



Generating Change:

Reengaging Proven Leaders as Interim Directors

Challenge:

Create ways for leaders who've retired or left the field to continue to share their expertise

Approach:

Screen, train and refer former nonprofit leaders for interim executive director positions

Investment:

\$20,000 over two years at startup

Result:

A cadre of experienced interim directors that has served more than 20 Chicago-area nonprofits and is expanding to serve more

Players:

The Field Foundation of Illinois, Executive Service Corps of Chicago

Almarie Wagner had almost 40 years' experience in the nonprofit sector by the time she retired in 2007. Fifteen of those years were at the executive level of the American Heart Association. While she was looking forward to a slightly slower pace, she didn't want to disengage completely. Luckily, that same year the Executive Service Corps of Chicago (ESC) began its Interim Executive Director Program.

"Some of the Heart Association volunteers encouraged me to get involved," she says. "It seemed like a natural fit, since I didn't want anything full-time or long-term. There were no other programs like this—still aren't."

The Interim Executive Program grew from ESC's executive transition consulting services to nonprofits, which began in 2006 with funding from the Field Foundation and others. "As we became more familiar with the transition work, we realized that the interim executive director piece was missing," explains Nancy Fuhrman, vice president of consulting for ESC. "In many cases, there was a sudden loss of leadership, but even if it was planned, it would have helped

to have someone with deep experience provide an objective view and research. We were shown time after time the value of having interim leadership to buffer both good and bad predecessors. We wanted to help organizations buy time and space to thoughtfully plan for and commit to new leadership."

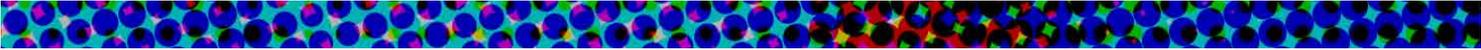
"We were very interested in this request from ESC, because it was a natural extension of the work we were already funding," says Kim Van Horn, senior program officer at the Field Foundation. "We're not venture philanthropists. We don't have enough money to play that role. But we trusted ESC to pick the right trainees and plan this out in the right way. ESC was the only organization in Chicago that was responding to the need for strong leadership in the nonprofit sector through an effort like the Interim Executive Director Program."

Responding to that need is important to the Field Foundation. "All of us at Field have worked in the nonprofit sector," Van Horn explains. "We've seen lots of instances of founder's syndrome, meaning no succession plans, or situations where a nonprofits with long track records close because a

Why Invest in Reengagement?

"We've seen lots of instances of founder's syndrome, meaning no succession plans, or situations where nonprofits with long track records close because a transition yielded the wrong person as executive director. If we want effective nonprofits, we need to help them develop a really solid infrastructure. We need to make some room to think about what makes for a healthy and sustainable organization."

— Kim Van Horn, Field Foundation



In Their Words:

“For people who like organizational development, this is a rich opportunity. It’s kind of like being a grandparent; you can enjoy helping to shape an organization but then turn it over to someone else. It’s a wonderful opportunity to use your skills and long-term experience.”

— Almarie Wagner
Interim Executive Director

transition yielded the wrong person as executive director. Even before the recession, we were seeing that. Now the situation is exacerbated by economic conditions. Public funding will continue to get worse before it gets better. In many cases, once a nonprofit closes and its services are gone, it’s almost impossible to get them back. We began to see the fragility and the fact that good leadership matters. It’s critical.”

With a \$20,000 two-year grant from the Field Foundation and help from CompassPoint Nonprofit Services, a nonprofit leadership consulting firm, ESC Chicago created its interim program, recruited and screened the first cadre of highly experienced former executives and began to train them in the nuances of interim leadership. Field’s seed funding also spurred a larger investment in the program from the National Council on Aging.

“Obviously, interim service has a beginning and end, and you are often preparing an organization for significant change, usually with no succession plan in place, in a time of considerable upheaval and change,” Wagner explains. “As an interim, you have to focus on being a change agent, identifying issues that haven’t been fully clarified, turning over rocks to find things the board isn’t always aware of. You also have to be a calming agent to help board and staff get through this time of disruption and get ready for a new executive director.”

The Interim in Action

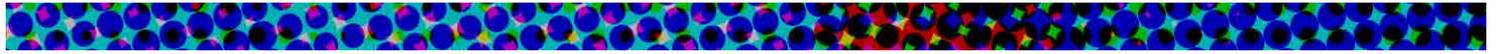
Wagner’s first assignment was for nine months in 2008 with a small arts agency that works in schools. “When I started there, they had had three EDs in three years,” she recalls. “They were in a great deal of upheaval. I thought I might have to close it down because the financial situation was more grave than they realized.”

Wagner called on her experience with mergers to gently and respectfully lay off a quarter of the 12-person staff. “It was the only way to survive, and I was able to help them get through that in a dignified and fair way, and get through the sadness without more chaos.”

She also supported a board-led major gifts campaign that raised \$160,000 in three months to keep the organization going as it planned for recovery. Recognizing that major gifts would be essential to replace lost funding from the school system and foundations, Wagner helped the board identify and hire a new executive director with significant major gifts experience. Today, the organization is in a strong financial position and has received a seven-figure commitment from a longtime board member.

Wagner’s second assignment was for eight months in 2011 with neighborhood child care agency. “This organization had been around a long time and was financially sound, so my job this time was more organizational than financial,” she explains. She helped maintain an air of stability as the agency completed a whirlwind four-month process of applying for accreditation from the National Association for the Education of Young Children (it was approved) and then immediately complying with a three-year federal review for Head Start. “That was a huge amount of work, like living through an earthquake for weeks and weeks. But it secured vital Head Start funding. If they hadn’t passed, they would have had to close. I was able to provide a stable, calming force to get them through this period.”

As with her first assignment, Wagner was asked to assist with the search for a full-time executive director. She still keeps in touch with the



organization's new leader and is proud of the organization's work and growth since.

Choosing, Training and Referring Interims

ESC Chicago's Interim Executive Director Program is now entirely funded by client fees, which generally range from \$2,000 to \$4,500 for the screening and referral process. The program's recruiting, training and referral processes are run almost entirely by volunteers.

"To serve the broad range of clients in our area, we need enough of a pool to supply the necessary range of candidates with a broad spectrum of backgrounds and different skill sets," says Fuhrman. The program is currently expanding to engage a third cadre of executives. Candidates must either be fairly recently retired from executive director roles or be consultants with proven executive director experience on their resumes.

Wagner is leading the two-day training for new recruits along with two other colleagues. "There's real value in those two days," she says. "It builds the group, provides the opportunity to share experiences and ask questions and clarifies the differences between past experience and interim work."

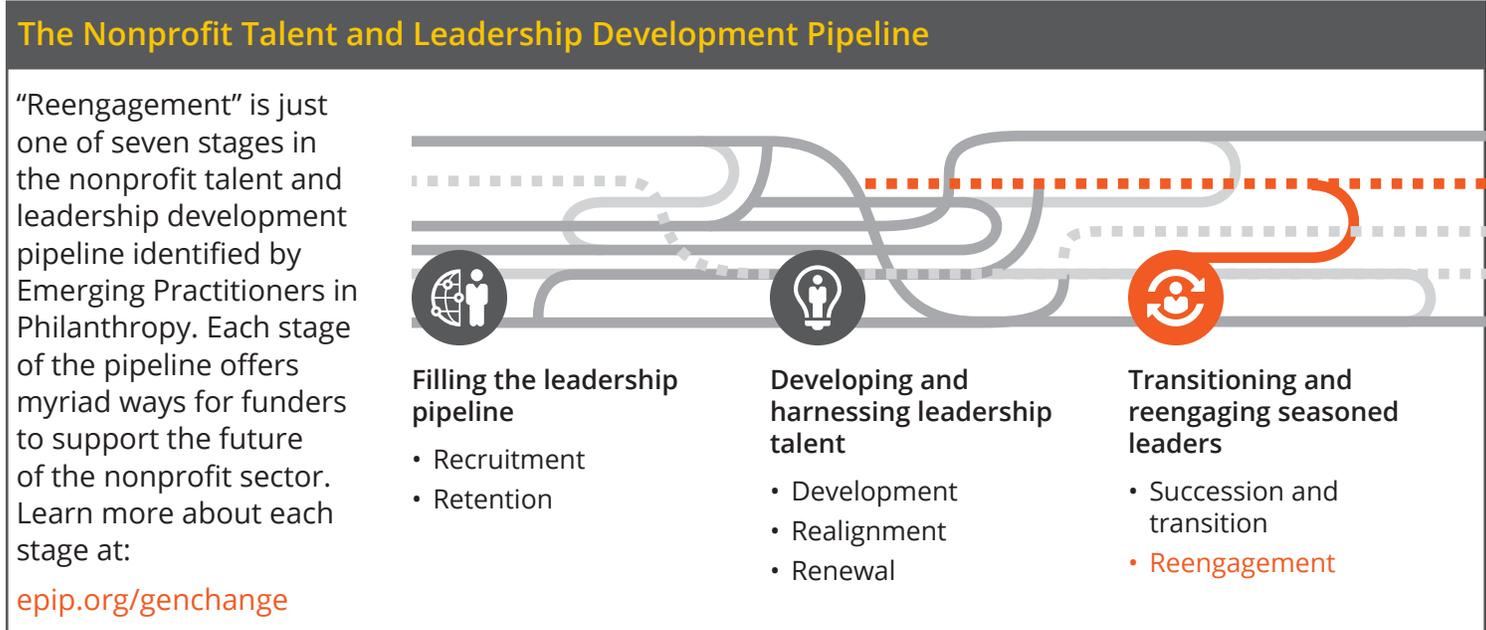
Placing interims is a delicate process, as Fuhrman notes. "We do an assessment of each organization to determine where it is and what kind of skill set it needs. In strong organizations, interims can simply be solid placeholders; in others, change agents. We want to match the right candidate for each client."

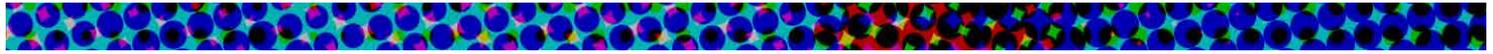
ESC's interim program coordinators refer two to three candidates to clients for interviews and selection. Terms of the interim engagement, including hours and compensation, are negotiated directly between the nonprofit and its chosen interim director. The average interim placement lasts from six to nine months, but some can extend more than a year.

Interims—both those in active assignments and those in between assignments—maintain their connections via meetings three times a year to discuss their experiences from the field, share advice and keep abreast of current issues in Chicago's nonprofit community.

"For people who like organizational development, this is a rich opportunity," says Wagner. "It's kind of like being a grandparent; you can enjoy helping to shape an organization but then turn it over to someone else. I just referred a good friend of mine to this program. It's a wonderful opportunity to use your skills and long-term experience."

"I can't think of any organization that should understand this better than a funder," she adds. "When organizations in crisis can be matched with skilled leaders who can quickly and effectively meet their needs—at a price they can actually afford—that's incredible. For foundations that understand the challenges of a leadership crisis, it's a no-brainer."





Lessons Learned

- **Recruiting for diversity can be a challenge.** Fuhrman points out that former nonprofit leaders applying to the interim program have been mostly white and female. ESC is now reaching out to intentionally recruit more diverse candidates.
- **Promoting the program takes a special focus.** ESC is working to help the funding community better understand the benefits of interim service so that they will refer organizations in transition to the program.
- **Patience is a virtue.** “Like any major program, creating an interim director program takes time, and kinks need to be worked out,” says Van Horn. “Trying to find right balance between experience, skill sets and sensitivity to diversity is a challenge. It can take a while to figure that out.”
- **Interim executives need to be open to new ideas.** They can’t always do things the way they did them in the past. Identifying interims who can be flexible, sensitive and innovative is an important part of the recruitment process.
- **Funders can help with affordability.** Many nonprofits are not able to afford the high-quality, objective leadership that comes from an interim executive director program. To help ensure the sustainability of organizations they value, funders can help individual nonprofits by supporting the compensation costs of an interim director who will provide needed temporary leadership. Funders can help individual nonprofits by supporting the compensation costs of the interim director to provide the temporary leadership they need to help ensure the sustainability of organizations they value.
- **Rigid standards ensure quality.** “Keep your standards very high for the participants that you take in,” cautions Fuhrman. “Dig deep into their level of financial skill and fund-raising skills, because the organizations they serve will need expertise in those areas. In our first cadre, we erred on the side of being generous, but that never worked. We learned to be pretty firm on our requirements.”

Growing Interest

The most extensive research to date on long-term leadership transitions in the social sector is being conducted by the Building Movement Project, Civic Ventures and Clohesy Consulting. The research looks closely at long-term organizational leaders in the nonprofit sector who are now in their 50s and older. They have identified eight potential “typologies” to describe how veteran nonprofit leaders are looking to reengage in the sector:

- Continued career building
- Downsized responsibility at a smaller organization
- Downsized time commitment via part-time work
- Limited engagements, such as interim directorships
- Coaching/consulting
- “Adventure service” (Peace Corps, Americorps or the National Parks Service Corps)
- Social entrepreneurship
- Opportunities to learn new skills or about a new field

Those interviewed and surveyed are opting for paid and/or unpaid roles. Many are reporting a need to earn at least some income and they are also worried about health insurance.

Learn More

Find out more about how foundations are supporting reengagement for nonprofit leaders at:

epip.org/genchange
esc-chicago.org

This case study is part of **Generating Change**, an initiative designed to illuminate, inspire and activate the funding community to invest in talent and leadership development in grantee organizations, across networks and sector-wide. Generating Change is an initiative of Emerging Practitioners in Philanthropy, a project housed at the Tides Center. Founded in 2001, EPIP builds extraordinary new leaders for foundations and the communities they impact.