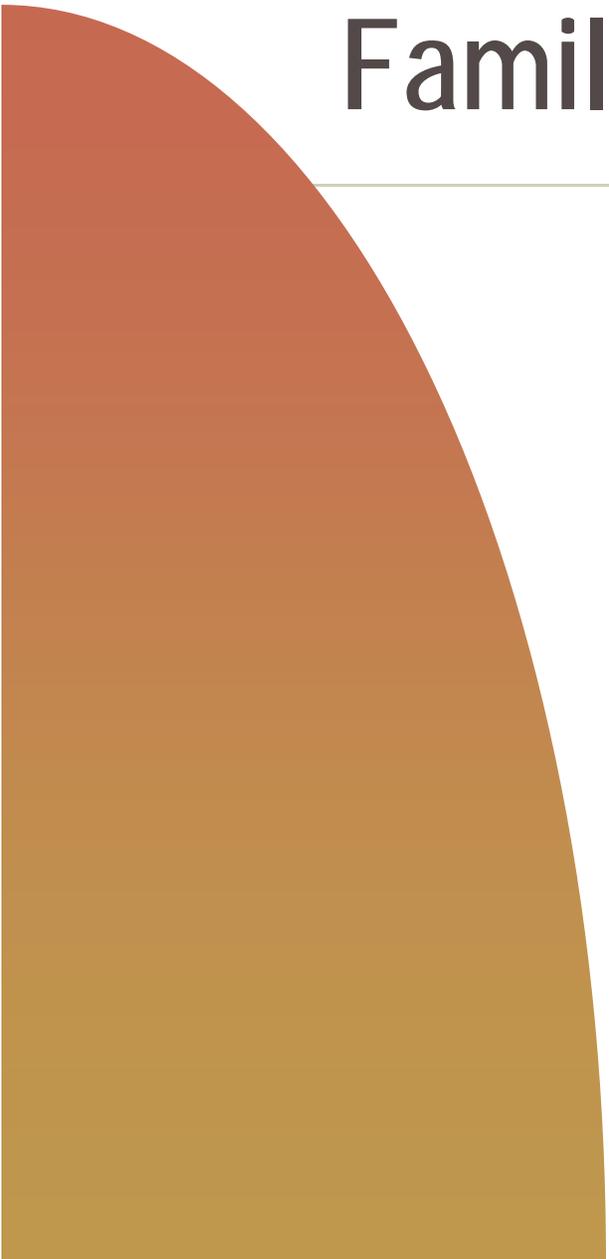


Guard the soul of your organization, even from your own pretensions.

Those of you lucky enough to be part of an institution that has a soul know what a precious environment it is. It's a secure environment within which distinctive personalities complement rather than compete with each other; it's an open environment in which hierarchy is respected but not imposed; it's an institution in which values are explicitly and easily discussed, and there is a consistency between values stated and values played out; it's an organization [that] demonstrates its humanity equally in its responsiveness to the needs and sensibilities of its external constituencies and in the care with which it nourishes and grows its own personnel.

Prof. Paul Ylvisaker

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Family Foundation Transitions

Leadership Succession

Karen Green, MPA

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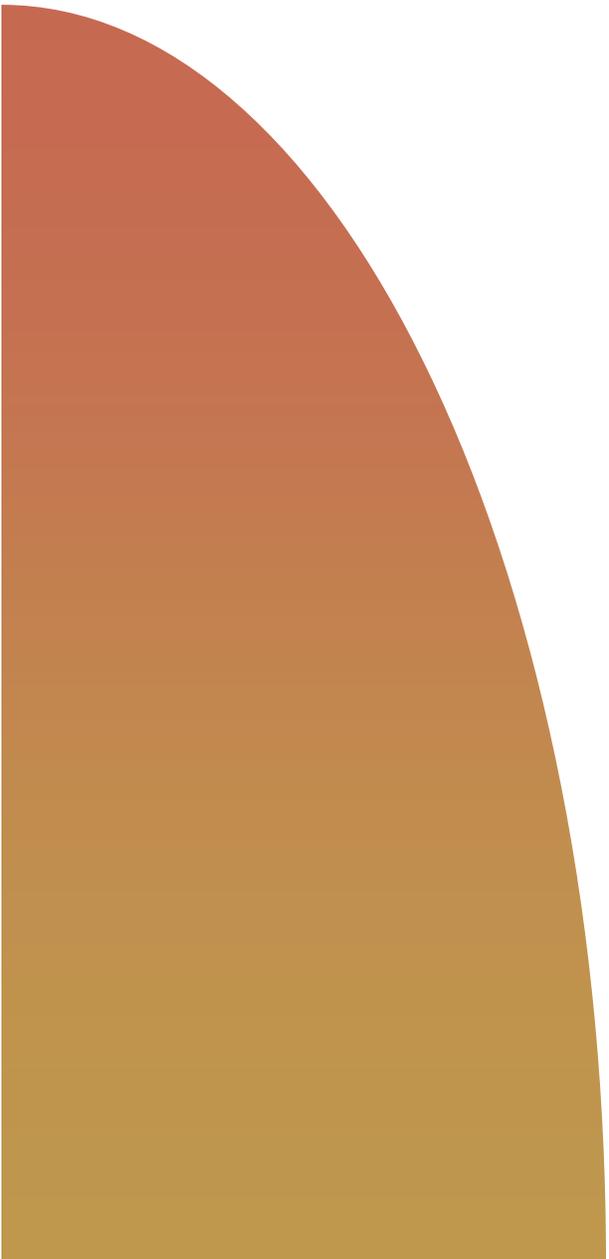
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Leadership Succession

Who *are* the leaders in family foundations?

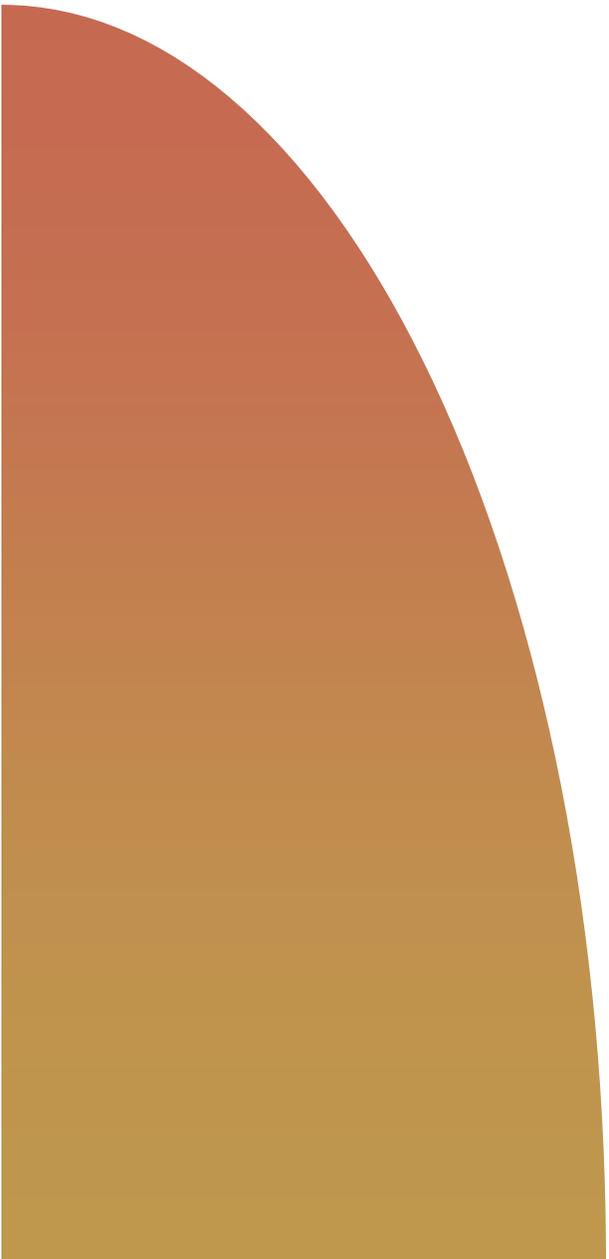


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A primary goal of all family foundations leaders should be ensuring the foundation endures successfully.

- What does that entail?



Leaders are Stewards of the Legacy

- Respect donors' intent to:
 - ☞ Give back to the community
 - ☞ Formalize family giving for greater impact
 - ☞ Make a difference in society
 - ☞ Transmit values and family bonds to future generations
- Manage risk & oversee operations

These reasons endure!

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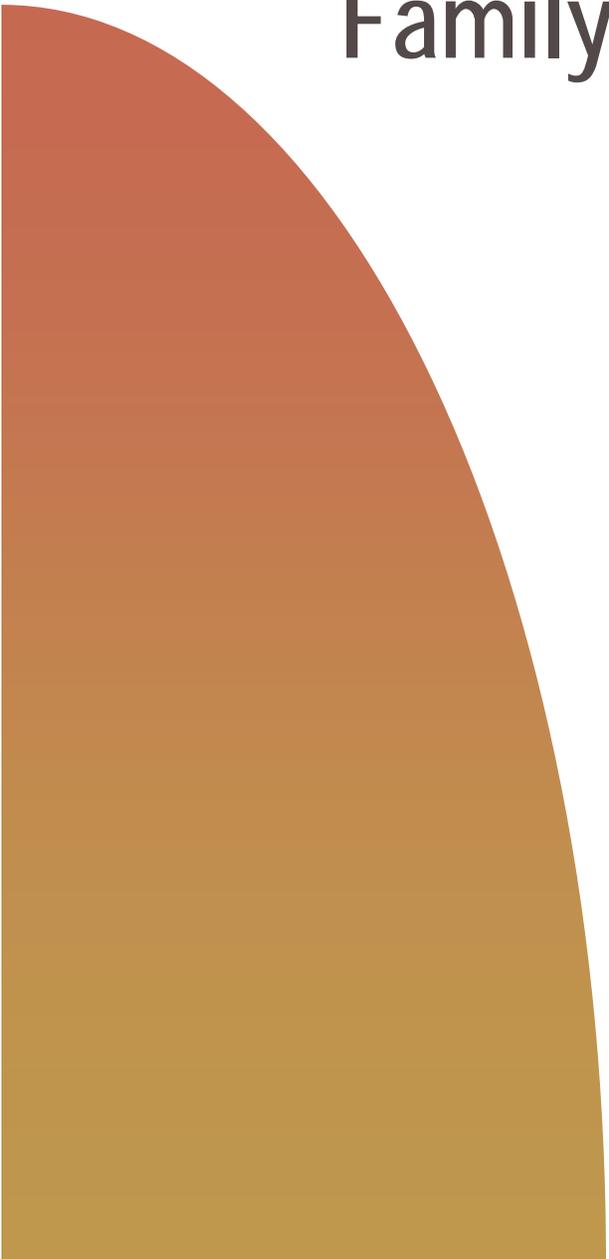
Precipitating Conditions



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- Donor or the donor's spouse dies
- Substantial assets are added
- Age or poor health of the chair (or another key player) requires rethinking how decisions are made
- Next generation begins to be interested (or not)
- Staff person changes (or should)
- Managing entity (e.g. bank, attorney, grants management firm) changes how it does business

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Family Dynamics 101

Prerequisite for higher level
foundation function

Is this board business or
family business?

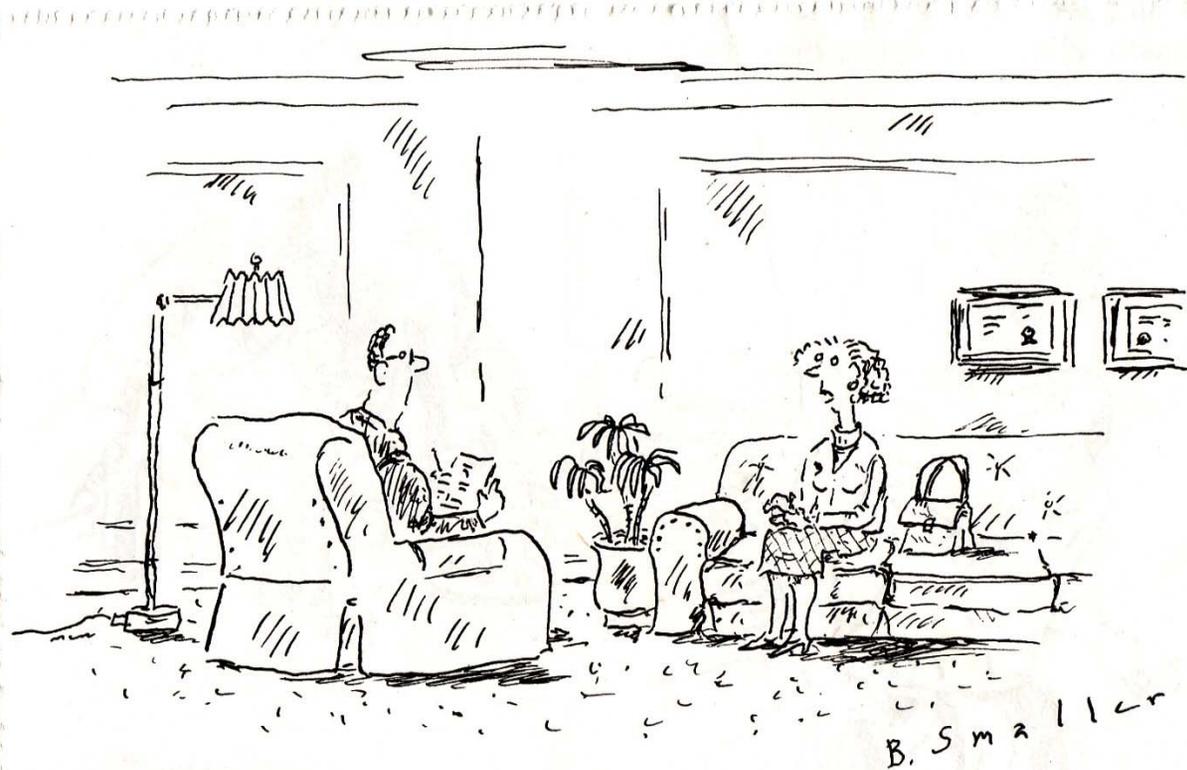
Family Fun



“O.K., I admit it, we’re lost, but the important thing is to remain focussed on whose fault it is.”

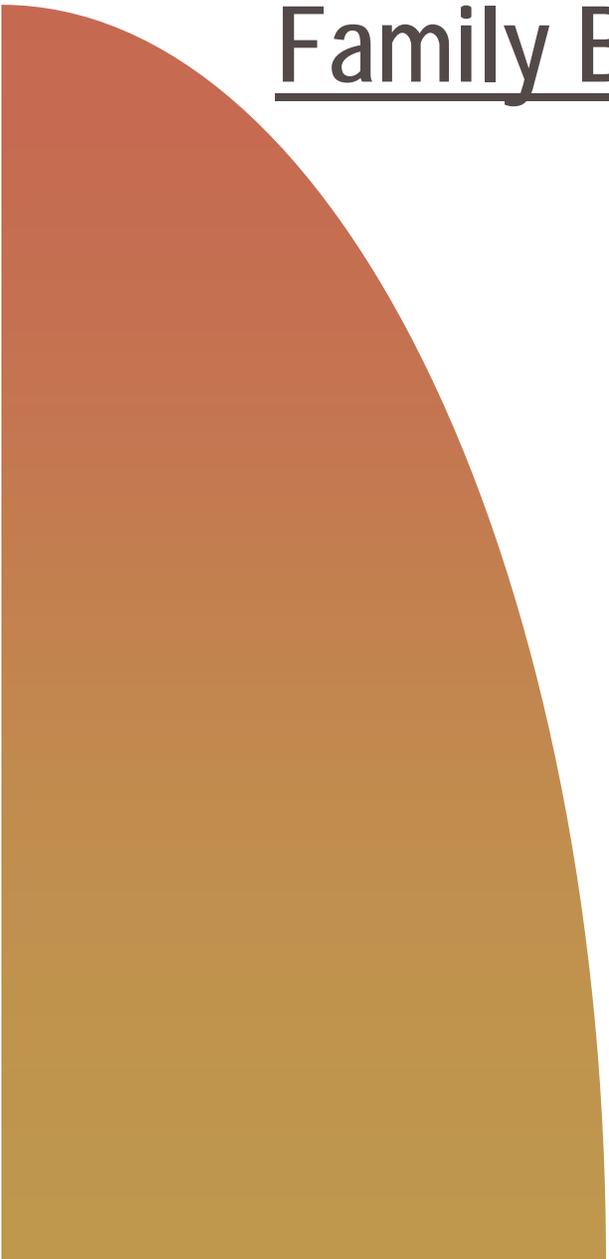
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Family Function



"First, I did things for my parents' approval, then I did things for my parents' disapproval, and now I don't know why I do things."

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Family Board Member Succession

Banish assumptions and
articulate expectations

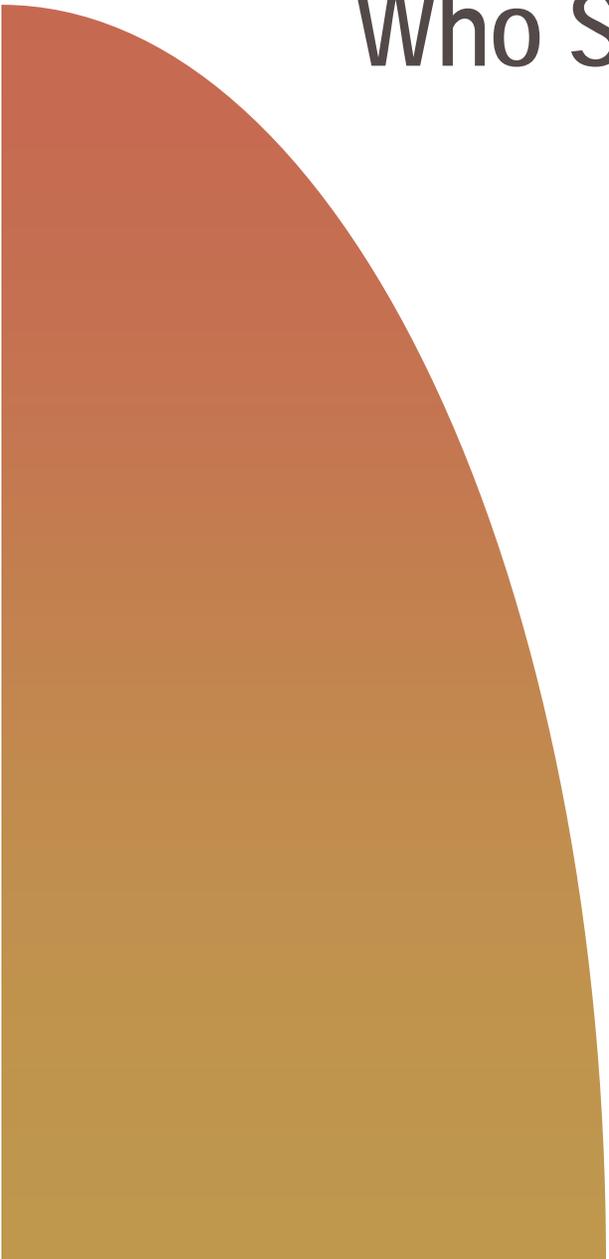
Be mindful of generational
differences in perspective

Senior Generation Challenges

- Incomplete dream, vision extends beyond lifetime.
- Adjusting to the shift in power
- Wanting to be needed and valued
- Finding meaning in life, rebirth vs. decline
- Redefining purpose and roles, what are the generations' respective contributions?
- Helping the successor succeed, how to transfer knowledge inoffensively
- Letting go. When? How?
- Going with the flow. Getting comfortable with alternative ideas and practices.
- Understanding that the foundation is not a single person enterprise. It requires teamwork for management, family interactions and grantmaking.

Next Generation Challenges

- Feeling worthy and confident – especially those under dominant leaders
- Having conflicting emotions regarding control:
“I’m entitled to run this” versus “I must show I can do the job.”
- Earning the respect of the family, foundation and grantees
- Developing a full range of skills
- Experiencing mistakes’ bumps and bruises
- Learning succession is a process not an event
- Understanding the foundation is not a single person enterprise



Who Serves on the Board?

- Deciding factors
- The Three “P”s
 - ◆ Promulgate policy
 - ◆ Prepare a pool
 - ◆ Pick the promising

Next Generation On-Boarding

Golden Rules:

- Meaningful involvement in decisionmaking = engaged board members
- Engaged board members = better board function
- Better board function = improved prospects for continuity

Independent Board Members



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Virtually Every Governance Decision Is Foreseeable

- Conceive of the inconceivable... and talk about it
- Rely on policy so no one takes decisions personally



You're Entitled to My Opinion

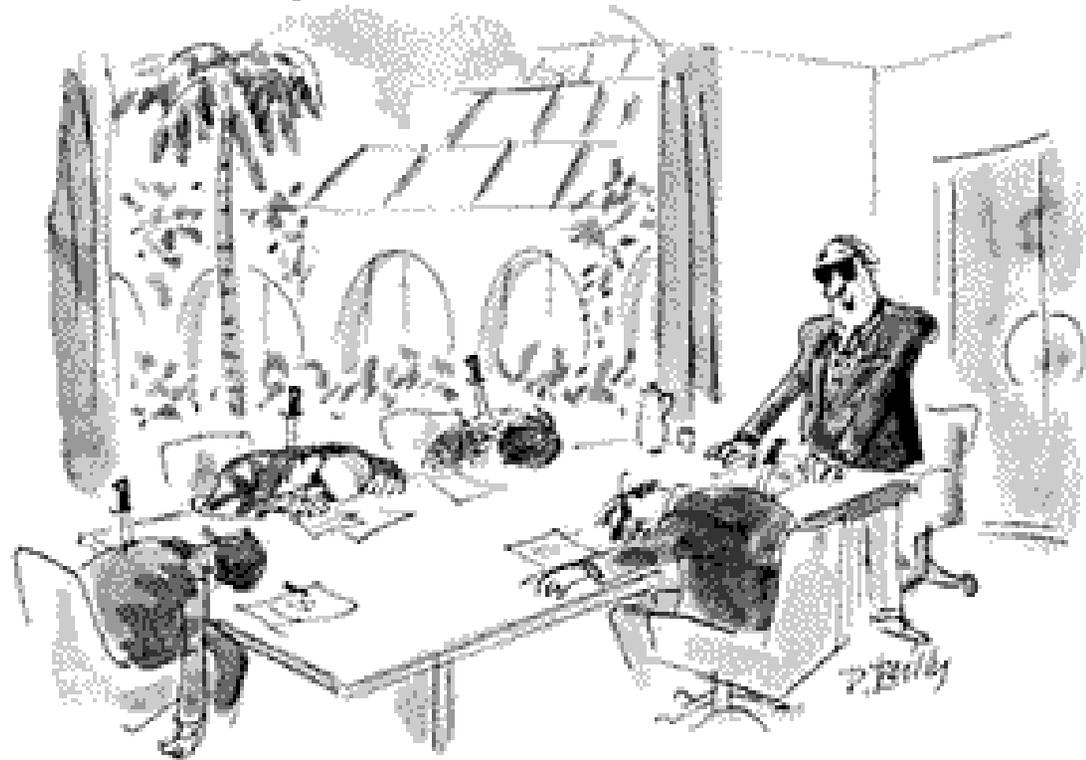


"On second thought, don't correct me if I'm wrong."

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Trust

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"Hey, great meeting! Thanks, guys."

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Pushing An Agenda

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Speaking Truth to Power



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Board Chair Succession



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Multi-faceted Position

The chair:

- Clarifies board role
- Defines board culture
- Manages and supports staff roles



Board Chair Functions

A person who can (or can learn to):

- Understand the position
- Run a good meeting
- Be there for the CEO
- Build trust & consensus
- Serve as an Ambassador
- Look ahead



Adapted from Betsy Rosenblatt on *Board Cafe*

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Personal Attributes of a Good Chair



- Believes everyone offers something to the foundation
- Acts on principle, upholds values
- Sees different viewpoints...and their longer term implications
- Respects the legacy, change is not abrupt
- Inspirational
- Post-meeting role re randomness
- Frames issues well, and in advance

6:05 p.m. **Executive Director's Report**
Information

6:10 p.m. **Approve Minutes – Robert Myers** **Tab 1**
Action

6:15 **Approve Consent Agenda** **Tab 2**

Reminder: As routine matters, **consent agenda items are expected to pass without discussion.** If you feel discussion of any action below is needed, notify the Chair or the Executive Director in advance of the meeting.

Actions Elect Ben Guliani for an additional term as trustee
Approve the investment report

6:20 p.m. **Presentation of the Audit – Clair Parsons** **To come by email**
Action Approve the audit.

6:30 p.m. **Legal Status as Type III Supporting Organization** **No material**
Discussion Report on conversations with Counsel – Robert Myers
Report on conversations with Suburban Hospital – Ben Guiliani
Next steps

7:10 p.m. **Grants Decisions** **Tab 3**
Action 1. Vision, Mission, Beliefs: Helpful in Reviewing Grant Summaries?
2. Suburban Hospital 4. Threshold Services
3. Shady Grove Hospital

8:30 p.m. **Confidentiality Policy** **Tab 4**
Information

8:45 p.m. **New Business** copyright Karen Green



CEO Succession

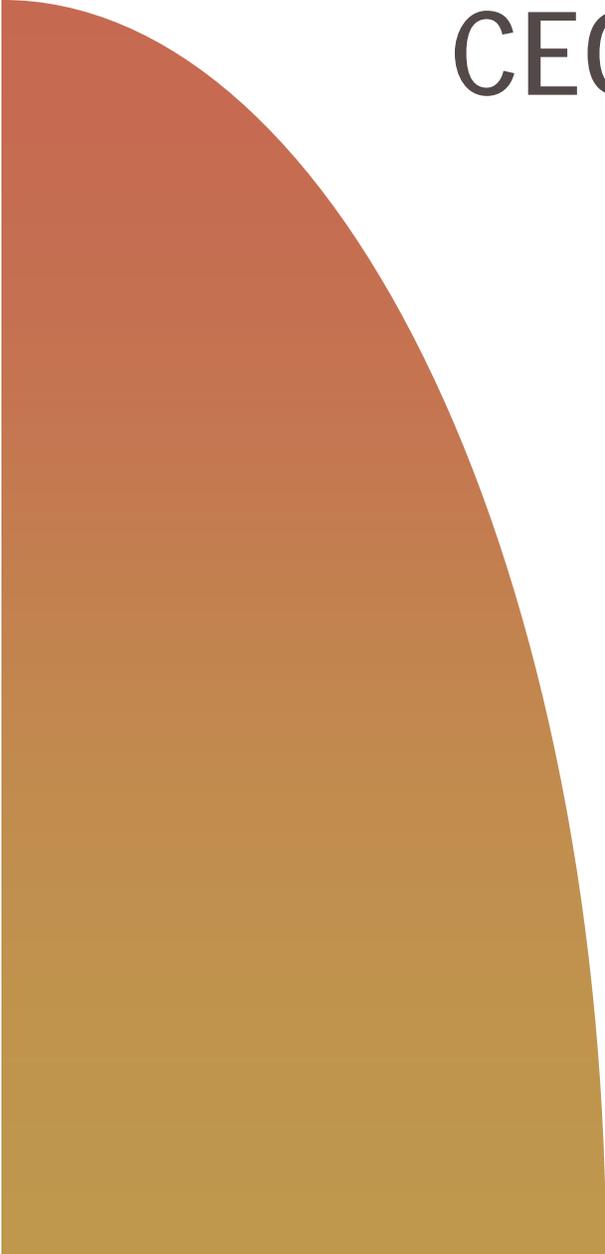
Few professional roles are more complicated - and less defined - than the family foundation professional.

Prof. Gary Tobin



“Ready for your first lesson in conflict resolution?”

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CEO Functions

- Manager
 - ◆ Grants
 - ◆ Operations
 - ◆ Staff
 - ◆ Finances
 - ◆ Risk
- Advisor
- Mentor
- Ambassador
- Tech expert
- Visionary
- Truth teller
- Confidant
- Protector
- Therapist



**Chef
Executive
Officer
CEO**

The challenge for the family foundation professional is to accomplish the foundation's important business, but to do so while accommodating the needs of a board made up primarily of family members.

Prof. Gary Tobin



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CEO Transitions



- Foundation goes from:
- Volunteer to staff run
 - Family staff to nonfamily staff run
 - Nonfamily to another nonfamily

Tips: Finding A New CEO

- Post
- Network
- Poach
- Hire a search firm
- Check references
- Be transparent

Also

- Use an employment contract
- Offer professional development



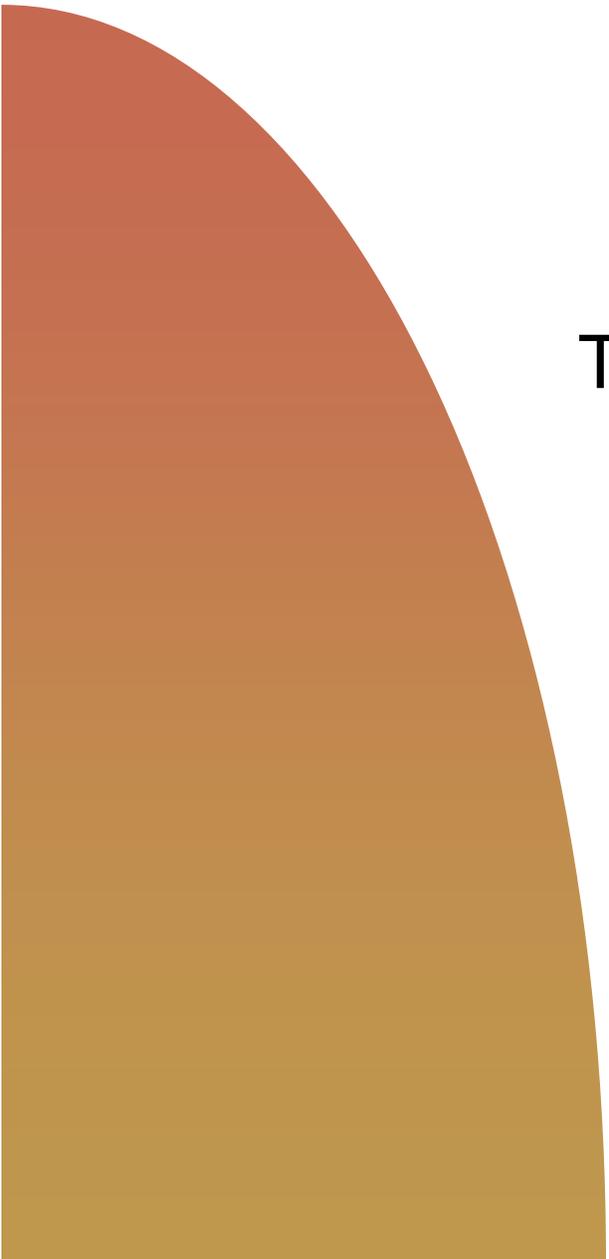


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Questions?

Thanks for coming!

Karen Green

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