

## White Paper Series from The Nonprofit Center at La Salle University

### Founders<sup>1</sup>: When and How Should They Go

by Laura Otten, Ph.D., Director

(Note: We recommend reading this in conjunction with our white paper on surviving an [executive transition](#).)

*“Just because a person was right when hired, doesn’t mean that three, five or ten years later that person is still right for what is needed in the position. Just because a person was right to start the organization doesn’t mean s/he is right to sustain it. Just because a person was right to help the organization implement the last iteration of the strategic plan doesn’t mean the person is right for the next iteration.”*

There is, perhaps, no more vulnerable time for a nonprofit than during an executive transition. When the executive doing the transitioning is also the founder, the vulnerability quotient increases exponentially. It is up to the board to do all that it can to control things during this time span, which begins with the announcement of the pending transition and extends through the acculturation and integration of the next, permanent executive director (ED). This process, if done well, will likely take double digit months, during which time the board is the lead partner in the partnership that is board and ED. But don’t panic; there are things that a board can and should do in advance of the start of the transition period, as well as things to be done during the transition, all of which will lessen the organizational trauma.

#### When is the right time for the founder to leave?

One of the most common mistakes that is made by both boards and founders is waiting too long to make the decision that a change is needed, if not, in fact, necessary. Each has its own reasons for delaying the inevitable, and both have equally bad consequences.

Understandably, it can be very hard for a founder to ask, let alone determine, “Is it time for me to go?” And, yet, this is a question that every founder who really cares about the organization’s future, absolutely must ask and answer on a regular basis. (This question isn’t limited to just founders, but should be periodically asked by every ED.) Granted, there are founders who simply can’t or don’t want to imagine the organization existing without them, and aren’t interested in seeing it continue after they depart. This said, whether the organization exists with or without the founder, isn’t a founder’s decision; *it is a board’s*. For those boards that never came to understand that it, not the founder, was supposed to be running the show, they won’t know it is their decision to make.

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<sup>1</sup> There is a good degree of similarity between founders and those who are not founders but have been at the helm of an organization for a long period of time. Thus, much of what is said here applies equally to those long-serving executive directors.

They will, thus, accept the demise of the organization in the same manner they did everything else: following the lead of their founders, rather than taking the lead. With this scenario, it is best to know as early on in the organization's history that the board will be dissolving the organization with the departure of the founder, rather than moving to take it into its next iteration. (But let's not, even for a minute, think that allowing an organization to dissolve because of a founder's lack of interest in seeing the organization continue without him/her is a responsible thing to do. The dissolution of any organization should be the result of a thoughtful, strategic process spearheaded by the board; it should never be the result of ignorance or inertia).

While more founders are asking when it is time to leave, resulting in some actually leaving by their own volition, it will always be a board's job to be asking, answering and then acting on this question (again, not just of founders): is the current person in the position of ED still the best fit for the position and what we are trying to accomplish as an organization? Too often, boards wait until something goes wrong before asking whether they have the best person for the job in the ED position, at which point they are way late to the party.

This question, in fact, must be asked on a regular, periodic basis. Just because a person was right when hired, doesn't mean that three, five or ten years later that person is still right for what is needed in the position. Just because a person was right to start the organization doesn't mean s/he is right to sustain it. Just because a person was right to help the organization implement the last iteration of the strategic plan doesn't mean the person is right for the next iteration. So, the question must be asked and answered. With founders, the importance of asking this question is even more essential, as the skills, talents, personality that are needed to start an organization are not the same that are needed to sustain the organization, and rarely do we find those differing sets of skills in the same person. Thus, the importance of this question. It is not enough that the "money is coming in" as founders are, frequently, very good at raising money; the underpinnings of infrastructure need to be in place so that there are legs beyond those of the founder on which to stand. Are there job descriptions? Clear written policies and procedures? A written strategy for organizational evolution that was created by board and staff working together? A documented strategy for income generation?, etc. If a board wants the organization to continue beyond the founder, these things must exist. But the founder may not be the person capable of or interested in putting those essentials for sustainability in place.

There are indicators that, perhaps, a board or a founder has waited too long to conclude that it is, indeed, time for a change. Higher than usual turnover rates is a good indication; poor staff morale is another. (Yes, the latter is often a precursor to the former.) An ED who shares less and less with the board and is increasingly prone to making pronouncements to the board rather than engaging in discussion is another. (If this is how it has always been, you are in trouble.) A resistance to change, preferring the ways things have always been done is quite another.

## The departure

There are right ways and wrong ways to handle the departure of a founder. Waiting too long for that transition, however, almost always ends up leading to a wrong way. To relieve anyone of her/his position compels the acknowledgment that everyone—including a founder—is replaceable, something that is particularly hard for most to accept when a founder is involved.

After all, the organization wouldn't exist had it not been for that person. In addition, replacing anyone, but, again, especially a founder, also requires an understanding that even when someone is being asked to leave it doesn't have to reflect negatively, regardless of the reason for the replacement. No matter how long (or short) someone has been in her/his position, we can spin the departure however we want. There is always "wanting to pursue new/other interests" or "spending more time with family" or simply "needing time to give to him/herself rather than working tirelessly on behalf of others." This provides protection to both the one departing and the board members who remain behind taking responsibility for the change.

One of the more common mistakes made at this juncture is dragging the decision out, made equally by board and founder. Departures, especially of founders, are best done by ripping off the band aid: make the decision, make the announcement and move forward. Founders who continually delay their departure date, or who use their departure as a threat, only do harm, as it puts the organization, and everyone who is part of it, in limbo. Boards that vacillate with their own decision-making create the same result of putting organizations on pause while they find the strength to do what is inevitable. By the time boards have begun to discuss (out loud; not in their heads, not in small groups) the removal of a founder, they know in their heads, for sure, and in their hearts (which are generally still queasy) that the founder must go, and the organization needs to move on. Boards that allow the heart to continually dominate their actions are, in fact, very poor boards. They are failing at one of their key responsibilities: to protect and steward the mission promises.

To leave no uncertainty on this issue, when a board finally reaches the decision to remove the founder, or the founder announces s/he is really leaving, the founder *must* go. Remember: No one owns a nonprofit, not even the founder. It is always the responsibility of the board to shepherd the organization and the founder does not own it.

Certainly honor the founder and her/his legacy; celebrate him/her appropriately (and raise some money in the process). But *do not* find any kind of alternative role for the founder—not on staff, not on the board, not anywhere. The organization must learn to move on without the founder. The new ED must be given the space to change things, as change is inevitable in this situation; and the board must navigate a new relationship with the next ED. Feel free to negotiate a consulting agreement with the departing founder so that *if the new ED feels the need* to seek information, advice, insight, etc., from the founder, there is a mechanism for doing so. *But this should always be at the choice of the new ED*, and not something determined and imposed by the board.

### The role of an interim?

Following a founder ED is always a challenge, no matter how smart, skilled, experienced, the new executive may be. Change, as noted previously, is inevitable and, all too frequently a necessity, yet not everyone, from staff to board members to other volunteers, welcomes change. A new ED comes in, eager to prove to the board, and everyone else, that s/he was the right choice and things start to shift.

Little changes may be made here; bigger changes there; but it all boils down to change. Rarely, in these situations do people ask first, “Is this change needed? Is it good/appropriate/right?” but rather move immediately to complaining about the change because it means more work. Change necessitates learning new things, being (more) conscious and thoughtful, stretching. And that simply isn’t comfortable. But rather than stepping back and taking an honest look at why the change is being made (and, rarely is it simply for the sake of change), staff and board alike too often see the request (okay, so sometimes it is a demand) for change as a failure on the part of the new ED. Eight, twelve, maybe even 16 months later, the new ED quits, tired of fighting the resistance, or is fired because s/he had the nerve to ask for change.

So, without question, the best move a board can make is to hire an actual *interim* ED rather than hiring a *de facto* interim ED, which is what happens in the scenario above. An actual interim is a real interim, which means it isn’t a board member who agrees to step off the board and into the ED role, knowing that when the next, real ED is hired s/he will return to the board. An actual interim isn’t a staff member who agrees to step up and fill the void (for additional compensation, of course) and then return to her/his position with the hire of the permanent ED. It also isn’t a friend of a board member who is between jobs, or a recent retiree looking to fill some time. Nonprofits deserve better than that; nonprofits at their most vulnerable certainly *need* more than that.

They deserve and need a true interim. What does that look like? First, it should be someone who has been an ED before, so that s/he isn’t learning that job on the job when what the organization really needs is someone who can come in and hit the ground knowing and, therefore ready to juggle, all the balls that an ED must juggle. Remember, the goal is to forestall moving backwards.

Second, it should be someone who is not interested in the job on a permanent basis. In other words, being an interim ED is not a trial run for the permanent slot. As suggested previously, when stepping into an organization that has been founder-led, there is a lot of change that will happen, frequently infrastructure that needs to be built, and accountability that needs to be demanded when and where it wasn’t previously. Because much will be demanded of both board and staff, the interim cannot worry about offending people, hurting feelings, etc. The only goal is to do as much work in the short time (if an interim is in place for more than nine months, something is awry) allotted to put the organization, which includes the board, in as strong a position as possible for the new, permanently hired ED.

Every board should want the interim to do whatever cleaning up is needed so that the new ED, hired for moving the organization into the future, can focus on that movement, not continuing to get the organization ready to move forward. That is the job of an interim.

Third, it doesn't need to be someone who is experienced in the organization's mission; save that for the permanent ED. An interim needs, as previously stated, to know how to run an organization, manage donors and seek money, work with a board, oversee finances, evaluate staff performance, understand the general nonprofit landscape, and so much more. For the amount of time an interim is going to be the paid leader, s/he can learn as much as is necessary about the mission to do a stellar job.

#### The board's work during the interim's tenure

While an interim is working her/his magic, a board does not go on vacation. While it certainly may take a short breather, it has important work to do. It too is in an interim period, most likely taking huge steps upward in the assumption of roles and responsibilities it should have been doing all along, but didn't because it failed to understand that it, rather than the founder, was ultimately responsible for the organization and the mission.

Among its many assignments, it has to begin learning how to work differently, and, most likely, more effectively with a new executive director, to come to understand how it should operate as the top of the organizational chart, to figure out how to develop a shared partnership for leading the nonprofit, to define the vision for the future of the organization, to establish a system for performance assessment of the permanent ED, and so much more. But the one thing that the board cannot do is sit back and let the interim run things. It has to prepare itself to be the lead partner during the search process and the new hire's acculturation and integration process. And it has to learn as much as possible so that moving out of the transition it can establish the balanced partnership with the new ED that will help secure the future of the organization and on-going fulfillment of its mission promises.