jeff officially stepped into the ED role on June 1st, 2014, he had already been largely functioning in the role in many aspects.

Momentum’s continued strong operational results, financial success and program outcomes are the strongest demonstration of the seamlessness of the transition process with the organization. The success of the transition has also been validated externally through the organization’s annual funder survey as it gave key supporters an opportunity to address any concerns they may have had, at which point it was made clear the transition had no negative impact on their perception of the organization or the direction it was moving in. As an organization, Momentum continues to make measurable and meaningful progress towards their mission.

“Given how well prepared I was for the role and how well-received the transition was by our staff and supporters, I cannot think of anything that would have better prepared me to move into the role of executive director with Momentum.”
– Jeff Loomis
KEY LEARNINGS

• The value of preparation and prioritization. Be very thoughtful and recognize this as both a planning and intellectual process, as well as an emotional one. Momentum also identified the leadership transition as a key strategic priority. As a result, they dedicated both time and resources to the process.

• Transparency is invaluable. One of the measures Momentum took to promote transparency and collaborative input, was to connect with all staff and board members at a retreat, allowing everyone an opportunity to check in and get updates on the process. Because all staff, the board and external stakeholders were engaged with openly throughout the process, the organization was able to discuss and settle any uncertainty in real time – reducing the risk of any surprises while building support along the way. The benefit of an external communication plan also allowed for appropriate timing of key messages with community supporters and partners.

• Collaborate. Significant benefits were realized by engaging the entire leadership team and staff in developing parts of the succession plan. This provides an opportunity for multiple perspectives while also ensuring the staff with an invested interest in the success of your organization's future are involved in the process.

• Remain committed to the needs and concerns of the organization. It's important that the founding executive director, the board, staff and successor are dedicated to ensuring the transition process is aligned with the goals of the organization.

• External, consulting support is important for ensuring that all critical pieces are addressed, all parties are heard, and for providing a neutral zone between board and staff in the succession process to help ensure a degree of objectivity.

• Strong, trust-based working relationships are key. The healthy relationship between Walter and Jeff, along with the leadership team made it that much easier for a seamless transition as Jeff stepped into his new role.

• Take the time to learn from other leaders in your field. Both Walter and Jeff read a number of articles on founder transition. They also met with several representatives from other organizations who had been able to successfully navigate through founder succession.

• Take a holistic approach. While this plan focuses specifically on the succession of the executive director, the organization recognized this was one of several roles on the leadership team and chose to invest in the development of all members of the leadership team so they could then be leveraged further throughout the organization.

“No one is a bigger supporter of Walter than Jeff and no one is a bigger supporter of Jeff than Walter.”
– Jim Gray, Momentum Community Champion

“Another key result from the transition, is that it feels like we are fulfilling Walter’s legacy, which was to have Momentum continue on its journey as a healthy organization, making a positive difference for people living on lower-incomes in our community”
– Jeff Loomis
ABOUT MNP

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