



Richard Schneider/Images.com

# Under New [temporary] Management

How interim executives  
can stabilize a transition

By Paul Lagasse

**H**istorically, if your administrative assistant needed extended family leave or accepted another position, you did something quite logical: You called in a temp. So why not do the same thing when your organization's executive director or development director departs?

Faced with a lengthy recruitment process and possibly lacking qualified in-house candidates, nonprofits are increasingly turning to interim executives—part-time senior-level professionals who oversee the recruitment of a permanent successor, manage staff and daily operations during the transition, keep campaigns and special programs on track and then hand over the reins when a candidate is chosen. Interim executives also help mediate the inevitable cultural shifts that accompany leadership transitions, providing much-needed stability and continuity during a vulnerable period.

### An Urgent Need

The need for interim executives in the

nonprofit sector is acute. In his March 2006 report *The Nonprofit Sector's Leadership Deficit*, Thomas J. Tierney, chairman and co-founder of the Bridgespan Group in Boston, revealed that a significant number of nonprofit organizations are at risk of experiencing a sudden leadership transition without a succession plan in place to guide them through the process.

Faced with the imminent departure of an executive director or other senior program officer, an organization's board of directors might be tempted to bring someone aboard immediately. Don Crocker, executive director and CEO of the Support Center for Nonprofit Management in New York, frequently receives phone calls from orga-

nizations considering doing just that.

"It might be from an executive who's thinking of retiring and is worried, or a board president who's concerned because the executive has left and they realize they don't have the skills to manage the transition effectively," he says.

In all cases, Crocker counsels against taking rash action. "It's already a risky position for the organization to be in," he points out. "Rushing to hire the wrong person only increases the risk and puts the organization into a tailspin. If you rush to hire, the next person becomes an interim anyway."

Another common reflex is to keep the transition a secret, fearing it will be seen as a sign of vulnerability. Secrecy can backfire, however.

"When organizations hide a transition from donors, it deeply affects their trust when they find out through back channels," Crocker says. "And they will find out. So be up-front with donors and help them understand what you're doing and why."

Besides, nonprofits should consider transitions as capacity-building experiences, Crocker adds. "It helps the board become smarter about their organization."

Even so, at first a board may have a hard time convincing stakeholders that an interim is a better investment than promoting from within.

"Organizations will often use salary savings to fund the interim, so it's not as much of a financial hurdle as it might appear at first blush," says Rosemary Lucier, a San Francisco-based development consultant with 30 years' professional development, volunteer and consulting experience. "And, since we are not employees, there are no benefits or payroll taxes to fund."

These savings may not cover all the expenses, but can subsidize enough to enable the budget, or a donation, to cover the overage.

The interim option is most popular with nonprofits with at least \$1 million in contributed revenue. Larger organizations tend to be capable of absorb-



## California Requires Interims to Register

Interim executive Rosemary Lucier noted that several years ago, responding to abuses by commercial fundraisers that took as fees most of the money they raised through telemarketing campaigns, the California state attorney general's office put in place new rules to eliminate abuse. Now, not only do commercial fundraisers that do business in the state have to register with the AG's office and pay an annual fee, but so too must independent fundraisers such as independent interim development directors. Furthermore, independent contractors must include language in their contracts that clarifies the contractual nature of their relationship with a nonprofit organization.

Before hiring an interim executive, your organization should determine whether similar laws are in effect in your state and also ensure that the prospective interim executive is registered appropriately.

Another good idea? Give the interim executive a copy of the AFP *Code of Ethical Principles and Standards of Professional Practice* and *A Donor Bill of Rights*.

ing executive departures, while smaller ones are less likely to be able to afford or justify the expense. The important consideration is whether organizations have someone in place who can fill the position until a replacement is named.

Interims may seem costly, but they offer much more in return, Lucier emphasizes. “Some organizations might expect an interim to simply keep things going. But most expect that the interim will also bring a new level of sophistication to the organization,” she says.

Interims also may be brought in to carry out specific programmatic activities, such as managing a fundraising campaign in the absence of a permanent development director. Interims need to know the organization’s expectations from the outset in order to provide an estimate of the duration of their term, such as six months with a potential extension or until a successor is recruited.

“Much of an interim’s job is about communicating the message of continuity,” says John W. Corwin, founder and principal of Corwin Consulting LLC in New York. “The interim ensures that the organization is on track, providing a continuity of message and of day-to-day management. You learn enough while you’re there to be a credible public spokesperson.

“An interim’s lack of prior knowledge of the organization and players is an added plus,” adds Corwin, a self-described “recovering attorney” who practiced public-interest law for 22 years before accepting a variety of full-time and interim executive positions in the past decade. “It’s clear to everyone that interims have no preconceived agenda and that they are there to help the organization through the transition.

“It’s an opportunity for the organization to take a fresh look at what they want to do.”

### **Bridging the Gap**

Depending on when they are brought aboard, interims can lead a nonprofit

**“Interims can address certain policies better because they’re removed from internal politics and other issues.”**

**—Theresa M. Nelson, CFRE**

through the entire planning, recruiting and on-boarding process of an executive hire. According to Theresa M. Nelson, CFRE, who has 24 years’ experience as a fundraising consultant and interim development director, there is a lot that an interim can do to help make the new executive’s job easier.

“At the outset, when I assimilate everything, I write an assessment report that provides a snapshot of the organization,” she says. “I can point to specific things that need attention and make the case that they are important. For example, stewardship often gets pushed to the back; by virtue of my position, I can push it to the front burner for a while.”

Nelson finds that she almost always has to reforecast an organization’s budget—often without the benefit of picking the departing executive’s brain first. “I’m not the one who has to live with this budget, but I don’t want to leave a new hire in the hole either,” she says. “I want them to be able to come in and beat the budget, which makes them feel good at the same time they’re getting their feet wet.

“Interims can address certain policies better because they’re removed from internal politics and other issues,” Nelson says. “For other policies that

the permanent person should handle, I can do some of the groundwork for them.”

Because of an interim’s perceived neutrality, staff and board members tend to feel more comfortable offering candid insights and opinions, which the interim must incorporate into his or her assessment with balance and objectivity. Even so, negotiating complex situations or strained relationships—especially when related to the previous executive’s departure—can be challenging, even if only for the brief time that the interim is on board.

In such cases, the interim works to resolve conflicts between competing and conflicting demands, rather than choosing one over the other. Corwin says effective communication is at the heart of what interims do.

“It’s amazing how powerful communication is, and how dangerous the lack of communication is,” he says. “You get a lot of information quickly and then you have to fit the puzzle pieces into place. You need a huge tolerance for ambiguity. But it’s the ambiguity that allows things to change.”

Interims typically manage the recruitment process or act as the primary point of contact for search firms. By sitting in on interviews, they are able to offer candidates a useful neutral peer perspective.

“I see my role as helping to sell the organization to the person, and I’m also honest with them about what’s needed and what the challenges are,” Nelson says. “I offer a perspective that often others in the organization don’t have.”

When a candidate accepts the director position, Corwin likes to mark the transition with a little ceremony during which he hands the incoming executive an orchestra conductor’s baton. It is a symbolic gesture that marks the closure of a brief, but intensive—and often very emotional—period in the life of the organization. “The interim period is not simply a passage of time while waiting for the next person,” he says. “It’s actually a very rich time.”

## Interim Executives: A New Niche

The concept of the interim executive goes back to the 1970s and the practice by several Protestant Christian denominations of bringing in interim clergy when long-time pastors leave their congregations. Loren Mead, who founded The Alban Institute in 1974 in Herndon, Va., to provide consulting services to congregations, codified the transition-oriented tasks required of interim pastors in his 1986 book *Critical Moment of Ministry: Change of Pastors*. Mead's book inspired the idea of interim nonprofit executives.

Since then, several nonprofit-support organizations have developed their own interim executive placement programs. TransitionGuides near Washington, D.C., was among the first organizations to develop interim programs, under its director, Tom Adams. The Support Center for Nonprofit Management, based in New York, launched its executive transition management services (ETMS) referral program in 2002.

Interim executives also work as independent contractors. As the field is still a relatively recent niche, independent interims rely on referrals and word of mouth to find nonprofit clients. They find that this approach has the added advantage of putting clients at ease; a nonprofit's own network of contacts is likely to find them a good match.

The Support Center offers an interim executive director referral service, a relatively new offering that has built up quickly in the past two years, according to Denise N. Perez, the center's director of program operations. In 2006, 15 interim executive directors were placed through the service, she says.

The center also provides an interim executive director training program. "The most effective interims are trained in how to perform interim executive director roles and responsibilities," says Don Crocker, executive director and CEO of the Support Center for Nonprofit Management. "The JPMorganChase Foundation has funded the Support Center's transition management and interim executive director training programs in an effort to help nonprofit organizations minimize the risks inherent in transitions. Without grant-maker investment, many small and mid-size organizations would not be able to afford the help they need during these risky transition periods."

According to Perez, a number of nonprofit professionals who have attended the two-day, intensive training have secured their own interim executive director positions outside of the center's referral service. Attendees include experienced "retiring" nonprofit CEOs who may be looking for ways to continue making a contribution to the nonprofit sector by applying their leadership and management skills to organizations going through an executive transition.

**"The most effective interims are trained in how to perform interim executive director roles and responsibilities."**

—Don Crocker, executive director and CEO, Support Center for Nonprofit Management, New York

### The End of the Project

The experience of using an interim to manage an executive transition is usually rewarding and satisfying for all concerned. Interims enjoy the challenge of solving new problems in a compressed timeframe and in a variety of environments that may be entirely new to them. Organizations also tend to view it as a positive experience once they come out the other side of a successful transition and things return to normal.

Crocker counsels organizations to avoid seeing interims the same way they do full-time, permanent employees. Interims work as intensively as they do precisely because they know they have only a limited time to accomplish a set of carefully defined goals. They would burn out trying to maintain that same pace in an open-ended, full-time position.

Even so, is it ever tempting for interims to stay with an organization they like? "My experience, and the experience of my colleagues, is that we're often asked to stay on as permanent staff because we're a known entity," Lucier says. "It's very flattering, but I don't consider it because I enjoy the flexibility of doing what I do."

"The criterion in this field is that the interim should not be a candidate," Corwin adds. "In fact, it's in my contract. It's very important that the stakeholders know that I come pre-fired."

Nelson agrees. "I do in 16 or 20 hours much of what others do in 40," she says, summing up the interim experience. "It's simply not possible for me to do everything, so I get others to take on more responsibility, and they like that experience. As a consultant you get to tell them what to do. As an interim you get to tell them and do it yourself, too, and that's fun." 🎯

Paul Lagasse is a freelance writer in Baltimore, Md.