# LEADING THROUGH CHANGE:

## ADVICE FROM *and for* SEASONED CEOs

NATIONAL CENTER FOR FAMILY PHILANTHROPY

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The National Center for Family Philanthropy (NCFP) is the only national nonprofit dedicated exclusively to families who give and those that work with them. NCFP provides the research, expertise and networking opportunities necessary to inspire our national network of giving families every step of the way on their philanthropic journey. Families learn how to transform their values into effective giving that makes a positive and enduring impact on the communities they serve. Together, we make great things happen.

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# Dear Colleagues,

In 2010, the National Center for Family Philanthropy began extensive research into a subject that had never before been deeply explored: the leadership role of a family foundation chief executive.

A study of these executives and board chairs plus an online survey were conducted to raise issues as well as gaps in the field's understanding of this role. The research revealed, among other things, that seasoned CEOs, loosely defined as those who have been on the job for a decade or more, faced challenges far different than those they encountered as a new CEO. Families change over time and CEOs change, too, as well as the community and field context in which the foundation works. CEOs inevitably begin thinking about their tenure with the foundation and what is next for them career-wise after partnering with the same family for years.

As a result of the research, NCFP created a number of resources, including a series of guides, to help CEOs and their boards anticipate and navigate change. This guide, the fourth in that series, draws on the wisdom of seasoned CEOs who have already lived through some of these changes and can offer practical insights to help peers prepare for what's to come. Although the guide directly addresses CEOs, it's intended to help boards and family members, too.

We've also launched an array of convenings and educational offerings customized for veteran CEOs and are using social media, our website and other media to connect our growing network of CEOs in the field.

The CEOs quoted in this guide—and those who requested anonymity due to the sensitivity of some topics—have generously shared their advice about what worked for them. While a guide like this can address common experiences of veteran CEOs, the group itself varies considerably. How you approach these transitions will depend on such variables as whether you:

- work for a large or small foundation;
- work with a donor or with later generations;
- are a family or nonfamily member;
- have an all-family board or one that includes outside members.

The CEOs interviewed for this guide represent all of these situations. Even if all the topics included here don't apply to you now, it's good to know what might lie ahead and how you can prepare in advance for a smoother journey.

This guide will help you do that. We have tried to make it as practical as possible with case studies, models and tips that you can begin using right now. We welcome your feedback on how well we've done and what more we can do.

**VIRGINIA ESPOSITO**
President
National Center for Family Philanthropy

**TIP** *Copies of the CEO research results and three guides on hiring, supporting and evaluating CEOs are available for purchase at* www.ncfp.org.

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**BY SUSAN CRITES PRICE**

You've been the chief executive* for a family foundation for a decade or more. You know the ropes. And then things change—in the foundation, in the family, and in your own life. The longer you work for a family foundation, the more likely you'll experience its life cycles. The issues you faced when you walked in the door change over time as new generations join the board, donors die, board chairs retire, grantmaking strategies shift, assets fluctuate, and community needs change. You'll go through your own life cycles, too, and start to think about either retirement or a next career.

Or maybe you only have a few years under your belt and want to look ahead so you can prepare for the inevitable changes you'll face the longer your tenure in the job. Fortunately, plenty of CEOs have already been there, done that. The way they provided leadership to their foundations through these transitions can be informative for peers who are still facing these transitions.

The payoffs of long tenure can be huge. The longer you work with a family, the more solid and trusting the relationship can become. Seasoned CEOs often are more comfortable encouraging the board toward more innovative grantmaking and more risk-taking, for example. More innovation can energize board members, especially younger generations. Greater levels of trust can also enable seasoned CEOs to help a family move from a focus on its own funding interests to the needs of communities, thus becoming more "family inspired," rather than family directed.

The CEO's relationship with the community builds over time, too. Understanding community needs and having a solid working relationship with the organizations striving to address those needs, put the seasoned CEO in a unique position of influence. These and other advantages are the reason why NCFP's CEO research study found that despite the many challenges of the position, most respondents like their jobs and hope to retire from them.

**For simplicity, CEO is used in this guide to refer to the top paid staff person who may be called executive director, president or a similar title.*

# Section 1 Leading through Transitions in the Family

## SUPPORTING FAMILY INVOLVEMENT AND LEADERSHIP

Serving as the CEO of a family foundation requires a unique leadership role. The outsider's view is of a boss who gets to give away money. But veteran CEOs know that their jobs are really about partnering with the donor family and helping the members be good stewards of a public trust. As one CEO puts it, "The family isn't just there to applaud."

"Families don't think of themselves as part of our work plans," says another, "yet half our work is helping move the family to a higher level."

How well the CEO and the family work together over time has everything to do with how successful the foundation will be.

"As is often the case with long-serving executives, I have a formal and an informal role in the foundation's governance," says Richard Woo, who has been the CEO of the Russell Family Foundation for 14 years. I'm not on the board and have no voting authority. We have an 11-person board, eight of whom are family members, and we have a very healthy give and take. Over time, I personally have gotten more comfortable expressing my point of view, advocating for particular positions I think are important for the foundation's work."

Veterans learn how to distinguish between a family issue and a foundation issue—especially when it comes to family dynamics—and most realize their job is not to cure the family of problems they've had for years. "Family dynamics problems are never solved," says one. "They're always going to be coming up in new ways." This is especially true as the family grows and changes, such as with marriages, births, divorces, and deaths.

**TIP** *Discuss the issues in this guide with your board periodically so they, too, can anticipate the changes and be in a better position to navigate this complex partnership over the years.*

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## GOVERNANCE MAY NEED MORE ATTENTION, NOT LESS

In a newer, founder-directed foundation, developing a set of governance policies may not be high on the priority list. But as a foundation ages, it becomes more imperative to have policies in writing that cover such matters as how new members can join the board, whether non-family members—such as funding-area expertss—can join, how to deal with a divorce, creating term limits, etc.

One CEO of a small foundation has worked with the same three-member board for 16 years. "I've always asked them what the succession plan is moving forward. I'm not proud of the fact that it took so long, but 16 years ago they were younger and were running a company and had other things to deal with." Now that their children are young adults, the older trustees agreed to bring in a foundation consultant to help the family think about their family's legacy, future role in the foundation, and the governance policies needed to get them there.

Many family foundations have found valuable insights from NCFP's book *Generations of Giving: Leadership and Continuity in Family Foundations*, by family systems expert Kelin Gersick. His study of more than 30 multi-generational family foundations provides boards with a helpful backdrop for addressing strengths as well as weaknesses they needed to address. It can be ordered from Amazon or viewed in chapter form in NCFP's online Family Philanthropy Knowledge Center.

**TIP** *NCFP offers a* Passages *Issue Brief on transitions titled* Families in Flux *and another on family dynamics titled* Family Governance Meets Family Dynamics. *Both are available through its online Family Philanthropy Knowledge Center.*

## IMPACT OF THE FAMILY BUSINESS OR FAMILY OFFICE

In families still engaged in a family business or where their proceeds from the sale of the business are managed by a family office, changes in these entities can also affect the foundation, particularly in the areas of family dynamics and level of assets.

In some cases, the relationship is routine. Often, the family office manages the foundation's investments. But changes on the business side can have a ripple effect. For example, it's fairly typical for a foundation's costs to be covered by the family office during the donor's lifetime. When a new generation comes on, they may not be as keen to maintain the foundation's staff and overhead at the same level since they have to absorb those costs out of their share of the investments managed by the family office.

Another example is when family members still running the business have disagreements. One CEO says that because of a conflict over the family business, he was "reluctant to bring the whole family together to talk about future grant strategies because other matters might spill over."

Another common dilemma is the family member who works in the family business and is not pulling his or her weight. The others are willing to dismiss him from the business because if they don't, it affects their profits. However, they might give that person a role in the foundation, either on the staff or the board, as a face-saving gesture, even if his or her effectiveness isn't likely to be any better there.

It often falls to the CEO to help the family find a way of working together that is effective for the foundation, regardless of what's happening in the business side of their lives. "The CEO may have to get the family to agree that these are the rules we are going operate under in this environment. Regardless of whether you don't like your sister, you still need to be good stewards of the foundation's money," says Alice Buhl, Senior Fellow at NCFP and senior

**TIP** *Sometimes families get stuck and need a fresh perspective. Many long-time CEOs swear by the value of regular retreats, at least every couple of years, led by an outside consultant. Some prefer to keep the same consultant so he or she has an ongoing relationship with the family. Typically, the consultant takes members' temperatures in interviews before the gathering, then shapes a retreat that helps the board members work with each other and with the CEO to make decisions and set goals. NCFP can refer you to consultants who have been recommended by other families.*

consultant for Lansberg, Gersick & Associates who has worked with many multi-generational families with family businesses. In fact, the foundation can often be a relief valve for business struggles by providing a place "where the family can work together to do good rather than focusing on making a profit."

**TIP** *Having some outside directors on the board with the family members sometimes eases this tension. They can help neutralize family disputes at the board table by keeping the focus on the foundation's work in the community.*

## BRINGING ON THE NEXT GENERATION

Sometimes the family's next generation members are eager for a place at the table and want to be more involved in running the foundation than their parents are or were. In other foundations, the next generation may want to be involved in theory, but are happy to turn over more of the operation to the CEO than their parents did. Sometimes the funding priorities of the two generations put them at odds.

One CEO says that in her foundation, "the next generation feels a sense of legacy to their grandparents, but because of the power structure [of the older generation on the board], as well as their political differences, they can't make headway." This can sometimes result in younger family members losing interest.

Over time, geographic dispersion can become an issue too, challenging the CEO to find ways to work cohesively with a board that doesn't see each other much and that doesn't have as much interest in local funding, if that is the foundation's focus.

Seasoned CEOs approach this challenge differently depending on the ages of the next generation. They may be young adults with families of their own by the time the senior generation decides to engage them. In those cases, it's wise to involve them in discussions about adding them to the board so they can help shape the decisions they'll have to live with.

There is clearly a trend toward engaging and preparing the next generation much earlier—teens or even younger. Tarsadia Foundation, for example, only began its grantmaking about five years ago, and from the outset decided to include the family's children. Beginning at age 9, children are invited to participate in a junior board to learn about grantmaking. "The young are so eager," says Executive Director Shirish Dayal. "They're honest and full of energy, and their learning curve is so great, that we figured we had to start them right away."

**TIP** *For more information, read NCFP's 2012 report* Working Together for Common Purpose: The First National Study of Family Philanthropy Through the Family Office.

**TIP** *For more on the issue of geographic dispersion, see* Grantmaking with a Compass: The Challenge of Geography *available from NCFP.*

*"I thought the older generation would be the role models, but sometimes the young members were much more engaged, asking appropriate questions, and really concerned about the world's needs."*

## ➤ VIEWS FROM THE FIELD

***Setting the Stage for Next Gen***

*As a family member, Jane Leighty Justis, executive director of the Leighty Foundation, has made preparation of the next generation a priority. Her father, 98, still serves on the board of the foundation he created 1985, along with Jane, her brother and their spouses. In 2010, the board expanded to include three members of the next generation—two grandsons and a spouse, now in their mid-30s. Three others serve as advisors.*

*"They were involved in setting the criteria for consideration for board membership. That included attending a philanthropy conference and participating in a grant request, and approval process with the board," Justis says. "One of my biggest challenges in leading has been figuring out when to nudge and when to step back. The third generation is my children and nephews, and they are so busy with kids and careers. They really care and have a great deal of valuable input and are very excited at the meetings but then they go home and life comes back."*

*She has urged the newly expanded board to think about the future, and she was pleased that they decided for the immediate future to plan to exist in perpetuity. The decision can be revisited later, but with her oldest grandchild turning 9, Justis predicts her kids will want to continue the foundation "beyond my generation."*

The young people exceeded Dayal's expectations. "I thought the older generation would be the role models for the young ones to learn from, but sometimes it was actually the reverse, where the young members were much more engaged, asking appropriate questions, and really concerned about the world's needs."

A cornerstone of the foundation's work—and a big attraction for younger family members—is the extended family's annual international service trip. "It lets the family do service together and learn about different cultures and different needs that exist in the world. It's very humbling."

## DEATH OF A DONOR

Most people don't want to talk about their own or a loved one's mortality. Little wonder then that many family foundations are unprepared for dealing with the loss of a donor or other foundation board leader, especially if it's sudden. Even when a death follows a lengthy illness, families and CEOs may not realize just how big an impact it will have. Often there is a large influx of assets involving legal, financial and grantmaking issues to manage. Sometimes the vacuum leads to in-fighting among family members over who will become board chair. And no matter how smoothly the succession is, the change in leadership will affect how the board members relate to each other and to the CEO, partly because of differences in leadership styles. The new chair, for example, may be more hands on or want to take the board in a different grantmaking direction.

"If the board just does what the donor wants, and he dies, you are in a different situation because you've lost the center of gravity," says one CEO. When his donor died, the CEO says he assumed "we'd continue to do what we were doing. But donor intent is only one part of it. A new center of gravity pushes you in a different direction. The donor's absence changes the way you relate to one another."

**TIP** *The earlier you start involving the next generation in philanthropy and the foundation's work, the more they'll want to be fully engaged when it's time to take a seat at the board table. This is first a responsibility of the parents, but CEOs can help with opportunities for training, such as creating a junior board or involving youth on site visits. For help with this, read NCFP's* Passages *Issue Brief* Igniting the Spark: Creating Effective Next Gen Boards.

It's a good practice to have conversations about 'what if" scenarios well in advance, if for no other reason than to let the leader express his or her hopes and goals for the foundation after he or she is no longer there to direct things. If the donor expects one of the children to take the foundation's helm but doesn't make that clear in advance, there could be competition after the donor's death.

One family foundation consultant helps boards have this conversation by having the donor stay out of the room at the start of the meeting. She comes in and says "Your donor is no longer with us. It's your job to handle the transition. What will you do?" After a thorough discussion about the implications of the donor's loss and options for dealing with the void, the donor is invited to join the board and adds his or her views to the discussion. This strategy forces a board to prepare ahead without the accompanying grief and uncertainties that inevitably follow the real event.

**TIP** A Legacy Lives On: The Kaplan Family Foundation's Successful Leadership Transition, *an NCFP* Passages *Issue Brief on the Mayer and Morris Kaplan Family Foundation's experience with transition—the factors that contributed to their success and those that challenged them, including the deaths of the founder and his son in the same year.*

## ➤ VIEWS FROM THE FIELD

*Jeffrey Solomon, President of the Andrea and Charles Bronfman Philanthropies, is not the first CEO who ended up in charge of planning a donor's funeral. When Andrea, age 60, died in a pedestrian accident while walking her dog in Manhattan, Charles asked Jeff to handle the arrangements. With a funeral in New York and a burial service in Israel, this was a very involved project that didn't fall in his job description but that veteran CEOs are sometimes called upon to manage. With a prominent person, there will necessarily be news media to deal with and notifications to make. Late the night before the New York funeral, Jeff learned Former President Bill Clinton would be attending, adding an extra issue of security. He also was dealing with his own grief and comforting his staff as well, because Andrea was very active in the foundation's work, and maintained an office there. "This gets at the intensity of the relationship," he says, noting how the family and staff have worked very closely together over a long period of time.*

**Ways to Prepare for the Death of the Donor or Board Leader**

- Urge donors to make more explicit their hopes for the foundation by writing a donor intent statement for future generations of board members and staff, and discussing that statement—and questions from the family and board members—at a foundation or family meeting.
- Video or audio record the donor/leader talking about his or her goals and hopes for the foundation's future, recollections of the foundation's past work, interesting family history, etc. to inspire others.
- Ask the leader to propose a successor or a process the board can use to select one.
- Prepare in advance obituaries, press releases, funeral plans and lists of people, including media, to be notified.
- Be prepared to keep the foundation running on your own for a while to allow the family to step away and deal with their loss.

# Section 2
# Leading through Transitions in the Foundation

## Taking the Foundation to the Next Level

The longer CEOs stay in the job, the more they see strategic opportunities for the foundation. You might want the foundation to fund some new areas with greater potential impact, enter into collaborations, or include advocacy grants in the mix, for example. But sometimes the challenge is convincing the board.

"You have to stay attuned to bringing the family along," cautions Alice Buhl. You may want to go faster, but the family isn't ready to go there yet. Longtime CEOs must be flexible and alert to the family's needs." She notes that "boards haven't had the connection or exposure the CEO has had," so sometimes it takes a while to help them reach a new strategic level.

"My view is that you should always be a little ahead of your board," says David Nee, long-time executive director of the William Caspar Graustein Memorial Fund, who retired after 21 years with the foundation in 2014. "Otherwise you're not going anywhere. The risk is getting too far ahead."

CEOs inevitably have more knowledge about the grantmaking programs of the foundation than the family—after all, it's their job. "It's a delicate balance in the board room," says one CEO. "Don't act like a know-it-all. And don't push your own recommendations in a way that they think you are orchestrating everything."

Some families embrace change and risk-taking, others do not. Sometimes when a family hires a CEO, they don't really know what they want. But board members are typically very smart and accomplished individuals in their own right, and they want to be involved in high level conversations to develop strategies and approaches that will meet the mission of the foundation.

On the other hand, "families often think they want more change than they really do," says Buhl. "They may hire a strong leader, a strategic thinker, and when they have that, they don't necessarily want it." Some CEOs learn to deal with this. Where she sees differences in the outcome depends on "whether the CEO has deep respect for the family or they don't. Some CEOs think 'these people aren't coming along. I'm trying to teach them and they don't get it.' A CEO who doesn't respect the family should not stay in the job."

## KEEPING THE LINES OF COMMUNICATION OPEN

Seasoned CEOs say that it takes a long time, sometimes years, to build the trust of the family. That's one important advantage veteran CEOs have over newbies. But veterans caution that foundation boards and CEOs can get too comfortable in their relationship. One CEO says "I could get away with not reporting for six months, but that is not a good thing. I think the CEO and the board chair should have regular meetings to talk things through, and not just about day to day matters."

David Nee, retired executive director of the Graustein Memorial Fund, agrees. He had a close working relationship with his longtime board chair, Bill Graustein. "There is a deep level of trust and open exchange. Bill is a research scientist by training, and he's hungry for information. He wants to know everything. But he also says that whatever else is going on, there is always time to discuss our relationship." They had breakfast once a week, often "with one other board member who provided a reality check. I previewed upcoming issues and we discussed what things should be lifted up to the board and what to let ride."

### ➤ VIEWS FROM THE FIELD

*Kathleen Odne, executive director of the Dean & Margaret Lesher Foundation, started a short email newsletter called the Friday Fish-Wrap in 2002. The name originated with the founder, Dean Lesher, who had owned a chain of newspapers and was fond of saying "Today's news is tomorrow's fish-wrap." All week, Odne sticks items in a folder, and on Friday sends the board a short, informal compilation of news about grantees, links to useful articles, information about agenda items for upcoming board meetings, and, occasionally, news about family members. "It takes very little time, and is an easy way to keep the board informed about the foundation's work," Odne says.*

*"My view is that you should always be a little ahead of your board," says David Nee, retired executive director of the William Caspar Graustein Memorial Fund. "Otherwise you're not going anywhere. The risk is getting too far ahead."*

Regular communication with the board chair or other board members doesn't negate the need for formal performance evaluations of the CEO. Yet, in NCFP's CEO study, few veterans reported that their boards conduct them. Especially when the CEO has a close working relationship with the family—or is a family member—it's more typical that the board chair just takes the CEO to lunch once a year, says he or she is doing a great job and gives a raise. Still, it's good practice to have some kind of evaluation, and it probably won't happen unless you initiate it.

"If you haven't been doing it, you have to ease them into something," Buhl says. It doesn't have be a formal one using an evaluation instrument. "It could be just a chance you have every year to talk to the board about your goals and what you want to achieve. This sets priorities that are clear to the board, and makes you accountable, and allows the board to say no if they disagree. Then, report at the end of the year on what you have accomplished."

**TIP** *For detailed information and sample evaluation instruments, see the NCFP publication,* Performance Review: The Complete Guide to Evaluating the Family Foundation CEO.

## KEEPING THE BOARD ENGAGED AND CONTINUOUSLY LEARNING

It's often said that for board members, foundation work is their avocation, not their vocation. The challenge for CEOs is to keep the board engaged. "When my work is someone else's play, that's the hardest relationship to maintain," one CEO says. "They think it's a neat thing (being on the foundation board), but it's not their job. It's my job to get up and think about the foundation every day."

Alice Buhl says an important part of a CEO's job is to" continually, intentionally, involve the family. Even if you aren't always successful, you have to keep trying."

"I think of my position as a teaching role," says another CEO. "A grant may be successful, or it may be a failure, but even failures provide valuable lessons. CEOs need the skills—professional, emotional, moral—to help those who have large influence and power wield them for good."

One way to promote learning is to expose the family to experts and current thinking. Some CEOs also recommend having outside board members with subject matter expertise in the fields the foundation funds.

## ➤ VIEWS FROM THE FIELD

### *Board Engagement and Learning*

*Gayle Williams, retired executive director of the Mary Reynolds Babcock Foundation, incorporated a learning component in the board's meeting agendas. "My job was to create a safe space for learning, where it's OK to say 'we don't know.' I had help from a committee of the board that worked with me to select the learning projects and serve as a sounding board on structure.*

*"At every board meeting I had a group of grantees on a particular topic who could be content specialists. I tried hard not to have anybody whose grant was up for renewal." Sometimes the nonfamily members on the board were content experts, too.*

*The most time consuming to plan were the board's annual trips to a community where the foundation had a cluster of grantees. "The board could see what the nonprofits were doing and engage in conversations with them." Williams not only had to prepare the board with background material on the organizations and on the field they worked in, but also had to prepare the grantees. "Board members are not who they normally talk to," she explains, "and just because the foundation funded them didn't mean the board knew a lot about their work." She also debriefed the board afterward, asking "what they had learned and how that informed those grants or affected the foundation's overall strategy." She says she was blessed with "a family that is really intelligent, that likes exploring, and is not risk averse." Part of her role in educating the board also extended to individual members. "We had constant turnover in the nonfamily board members," she notes. "It takes a couple of years to figure out board culture. I was sometimes the connector and sometimes the interpreter."*

Richard Woo believes in the value of board members attending philanthropy conferences and community meetings. "They see how other people do things and are then more likely to try new approaches," Woo explains. He's always had some board members who were willing to do that, but "one of the unique aspects of a family foundation is that the work is influenced by the life cycle of the family. When many of my board members were in their late 30s and 40s, they were busy raising children, and it was harder to get their attention. Now, as empty nesters, they have more time and some of their children have joined the board, thereby starting a new cycle."

On her 10th anniversary, Pamela David, executive director of the Walter and Elise Haas Fund, wrote a reflective piece on the state of the foundation. "I didn't mean it to start a bunch of new work for me, but it did," she laughs. One of the results was that she and her board took a serious look at how to move to a more satisfying level of strategic conversation for both board and staff. She then brought in a consultant to help, who spent time individually and collectively with board and staff. While the effort is still in its early stages, it's already led to some significant changes. "Rather than giving the board lengthy white papers, we're giving them fact sheets and then posing some big questions. While the board still wants staff to make recommendations, we've set the table for satisfying and stimulating discussions that our consultant would likely label as generative."

## REPRESENTING THE FAMILY IN THE COMMUNITY

Consultant Alice Buhl says longtime CEOs who are the face of the foundation in their community must be cautious not to forget their servant-leadership role. "It's really tempting when you have a lot of control, to start responding [to potential grantees] as if you can make the decisions yourself. Instead, say 'great idea, but I'm working with a board' and that you are representing them." Terminology is important, she adds. "Instead of using the board as a gate-keeper or an excuse, talk about them as an involved partner. Don't say 'I'll have to get my board's permission.' When you make a speech, keep dropping in that you are accountable to a board. Acknowledge the board in a positive way. You can stress the partnership by saying 'this is the foundation's strategy,' not 'this is my strategy' or 'the board's strategy'."

Collaborations are trickier. "When you operate in a collaborative, you have to have the power to make decisions, and it can be hard for families to let go of that," Buhl says. It's important to have this discussion in advance. "The CEO should come to the board with boundaries of what she or he needs to be able to do, and what has to come back to the board. The board can then set limits on the power the CEO has in a given group."

A family foundation CEO may be a leader in a community as well as the foundation's spokesperson. However, Pamela David's experience working for both elected officials and now a family foundation has taught her to use that "voice" carefully. She notes that while a lot of her values are aligned with the family's values, she recognizes that "everything I say reflects on the family. I'm always conscious of that. At the same time, the board has been very supportive of my own service on nonprofit boards, and my engagement on key community issues."

*"I think of mine as a teaching role," says another CEO. "A grant may be successful, or it may be a failure, but even failures provide valuable lessons."*

## SHIFTING GRANTMAKING STRATEGIES

The funding interests of the board may shift, sometimes radically, as new board members with new interests join, community needs change, or donors leave the stage. A new strategic plan can mean lots of new approaches for the CEO to implement.

One CEO says his deceased donor had been a developer and had no love of environmentalists who he felt presented barriers to the donor's business. But several of the third generation board members were ardent supporters of environmental causes. He helped craft a compromise by finding environmentally related classroom projects that could fall under the foundation's education funding umbrella.

*"Instead of using the board as a gatekeeper or an excuse, talk about them as an involved partner."*

David says she was hired 11 years ago during the change from the founder's children to their grandchildren becoming the majority of the board. "The prior generation had become more hands off, and when the grandchildren became empowered, they naturally wanted to look at everything we did and why we did it. We were funding lots of great things but there was no cohesiveness." She led them through a values-based strategic planning process closely tied to the family's legacy. In the process, she was able to make use of oral histories of the founders (by the Bancroft Library at UC Berkeley). She supplemented this with interviews of the founder's son and contemporaries and the grandchildren.

She then used all of the garnered information to "retell the founders' story so that the board could feel a common connection to their parents and grandparents. The results grounded us as to what kind of work we want to do, and the way we want to do it. If I had started with content, we wouldn't have gotten where we are." She continues to help the board "focus on what they agree on, rather than their differences. A lot of my role is as an interpreter. At the beginning, I interpreted their family history so it made sense in a contemporary way. That process, in many ways, is ongoing."

## ISSUES AROUND PERPETUITY

Most foundations are created with the assumption that they will exist in perpetuity. But more of them are revisiting the issue and considering whether they should eventually sunset. Bill and Melinda Gates helped increase these discussions with their announcement a few years ago that their foundation would sunset 50 years after the death of the last current board member. (They have now lowered that to 25.) Some donors decide they'd rather give away the money in their life time. Some third or subsequent generation boards find they don't have the time or energy to continue running Grandpa's philanthropy. Other boards decide that by spending their endowment now, they can have a bigger impact on an issue they care about.

A decision to sunset means you face a new set of issues. Some are professional—helping ease the impact on grantees, on staff, on family members—and some are more personal, particularly deciding whether you'll retire when the foundation ends or leave sooner, and if the latter, what you'd like your next career step to be.

**TIP** *For more on perpetuity vs. spending down, see two of NCFP's* Passages *Issue Briefs:* Irwin Sweeney Miller Foundation—A Study in Spend Down, *and* The Power of Urgency—The Eckard Family Foundation Limited Life Approach.

## DEALING WITH ASSET FLUCTUATION

Some changes in assets are predictable and can be planned for. If, for example, it's known that the death of the donor or the sale of a business will result in a large influx of assets, the family can begin at any time to strategize over how they envision the larger foundation of the future. Waiting until the donor's death deprives the donor of a say in that future, and may lead the board to make hasty decisions about an array of issues: additional staffing needs, larger office space, a different grantmaking program, maybe even a new mission.

But decreases in assets are often less predictable as many foundations discovered with the plunge of the stock market in 2008.

## ➤ VIEWS FROM THE FIELD

### *Managing Spend Down*

*The Andrea and Charles Bronfman Philanthropies decided in 2001 to sunset in 2016, but didn't go public with that decision until 2008. Jeffrey Solomon, long-time president, says the 15-year time frame seemed about right. Charles would be 85 by that time and Solomon 71. "Charles didn't want to stick around and have to work with a new management team. He gave real consideration to his professional partners and where this fit into their lifecycle." Also part of the equation was the fact that Bronfman's children had their own philanthropies so there was no next generation to succeed him in his own foundation.*

*One of the challenges of a planned spend down is determining the rate at which you do it. "One of the mistakes we made was staying in equities too long," Solomon recalls. They were spending at the rate of 18 percent a year, using graphs that showed how this would get the foundation to its 2016 closure. Then the recession hit, "and we lost 22 percent of our asset base. We had commitments, so in 2008 we were spending at the rate of 28 percent. It forced us to make a secondary decision: do we close earlier than planned or does Charles contribute more to the foundation. He decided the latter. This was a major advantage to having a living donor."*

The Hill-Snowdon Foundation used a multi-pronged approach to deal with the losses to their endowment. When Nat Williams became the foundation's first executive director in 2004, its assets were $36 million. With the market drop, they lost 28 percent of those assets. As with many foundations at that time, the Hill-Snowdon family reconsidered whether they wanted to exist in perpetuity or spend down. "We decided to table that question until 2012," Williams recalls. "We took it up again then, and the board said their desire is still to continue in perpetuity."

The foundation took a three-pronged approach to the sudden decline in assets—changing their grantmaking, investments, and administrative costs. Hill-Snowdon, which funds progressive organizations including many small ones, decided to keep funding levels steady in 2009 and 2010 "because a lot of our small grassroots partners were uncertain about funding from other foundations, and a number of them saw a historic opportunity to move their issues nationally after Obama was elected," Williams explains. Then for 2011-2015, they created what they dubbed a "rolling black-out strategy." For each of those four years, they asked "a quarter of our grantees to sit out a year so we could fold that money back into the corpus. The largest organizations were in the first group. Second, the board changed their investment allocations with the goal of yielding a higher return. "We did some alternative investments that were beneficial."

Finally, they cut costs. They set a three-year salary freeze, reduced other employee benefits, and moved to a smaller office while encouraging more telecommuting. The board members also cut their discretionary grants from $25,000 to $10,000 each. After 2012, they were able to reinstitute salary increases. The board's goal was to get back up to $33 million by 2016. With all the changes plus the rebound of the stock market, "we ended 2013 at almost $33 million," Williams said. He believes the foundation is stronger because of the board's philosophy of "not making long term changes that would negatively impact our groups, in response to a short-term crisis and prioritizing our groups when making financial decisions."

# Section 3 Leading through Transitions in Your Own Life

## Staying Personally Grounded

No matter how much they like their jobs, many seasoned CEOs admit to experiencing stress and sometimes feeling they are no longer fresh or inspired.

In many ways, the work of a family foundation CEO can be isolating. This is especially true when you are in a small town without peers in similar positions. Even if you have peers, you may be reluctant to share internal foundation problems with peers who know the family you work for.

Tending to your needs for professional development can have big payoffs. CEOs say that attending national and regional conferences of philanthropy organizations or meetings of professionals in the foundation's funding areas helps them continuously learn and also form networks of people they can call on occasionally for advice and support.

Richard (Skip) Moore, former president of the Weaver Foundation for 15 years, notes that "The relationships I have established with others in the family foundation field are critical to my personal well-being. That, of course, is the personal side of it. The professional side is that developing relationships with colleagues broadly provides deeper thinking and more ideas. When we work only with local CEOs, our thinking is too colored by the community's atmosphere and our knowledge of each other."

"Make sure you have folks that keep your feet on the ground," adds Pamela David, referring to the figurative pedestal on which foundation heads are sometimes placed. She has dinner every few months with some other foundation CEOs who started their jobs about the same time she did, which helps her maintain perspective. But, she cautions, "don't just talk to foundation heads, because it narrows your views." She belongs to another group of nonprofit CEOs, funders and practitioners, who meet quarterly to talk about leadership—both what they're learning in the field, but also about their own leadership challenges. And, she stays active in her community, which helps keep her grounded on the real challenges organizations and people face.

## SERVING ON NONPROFIT BOARDS

Veteran CEOs are split on whether it's good to serve on the boards of nonprofits and personally support causes in their community. Do you have to give up your personal identity when you are a CEO? "Any of us in a job make certain concessions," says NCFP's Virginia Esposito. "I'm not giving up my passions or personal views, but I have to be careful how I express them."

Stephen Toben, president of the Flora Family Foundation, finds such service energizing. He says being on nonprofit boards helps him understand what nonprofits go through such as trying to raise a budget. "I try to understand those who have to do it year in and year out."

The question of whether having him on a board will result in a grant from the foundation doesn't come up since Flora focuses on international projects and does very little local grantmaking. "The foundation has strict conflict of interest policies, and I've never championed an organization I'm on the board of."

Frank Wideman, president of the Self Family Foundation in Greenwood, SC, serves on local boards "because my involvement helps me keep the family up to date on what's happening in the community. I bring opportunities and ideas back to them. The family wants to maintain its privacy, so they can't engage the way I can. I'm always conscious of conflicts of interest, though, so I make clear to the nonprofits that I can't recommend them for a grant."

"Personally, I've stayed away from serving on boards of other nonprofits because it's so complicated," says Mary Walachy, executive director of the Irene E. and George A. Davis

*"In this job there is a serious hazard of reading your own press and living in the flattery that comes with this work."*

**TIP** *The National Center for Family Philanthropy holds periodic retreats for CEOs. NCFP also offers a Non-Family Staff Peer Learning Network— a regular series of peer driven conversations via conference calls and other forms of communication. It is free for non-family CEOs and senior staff who are current Friends of the Family or Leadership Circle members. For more information, check the website or call 202-293-3424. You can also get updates through NCFP's Facebook page and Twitter.*

### ➤ VIEWS FROM THE FIELD

***Balancing Multiple Hats***

*Steve Toben took an unusual approach to community involvement. "I am quite aware that in this job there is a serious hazard of reading your own press and living in the flattery that comes with this work. So I ran for public office. It was a useful way to learn that I'm not as clever as I think I am." Toben was elected to the council in the small town where he lives, several miles from Menlo Park where the foundation is headquartered. He has served two terms as mayor, a position that rotates among the council members. "My roles as a foundation CEO and as mayor were completely separate from each other. No one in town cared what my day job was. And the family found it kind of intriguing."*

Foundation. "People don't look at me as an individual. If I am on the board of an organization, when they ask for funding, it is hard for me to be impartial when presenting to my trustees. If I have no formal board relationship with an organization, I can truly go to bat for them without having to worry about a conflict." Instead, she has focused on attending conferences or serving in leadership positions with national organizations related to her foundation's grantmaking issues such as Grantmakers for Education.

Buhl says CEOs have to be very careful about which outside organizations they get involved in. "As you become more senior, you get asked more, so this should be a conversation a CEO should have with the board. You can be involved in something you love," for example a religious organization or a bike club or anything totally unrelated to the foundation's work. "I think political organizations are very tricky. Sometimes you can make a donation to an organization but decide not to be active in it."

Buhl says it's important to remain humble when you are invited to do something, from going to a dinner to serving on a board. "You think you are being asked for your own wonderful abilities. You may be good, but they are probably asking you because of your foundation position. Families understand that. That's why they get invited, too."

Gayle Williams says "serving on boards of nonprofits that were tangentially related to the foundation and to whom the foundation would never make a grant kept me connected to people and causes broader than the foundation. The Center for Courage and Renewal is an example. I also served on boards in the foundation field where I found true colleagues," for example, Grantmakers for Effective Organizations.

*"You may be good, but they are probably asking you because of your foundation position."*

**Personal Renewal**

CEOs suggest a number of ways they stay fresh and keep a healthy perspective including:

- Take vacations seriously—letting unused vacation days accrue not only keeps you from recharging your batteries but it sets the bar too high for your staff, making them feel reluctant to take all of their own vacation time.
- Go on a retreat—find an interesting program, conference, course or any opportunity to get you out of your comfort zone or your usual networks.
- Learn something new--If there is something you've always wanted to learn, there is no time like the present.
- Get involved with a national or international organization, broadening your perspective and network
- Be a mentor—Claire Peeps, executive director of the Durfee Foundation, says mentoring "is fantastically affirming. There is a generation of young, ambitious, values-driven people in our field ready to step up. I get so much more out of it than I put in."

*"When I began feeling the beginnings of burn-out, I asked for and got a sabbatical for me and a sabbatical policy for the entire staff."*

## STAYING FRESH

Feeling burned out is not uncommon for long-time CEOs, and many have tips on avoiding it.

Williams says she "maintains spiritual practices and communities that feed my soul and give me a perspective bigger than myself and the foundation. And I do what I can to keep my body healthy and energetic. The foundation was deeply important to me and my identity, but it was not my identity. When I began feeling the beginnings of burn-out, I asked for and got a sabbatical for me and a sabbatical policy for the entire staff. The three months away with no responsibilities renewed my body, mind and soul for the last few years of my tenure."

Richard Woo turns to writing. "I contribute to a blog as a way to engage with the community, and that's invigorating." He has also been involved in the philanthropy field, as a board member for his regional association of grantmakers as well as the Council on Foundations, "and that's a way to gain perspective for my foundation work." Woo holds monthly peer coaching sessions over videoconference with two other individual foundation leaders in the region for mutual support and confidential problem-solving. He advises CEOs to get out in the wider community as much as possible. "It's very easy to limit yourself to your office, talking only to your staff and board."

## SABBATICALS

When Nat Williams became the first executive director of the Hill-Snowden Foundation in 2004, he had to write personnel policies from scratch. "The board wanted 'people first' policies so that the staff would have an enriching experience, feel both respected and honored in their position, and have the ability to replenish themselves," he said. One of the benefits is a three-month sabbatical for each staff member after five years and every three years after that. Part-time employees are covered too, on a pro-rated basis. Originally, Williams, who came from academia, had proposed the sabbatical be used to work on an issue or volunteer for an organization. "But there was push back from the staff and agreement from the board that this should be a time for reflection and relaxation with no work or volunteer requirements. Everybody just has to write a short proposal on what they plan to do and how their work will be covered in their absence."

**TIP** *Peeps suggests CEOs who want to ask for a sabbatical share the* Creative Disruption *report with their boards and say "do you think we should do this?" Also, you might enlist someone on the board who favors the idea "to champion it for you since it's hard to lead the campaign for yourself." Durfee also has a guide for preparing for a sabbatical and the process of reentry.* *See page x.*


## ➤ VIEWS FROM THE FIELD

### *Recharging the Batteries through Sabbaticals*

*The Durfee Foundation in Los Angeles is big on sabbaticals. They not only fund them for nonprofit CEOs, they supported a research study that proved the considerable value of sabbaticals, both to CEOs and their organizations. (http://www.compasspoint.org/sites/default/files/docs/research/971_creativedisruption.pdf)*

*Still, Durfee's Claire Peeps, executive director for the past 17 years, never thought to ask for one for herself. Instead, the board surprised her with the offer after she'd been there seven years. With a three-person staff, it was hard for her to imagine leaving for three months and having no contact with the office, but that's the rule Durfee imposes on grantees whose CEO sabbaticals they fund. Why three months? "We've learned that it takes at least six weeks to decompress so two months isn't enough time," Peeps explains. "More than three months can be taxing for the rest of the staff."*

*But the requirement to unplug can be hard. "We tell all Durfee grantees that they should change the CEO's password so they can't access office email. On my first night of sabbatical, I went home, logged on to my email and couldn't get in. I was really mad. I thought I had until midnight!" Peeps recalls.*

*The benefits for the CEO are numerous, but for the organization are even more so, Peeps says. "For the CEO, a lot of whom are Type A workaholics, it's a chance to stimulate your personal passions and reconnect with what you love to do. It gives a leader a chance to find work-life balance and to reintegrate both to make a whole life. Just taking a vacation is not enough to get the endorphins firing.*

*"Even if you don't feel you need a break, maybe your organization does," Peeps says. During your sabbatical, she explains, the rest of the staff gets a chance to step up and expand their skills and capacity. "If they rely on you too much, they won't be as prepared when you eventually move on or retire. This helps the organization build capacity. It also opens the door to succession planning.*

*"CEOs who have trouble delegating often find when they return that they are more comfortable off-loading some work permanently so they can do the big picture stuff," Peeps adds. Boards benefit too, because they can see the rest of the staff grow in their abilities, and they themselves feel more invested, she says, especially in small organizations like hers where board members have to step in and help support the staff during the interim. "The board will feel especially grateful for their CEO when he or she returns, and grateful to the team, too."*

*What if they get along fine without you? "It's normal to worry that the board and staff will find you can be replaced." In all the sabbaticals Durfee has funded, it's never happened. "It's in your head. If the board is inclined to give you a sabbatical, it's not a plan to unseat you. It's a way of expressing gratitude to the CEO."*

*"I was ready to come back, but I was more rested and brought new energy to the work."*

Williams was the first staff member eligible to take a sabbatical, but the timing was bad. The impact of the stock market drop on the foundation required all his attention. Finally, at the end of his ninth year, he took his sabbatical. "It was a good experience overall," he said, but like many driven people, he thinks if he'd planned more in advance, he'd have used the time more effectively. As it was, he took a writing class, helped his father with a genealogy project, learned archery, and took some short family trips. He also went to one work-related conference and checked his work email every two weeks. When it was over, "I was ready to come back, but I was more rested and brought new energy to the work."

As for distributing the work load while he was gone, his staff already has plenty of practice covering for each other. They've handled multiple maternity and paternity leaves, including two for Williams.

## MOVING ON

In the interview study* of seasoned CEOs by NCFP President Virginia Esposito, she found that despite the many challenges of the job, most respondents like their job and hope to retire from it. Eventually, they will need to confront some of the following questions:

➤ How will I know when the time is right?
➤ When would I ideally like to move on?
➤ What will I do next?
➤ What kind of retirement package will I seek?
➤ How much advance notice should I give the board?
➤ What's the best timing for my departure?
➤ How can I help the board with the transition?

Part of being a good leader is helping the board plan ahead for your succession. One of the paradoxes of long time leadership is that, if things go well, the bond between the family and the CEO can be quite close. But then the transition can be more difficult. Some boards can't imagine replacing their long-time leader, or they consider it an act of disloyalty if their CEO wants to move on. The "Views from the Field" on the following pages describe the experiences of two CEO's who planned their departures.

**See the NCFP publication, The* Family Foundation CEO: Crafting Consensus out of Complexity.

## ➤ VIEWS FROM THE FIELD

### *Navigating your Departure*

*Sometimes upcoming foundation transitions can be the trigger for deciding it's time to leave. Gayle Williams, who retired from the Mary Reynolds Babcock board at the end of 2012 after 20 years in the job, says she made her decision about 18 months before she left. Their grantmaking program has a major review every decade, with a check-in review every five years. "I was writing that review about what we were learning, and it suddenly hit me that I didn't want to do this again. I looked at the foundation and thought 20 years was enough. They need some fresh thinking here." She also wasn't sure she had the energy to bring on another generation of family members. She admits that she had to "get over the sheer terror and panic of wondering what I'd do next, and how what we had built together would go on."*

*She decided to tell her board of her plans a year in advance. "It felt risky. I didn't know if they'd find my replacement in six months." In hindsight, she thinks nine months of notice might have been better. "For a nonprofit executive, nine months is not unreasonable for the organization to go through a transition effectively." Williams, 61, hired a consultant to help her and her senior staff with transition planning, a move she highly recommends. "This is a huge transition. It's more than just changing the person in the chair." (Many foundation boards also hire a search consultant to help them find the next CEO.)*

*As CEOs plan the next phase of their lives, Williams' says, "you have to go back to your personal identity. You ask who am I, what have I contributed to the world, will anyone return my phone calls after I leave? If you are not the CEO of the XYZ Foundation anymore, you won't have the access you once had." In Williams' case she decided she wanted to develop a part-time executive consulting and coaching practice after taking a few months off. "The literature all says to rest, regroup, ground yourself, and do something fun," before plunging into new work.*

*One thing she hadn't anticipated: all of the additional work her pending departure would require. "I hadn't cleaned out and organized the files for years," but she tackled them because she wanted to leave things clear for her successor. There were also management issues. "The uncertainty becomes hard for the staff. You also need to keep the grantees calm. They'll worry that with the change in CEO, the foundation might totally change direction."*

*She had a one-month overlap with her successor. "He knows he can call me if he can't find something. But when you leave, you've got to let go. My mantra is: It's not my business anymore."*

*"You ask who am I, what have I contributed to the world, will anyone return my phone calls after I leave?"*

# A "HIT BY A BUS PLAN" FOR A CEO

What if you don't get to pick the time of your departure? Every organization should have a CEO succession plan in case you die suddenly or become incapacitated. The goal is to minimize the disruption to family, staff and grantees that your absence would cause. But when a family thinks of their long-time CEO almost like part of their family, this can become an uncomfortable conversation. You may need to initiate it but don't let them avoid it. A succession plan can be as simple as designating who an interim successor might be, for example.

One CEO says his board chair is an estate planning lawyer who's used to dealing with succession issues. "Periodically, we freshen up my job description. We also have an interim CEO in the wings." That person is a long-time consultant to the foundation who knows enough to step in and run the foundation temporarily if something should suddenly happen to the CEO, giving the board time to complete a search for a new one.

But not all boards are comfortable discussing such a possibility. One CEO who had a serious health scare says she started thinking about how her long tenure had made her the institutional memory of the foundation. She gathered important documents and organized key pieces of background material. She included a confidential memo with recommendations on what the donor should do if she were no longer around. She put them in a file in a bookcase behind her desk. "When I told him, he didn't want to talk about it. I remind him every year, but he's never looked at it, and he still won't have a conversation about it."

**TIP** *For more detailed information on CEO transitions, you'll find detailed help in two other NCFP guides in this series:* Help Wanted: The Complete Guide to Hiring a Family Foundation CEO, *and* The First Year: The Complete Guide for the New Family Foundation CEO.

## ➤ VIEWS FROM THE FIELD

### *A Flexible End Date*

*David Nee, who became executive director of the Graustein Memorial Fund in 1993, first confided to his longtime board chair Bill Graustein way back in 2006 that he was thinking he'd like to retire in February, 2013, at age 66. This was after consulting with his financial advisor on when he could afford to do it. "Then, in 2010, Bill asked if we could let the rest of the board (consisting of Bill, his daughter, and six nonfamily members) know of my plan. "I had a little anxiety talking to them that far ahead. In some places it would be professional suicide to announce your retirement three years in advance," but nothing changed in the ensuing years—except his planned date. In 2012, a key piece of legislation passed in Connecticut after a collaborative advocacy effort led by the Graustein Fund. The bill created a planning process aimed at producing a coordinated system of early childhood care by 2013. "Looking at the process that was underway, with us leading the pack, it would be a big handoff to someone else. Plus, I thought I'd like to be around for it." He agreed to a six-month extension, until early 2014. He has no definite plans. "I want to allow time to identify myself." But he's already kicked that effort off. In October, 2013, he achieved one of his dreams, in Nepal, where he hiked to a base camp and experienced Mount Everest.*

## SIGNS THAT YOU SHOULD LEAVE— OR MAY HAVE TO

No matter how solid your think your relationship is with the family, cracks can appear after years of seeming harmony. It may not be within your control to prevent, but if you are alert to signs that the relationship is changing, you'll have a better chance of leaving on your own terms. As one CEO says "Any set of dynamics could change, and things could go off in a new direction."

When you were hired, the family may have wanted a leader who would run things and let them play a minor, supporting role. But over time, especially when a new group of family members join the board, they may want a different kind of leadership. "If the rules have changed, you have to decide at which point it's beyond what you want to do and be willing to say that and leave," says Alice Buhl. That's why it's good to have an idea of an alternate life," something you'd like to do if you weren't running the foundation.

*"It may not be within your control to prevent, but if you are alert to signs that the relationship is changing, you'll have a better chance of leaving on your own terms."*

*TIP NCFP held a webinar in February, 2014 on the topic of "Telling Your Story to Maximize Community Impact." Consult NCFP's online Family Philanthropy Knowledge Center for a replay.*

## IMPACT OF TECHNOLOGY

Buhl, who consults with many multi-generation family foundations, says one looming issue for foundations and longtime CEOs is technology. The senior generation and, often, long-time CEOs, don't always embrace technology. She already sees conflict within boards, where the younger generation is happy meeting by teleconference or Skype, and the older generation wants everybody in the room. At the same time, technology is rapidly increasing transparency in family foundations, and CEOs must be savvy and prepared to manage how this new transparency will affect the grantmaking and governance of the foundation. Some CEOs—such as Kate Wolford of the McKnight Foundation—are even becoming active participants in social media.

One veteran CEO in his late 50s says there may be a disconnect between an older CEO and "the relevance of my skill set to the next generation." He says younger family members who have joined the board are pushing the foundation to develop a more interactive website and a much bigger social media presence to help raise the profiles of their grantees. "The suggestions they make have merit and potential, I'm just not sure I can nor want to deliver on this whole new domain."

*"The lesson here is that there are always two things at work—what you are doing with the foundation and what you are doing with the family or donor."*

## FORCED TO PART COMPANY

Two CEOs shared their experiences of being forced out of the foundation. In one case, a veteran CEO was simply told one day, after a dozen years, that his services were no longer needed. His dismissal by the board chair came as quite a shock, but in looking back, he realizes there were indications. He says his dismissal was not about any specific conflict. "They indicated I'd been there a long time and they wanted to move on."

He concluded that the board, which is very involved in all aspects of grantmaking, wanted to go back to the structure they'd had before he was hired, with an administrator-type executive rather than a leader. "I spent so many years prodding to get new structures and programs in place, but they may have thought 'he's ahead of us. He's always telling us what to do." He also observed that the board chair is the head of his own company. "In their world, a lot of business people are used to changing leaders." The CEO also had become very visible in a community, and the family may not have appreciated his high profile, he reflects.

That's a sentiment shared by another CEO with a similar length of tenure who wasn't fired but was unexpectedly encouraged by the donor to set a timetable for his retirement. This came after many years of a positive working relationship, one in which the family had relied on him to be the foundation's face in the community. "Sometimes people would call me Mr. (name of family) by mistake." The relationship worked well while the donor was busy running his business. But when he retired from that, the donor became more involved in the foundation's work and more interested in engaging in those community conversations he'd formerly delegated to the CEO. "He made clear he wanted to be in charge, and I backed off." That didn't prevent the boss from deciding to end the relationship, however.

"The lesson here is that there are always two things at work—what you are doing with the foundation and what you are doing with the family or donor," the CEO says. "Both can change over time. I missed a couple of signals. I thought I was doing my job the same way as always, but I didn't realize his perceptions—and his own needs—were changing."

**TIP** *No guidebook of this size can cover in depth the many issues seasoned CEOs will encounter in their years at the helm of a family foundation. Fortunately, on nearly every topic discussed here, the National Center for Family Philanthropy's Online Knowledge Center has more in-depth resources, from Passages issue papers to webinar recordings. In NCFP's 16 years of existence, it has created the literature for the family philanthropy field. Please contact the NCFP website at* www.ncfp.org *or the office if you need help finding more information on a given subject.*

# Conclusion

Whether your foundation is hiring its first chief executive, filling an opening left by the departure of your current one, or just preparing for the day when your incumbent retires, there is a lot to think about. Although searches are inevitably a lot of work, remember that this transition in the foundation's life can also be a very exciting time. It gives you an opportunity to reflect on where the foundation is now, where you want to go, and what kind of staff leadership you'll need to get there. We hope this guide helps you through the process.

*PEER REVIEWERS: Our thanks go to Bruce Maza, Executive Director, C. E. & S. Foundation, and to Kathleen Odne, Executive Director, Dean & Margaret Lesher Foundation, for serving as peer reviewers for this guide. They also were the co-chairs of the CEO Advisory Committee that launched this research.*

"The Complete Guide for the New Family Foundation CEO," National Center for Family Philanthropy, 2012

National Center for Family Philanthropy's Knowledge Center *(www.ncfp.org)* has sample job descriptions and hundreds of other resources

"Family Philanthropy's Mad Hatter," by Gary Tobin, Foundation News and Commentary, Jan./Feb. 2004 *http://www.foundationnews.org/CME/article.cfm?ID=2748*

*The Nonprofit Leadership Transition and Development Guide* by Tom Adams, Jossey-Bass, 2010

The Durfee Foundation

## ADVICE FROM FORMER DURFEE SABBATICAL RECIPIENTS: ON PREPARING FOR A SABBATICAL

**FROM FORMER SABBATICAL RECIPIENTS**

Following is a list of recommendations solicited from former Sabbatical recipients on how to prepare for and what to expect from a Durfee Sabbatical. Some of the advice is contradictory, demonstrating that there are many different ways to experience the sabbatical.

**PREPARING YOUR STAFF**

- Decide on your interim leadership structure—a team, an acting E.D., whatever makes sense for your staff.
- Be very clear about how decisions are to be made when you are gone; create a written plan that you share with staff and board.
- Starting several months before you leave, have regular meetings with the person or team who will be taking your place to ensure a smooth transition.
- Set up a strategy for when it would be appropriate for the office to contact you in case of emergency. For example, the board chair and acting E.D. must decide in person, face to face, that it a call can not be avoided.
- Before and after: express gratitude to your staff for their support.
- If you aren't already doing it, bring staff members to board meetings so that staff and board can get to know one another.
- Have senior staff represent the organization at the outside meetings you would normally attend in the six months before you leave on sabbatical.
- Trust that your staff can handle things in your absence; don't micromanage or try to anticipate and take care of everything that might happen. Allow them to make executive decisions while you are gone. In the last month before you leave, allow your staff to make the decisions they will have to continue making in your absence.
- Write everything down for the interim leadership about whom to contact for what, where things are located, etc.
- Give a salary increase to the staff who step up to the plate while you are gone, if possible.

**PREPARING YOUR BOARD**

- Ask a board member to be the staff liaison during the sabbatical.
- Ask board members to take turns coming to staff meetings so that they can get to know staff in a different way and vice versa. Ask board members to talk to staff about why they are involved with the organization, what their jobs are, etc.
- Let board members know that they shouldn't expect as much communication from the Interim E.D. as they normally get.

**PREPARING YOURSELF**

- Remember that nothing changes much in three months.
- The last month before you leave will be difficult.
- Don't start anything new in the last month.
- Have someone to call to talk to when you are preparing to leave, maybe a former sabbatical recipient who can give you advice and support.
- Don't try to do all of the work that you normally would do during the sabbatical months (i.e., don't prepare grant proposals in advance.)

**PREPARING FOR YOUR SABBATICAL**

- Three months is short. Don't overbook yourself.
- Plan a trip for the beginning of the sabbatical. The best thing you can do is get out of town as soon as possible.
- Trip planning is a great stress reliever. Have fun with it!
- Through internet services, trade your house and car with those abroad to save money.
- Set aside time each week to focus on planning your trip and time off.
- Set up a private email account to use during sabbatical. Don't look at your work email when you are gone.

- Have someone go through your work email while you are gone, deal with what needs to be dealt with and dump the rest. Leave an automatic email message and phone message that says you will be gone for three months and that you will not read or respond to old messages when you return. The messages should direct the emailer/caller to the interim leader(s), with name and contact information.

**WHILE ON SABBATICAL**
- Make sure you schedule some free time with no commitments.
- Don't be surprised if you experience depression at the beginning of the sabbatical as you learn to disconnect from your work identity.
- You will be exhausted at the beginning of the sabbatical, so don't try to do too much right away.
- Don't transfer your work performance compulsions to pleasurable activities. Try to throw away your list and do one thing.
- Get over the guilt of seeing the mailman, the teacher, the lady at the market who may ask why you aren't at work.
- Spend some time away by yourself.
- Take as much time as you possibly can for your sabbatical. The amount of work that it takes to get prepared to go is not much more if you are gone three months instead of two, and you don't know when you will get another opportunity like this one.

**YOUR RETURN TO WORK**
- Use your return as an opportunity to see work in a fresh way.
- When you return, everyone will seem like they are moving too fast, talking too fast, making decisions too fast.
- Have staff post news in a desktop folder so things aren't forgotten.
- No piling up of mail in inbox makes the return much easier.
- Don't overbook your return – have a "stealth week" when you are back in the office but not yet making appointments and attending meetings so you can catch up without too much stress
- Return to work on a Wednesday or Thursday so that you don't have a full week at the beginning, and go back half time for a full week or so.
- You can control your return—plan your first contacts.
- Don't let everything return to its normal crazy pace as soon as you come back. Take advantage of some of the changes that took place and make them permanent.

**LIFE AFTER SABBATICAL**
- Plan a nice vacation every year—something to play with and anticipate.
- It's okay to set boundaries around work.
- You will likely experience some depression after your return. It can been helpful to talk to another sabbatical recipient.
- Don't work weekends and late at night.
- Work hard when you're at work, then go home and forget about it.
- Stay in touch with the side of you that has nothing to do with your work—read, dance, travel, see plays, listen to music, volunteer at an organization in another field.

# HILL-SNOWDON FOUNDATION
# SABBATICAL LEAVE

## ABOUT THE HILL-SNOWDON FOUNDATION

*The mission of the Hill-Snowdon Foundation is to create a fair and just society by directing resources to organizations that work within economically depressed communities to improve the lives of and expand the opportunities for youth and their families by promoting education, leadership, and social responsibility.*

The Hill-Snowdon Foundation (HSF) was founded in 1957. Following rapid growth of its assets in the mid-1990s, HSF decided to partner with Tides Foundation to provide administrative and programmatic services. After working with Tides for five years, HSF has decided to hire its own staff and open an office in Washington, DC.

The Foundation supports two primary issues: youth organizing and economic justice. In the youth organizing arena, HSF is an established funder with a clear movement-building strategy. HSF is newer to the field of economic justice; it is engaged in exploratory funding and research to determine its strategy and focus. Grants are made in four regions: Washington DC, New York City, California, and the Southeast (US). The Foundation has an asset base of $31 million and will grant more than $1.5 million in 2004. It is anticipated that annual grantmaking will exceed $2 million by 2007.

## PAID SABBATICAL

The Foundation believes that effective institutions are guided and sustained by creative, committed and dependable people. Leaders need time to think, rest, reflect and rejuvenate if they are to keep their organizations and programs innovative and moving forward. To achieve this and help prevent job related stress and burnout, the Foundation endorses a discretionary paid sabbatical benefit to employees.

## ELIGIBILITY

All full-time and part-time employees are entitled to a three-month (prorated for part-time employees) sabbatical after five years of employment and three month sabbaticals (prorated for part-time employees) after every three years of employment thereafter, subject to approval by the Executive Committee.

## TERMS

- Three-month paid sabbatical with full benefits, independent of any accumulated paid leave (vacation, sick, personal, maternity/paternity, etc.). If an employee's sabbatical falls on a holiday, that day still counts towards an employee's sabbatical time.
- A maximum of four months of combined paid leave/vacation/parental/ sabbatical time is allowed in any 12-month period for an employee.
- The employee is encouraged to incorporate a learning or professional development opportunity into his/her sabbatical. For example, an employee may spend some portion of time during the sabbatical volunteering for a grassroots partner organization.
- The primary requirement for the sabbatical is that it provide time for reflection and rejuvenation so that the employee can come back refreshed and with renewed commitment. The Foundation recognizes that how this is best accomplished is specific to the employee, and therefore, the employee shall propose how the sabbatical will be used, including why the proposed approach is best, and a statement of goals/outcomes for the sabbatical.
- Professional development/tuition reimbursement benefit may be used in conjunction with the sabbatical benefit if the budget allows.
- Only one employee may be on sabbatical at any time during any 6-month period.
- Employees will not be eligible to take a week or more vacation leave within two months prior and two months after sabbatical leave.
- Timing of sabbatical leave for program staff may be limited by the Foundation to periods that will have the least impact on grantmaking workloads.
- Employees who take sabbatical leave will be expected to stay at the Foundation for at least one year after the end of the sabbatical.
- An employee who is eligible but decides to leave the Foundation before taking the sabbatical leave will not be entitled to a sabbatical or its cash equivalent.

**APPLICATION PROCESS**

- Application to take sabbatical leave must be made in writing to the Executive Director (or to the President if the request is from the Executive Director) at least six months before the employee wishes to begin leave.
- The proposal may be brief but must include:
  - Proposed dates
  - Plans for use of sabbatical time, including rationale and statement of goals/outcomes for use of sabbatical time
  - Plans for how job responsibilities can be covered in one's absence
- Executive Director reviews the proposal and makes a recommendation to the Executive Committee.
- The Executive Committee makes a final determination on the sabbatical application.
- If approved, the employee submits a revised annual workplan to the Executive Director that is subject to approval no less than two months prior to the beginning of the sabbatical leave.

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Susan Crites Price is a former vice president of the National Center for Family Philanthropy and is now a consultant and freelance writer. She is the author or co-author of several books including *The Giving Family: Raising Our Children to Help Others.* She is a frequent speaker on next generation philanthropy.

## ABOUT THE NATIONAL CENTER FOR FAMILY PHILANTHROPY

The National Center for Family Philanthropy (NCFP) was founded 15 years ago in response to the need for a national source of knowledge and expertise that advocates for the value of family philanthropy. As a catalyst for the greater good, NCFP has developed several important initiatives for giving families as well as our partners in the field, such as ground-breaking research studies, workshops and webinars on relevant topics, development of the largest searchable database on family giving and publishing the first-ever comprehensive guide to starting a family foundation.

Today, NCFP remains the only national nonprofit organization dedicated exclusively to families who give and those that work with them. NCFP provides the research, expertise and networking opportunities necessary to inspire our national network of giving families every step of the way on their philanthropic journey. Through these resources, families learn how to transform their values into effective giving that makes a positive and enduring impact on the communities they serve. Together, we make great things happen.

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