

Helping Leaders Reinvent and Restructure

Challenge:

Support a new executive director as she completely transforms her organization after succeeding a well-respected, long-term predecessor

Approach:

Provide access to professional leadership coaching, customized for the executive and the management team

Investment:

\$150,000

Result:

Organization has expanded while competition has shrunk; now seen as setting a national standard

Players:

The Evelyn and Walter Haas, Jr. Fund, CompassPoint Nonprofit Services

When Jeanne Bell took the reins of CompassPoint Nonprofit Services in 2008, she inherited a solid legacy from her predecessor and an organization with a positive reputation. She also found that the competitive marketplace in which CompassPoint operated was changing rapidly—and that meant the organization needed to change as well. As a first-time CEO, Bell made the gutsy decision to reinvent CompassPoint and began what became an organizational transformation process. Fortunately, she inherited another unique asset when she assumed the CEO role: a Flexible Leadership Award (FLA) from the Evelyn and Walter Haas, Jr. Fund.

The idea for the FLA program started a decade ago, when the Fund realized three truths about the importance of investing in leadership. “First, we realized that the stronger the leaders, the better equipped they were to achieve the change we were both mutually interested in,” explains Linda Wood, the Fund’s Senior Director of Leadership and Grantmaking. “Second, nonprofits were asking us for help in creating board and staff leadership not just for today

but for long-term success. Third, the organizations themselves weren’t in a position to invest in leadership unless we and other funders provided funds specifically for that purpose. Executive directors found it really difficult to invest in themselves in the face of programmatic needs.”

The Haas, Jr. Fund began the FLA program in 2005 with deep investment in 14 organizations in the Bay Area, including CompassPoint. From there, the program has grown to 60 organizations in short- and long-term relationships.

“When the former CompassPoint executive director left and Jeanne Bell moved up from an associate director role, we were already providing support for the entire leadership team and board,” Wood explains. “It was going to be a critical time for the organization, and we knew we were in the right place to help support some difficult but exciting work.”

Leading Wholesale Change

Like many newer leaders, Bell envisioned an approach for CompassPoint that moved away from purely hierarchical structures

Why Invest in Realignment?

“We see this as catalytic funding. We get stronger organizations that are better equipped to achieve the outcomes we both care about. Ask any funder what one of the most important ingredient for achieving impact is, and they’ll say leadership of grantee organizations: the executive director, senior team, the board. None of us can achieve our goals without strongly led nonprofit groups.”

— Linda Wood, Haas, Jr. Fund



In Their Words:

“As a new, relatively young CEO with two other new, young people on the management team, we were all in stretch roles. It was a pretty drastic shift in leadership structure and style. The coaching we received through the FLA program was extremely helpful and central to how we’ve evolved.”

— **Jeanne Bell**
CEO
CompassPoint Nonprofit
Services

of the past and adopted a shared leadership approach. She also recognized that CompassPoint was poised to make explicit its longtime commitment to serving social equity-focused organizations. It was time to make that commitment central to the organization’s staffing and strategy.

One pivotal decision was to shift away from creating a strategic plan and instead create a new theory of change to serve as the organizing principle for CompassPoint.

“Developing the theory of change was a galvanizing and clarifying process,” says Bell. “It allowed me and our board chair to push toward a more explicit embracing of social equity in our work and to commit to evaluating our impact with those leaders and organizations specifically. This has continued to lead us.”

Throughout this transition, Haas provided Bell and her leadership team with access to coaching on developing strategy, creating the new leadership structure and navigating changes through sometimes contentious waters. As with any substantive change process, Bell had to contend with staff members who were resistant to changes in the organization’s structure and power dynamic and board members who were cautious about the strategic shift.

“As a new, relatively young CEO with two other new, young people on the management team, we were all in stretch roles,” says Bell. “It was a pretty drastic shift in leadership structure and style for CompassPoint. The coaching we received through the FLA program was extremely helpful to how we’ve evolved. I still work with my coach, and we’ll continue to contract with her on our own to do periodic management team reflection and refreshers.”

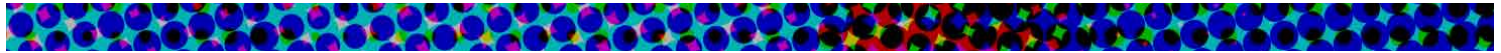
A Flexible Support Structure that Delivers Results

Not every leader supported by the FLA program is engaged in restructuring. The model gives the Haas, Jr. Fund a fluid way to both assess and support a wide variety of leadership needs in organizations that are critical partners in its mission.

Every relationship starts with the use of a plan consultant, a contractor to Haas, Jr. “In addition to general operating support or program grants, organizations that are key to our civil rights and educational equity work are assigned a plan consultant to help them figure out what their goals are for the next three years and what kind of staff and board leadership they’ll need to meet those goals,” explains Wood. “The plan consultant helps look for real needs vs. perceived needs. They also help each organization choose and use other consultants and coaches wisely. That increases the chances that our grant funds will be well used.”

Coaching for strategy and planning, board development and senior team development are the most popular uses of FLA funds. Groups use about \$25,000 to \$50,000 a year, says Wood. “We initially started with larger awards, but we’ve learned that that’s about the maximum amount of work a grantee can absorb in a year.”

FLA is part of a larger Flexible Leadership Investment Program that Haas, Jr. created as a project at the Tides Center, and it’s overseen by the Fund’s Program Director Paula Morris. “The Haas, Jr. Fund doesn’t have the capacity to run a program like this itself, so we make the grants to Tides for program operations, consultant support and evaluation,” says Wood.



Although CompassPoint’s restructuring wasn’t a particular focus of the FLA program, its threads of change management weave through three major areas of impact seen in the FLA program, according to Wood: “Eleven of the 14 groups in which we initially invested have been through successful executive transitions, and many of those used that transition to revitalize themselves or bring in next-generation leaders. We’ve also seen that organizations are able to balance internal and external leadership skills differently through team management approaches. And finally, they’ve demonstrated greater resilience; all but one of the 14 groups increased their budgets during the recession. There were turbulent times for all of them, but we have many examples of where coaching, strategy help, board engagement and other factors helped them make quicker, smarter, really difficult decisions well.”

Invested in Each Other’s Success

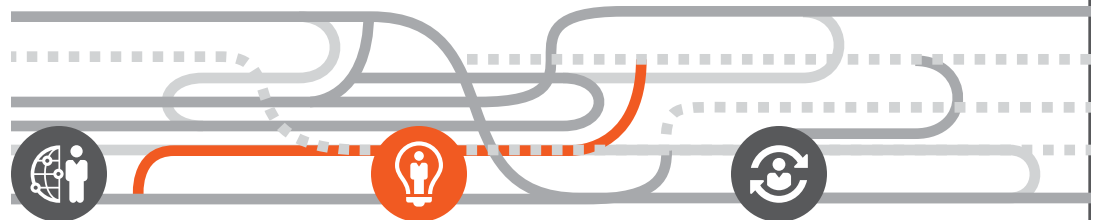
Today, CompassPoint is guided by a three-person leadership team, including Bell, an operations director and a practice director. There are no longer separate departments for each service. Instead, the organization operates as a single practice with distributed power based on strengths, talents and relationships.

“We used to be very siloed programmatically, but now we work as a holistic practice,” Bell explains. “Most of our staff have years of experience and don’t need traditional frames to succeed. It was hard to move through that transition, but now, even though we are relatively young, our management team is effective and I think more trusted across the whole staff that it had been historically. The FLA program allowed us to focus on our strengths and create that trust.”

“It took a couple of years to figure out how to go about things,” Bell adds. “I can’t imagine what it would have been like not to have had the coaching and support we received. Working with these consultants and coaches also taught us how to be a better partner and client. I was skeptical about that at first, but now we’ve created deep and ongoing partnerships with a core group of advisors. We’re invested in each other’s success. I feel like I have a kitchen cabinet in addition to my staff.”

The Nonprofit Talent and Leadership Development Pipeline

“Realignment” is just one of seven stages in the nonprofit talent and leadership development pipeline identified by Emerging Practitioners in Philanthropy. Each stage of the pipeline offers myriad ways for funders to support the future of the nonprofit sector. Learn more about each stage at:



Filling the leadership pipeline

- Recruitment
- Retention

Developing and harnessing leadership talent

- Development
- **Realignment**
- Renewal

Transitioning and reengaging seasoned leaders

- Succession and transition
- Reengagement

epip.org/genchange

Lessons Learned

- **Intentional investment in the entire leadership team is important.** “The nonprofit world is a much more complex environment than it used to be, and EDs have to play multiple roles really well: fund-raiser, spokesperson, supervisor, talent scout, issue expert, etc.,” says Wood. “Yet they also need to focus more on creating networks, alliances and collaborations. That makes leadership really difficult, so EDs need a strong senior management team that can lead the internal shop.”
- **Programs should fit the environment.** “If a funder is creating a program like FLA, my advice would be to dig in, observe and see what makes sense in your environment,” says Wood. “Our model isn’t the be-all and end-all. Listen to what’s needed in your area and figure out how to provide it. Some foundations only provide coaching; that’s a small investment but has a big impact. There’s definitely a lot of room for ideas in this work.”
- **Tie support to goals and mission.** “It’s important to closely tie customized programs and skills trainings to what groups are really trying to achieve in

the world. If it’s not integral to goals and mission, it won’t be a high priority,” Wood explains. “For example, if our coaches and consultants weren’t sold on the reasons for CompassPoint’s shifts in leadership style and structure, the relationships wouldn’t have been nearly as successful.”

- **Guilt is a barrier that funders can break down.** Leaders often feel guilt about investing in themselves and put up a lot of resistance, says Wood. Funders can give them permission and encouragement and connect them to high-quality resources that will make a difference in what they’re trying to do.
- **There is such a thing as too much funding.** “You can give someone \$70,000 or \$80,000, but it will take more than a year to spend that,” says Wood. “You don’t want to offer long-term support unless there is readiness for doing this kind of work, so we found that starting with a smaller amount for the first year is a good idea.”
- **Provide a consultant or thought partner.** When organizations have someone to help them explore and take the best advantage of resources for leadership, the results can be powerful.

Focus on Coaching



Coaching Practices and Prospects:
The Flexible Leadership Awards Program in Context

The Evelyn and Walter Haas, Jr. Fund’s Flexible Leadership Awards (FLA) Program includes a strong emphasis on coaching, which can have positive outcomes for individuals in almost any stage of the nonprofit talent and leadership development pipeline. Coaching Practices and Prospects, a 2009 review of the Fund’s FLA program, reported that:

- 77 percent of participants surveyed said that coaching was “effective” or “very effective” in enhancing their own leadership.
- 70 percent said that coaching was “effective” or “very effective” in achieving the organization’s goals.

Learn More

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

epip.org/genchange
compasspoint.org
haasjr.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.