



**The State of Executive Transition Services
Nationally and in
Baltimore, San Francisco, & San Antonio**

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Table of Contents

Executive Summary	1
Conclusions:.....	5
Introduction and Rationale.....	7
Capacity Building and Transition Support	7
Describing the Infrastructure Supporting Executive Leadership.....	9
Baltimore Overview	13
Summary of the Funding Environment and the Institutions Supporting Nonprofit Organization Development	13
Executive Transitions and Transition Support	17
Analysis of Transition Services Available in Baltimore	19
San Francisco Overview.....	21
Summary of the Funding Environment and the Institutions Supporting Nonprofit Organization Development	22
Executive Transitions and Transition Support	26
Analysis of Transition Services Available in San Francisco	29
San Antonio Overview	31
Executive Transitions and Transition Support	34
Analysis of Executive Transition Services	36
Comparing San Antonio, San Francisco, and Baltimore.....	37
An Overview of Executive Transition Support Nationally	33
Management Support Organizations and Associations	35
Executive Search and Transition Service Firms	38
Career Counseling Services.....	39
Web-based Services	39
Foundations.....	41
Other Institutions	43
Generational or Diversity Oriented Services	44
Recommendations Based on Review of Nationally Available Executive Transition Services	46

The State of Executive Transition Services:

Findings of a Scan of Existing Services and Funding Nationally and in 3 Cities

Executive Summary

Executive Transition: The time in the life of a nonprofit organization when there is a change in the organization's top managing professional. This change may be the result of retirement, resignation, termination, or a decision by a governing board to hire an organization's first professional staff. For our purposes, the public period of transition begins when the executive leader considers leaving and begins a notification process, when the Board informs the executive that her/his tenure is ending or when the Board begins searching for the first executive. The formal transition period concludes with hiring an executive and completing a six month performance review of this executive.

Why "a state of executive transition services": Research and experience is beginning to show that executive transition in nonprofit organizations creates both a time of strategic opportunity and significant vulnerability and stress. The executive transition moment and proactive preparation for executive transition have enormous potential for increasing organizational capacity and effectiveness. There is vulnerability and openness to change that occurs during leadership transition in many organizations that does not exist at other times. Poorly managed transitions can result in losses in funding, credibility, and important relationships, and turnover among other staff and board members. In the extreme cases critical service delivery may be lost. Well-managed transitions, on the other hand, can result in a stronger, more effective organization. Other research points to a growing number of transitions in the nonprofit sector over the next five to ten years as the baby-boomer generation begins to retire. Exploring the "state of executive transition services" offers a factual base for expanding the practice and availability of executive transition support.

About this study: This research was funded by the Annie E. Casey Foundation as a part of its Executive Leadership Transition Project. The aim of this project is to better understand the design and development of transition services, which may be made available to the foundation's grantees, and to encourage collaboration among funders and management support organizations on this topic.¹

¹ The findings summarized in this report are based on information gathered through web searches, an analysis of Internal Revenue Service Form 990 data, interviews with informed observers of the nonprofit sector in 3 cities (Baltimore, San Francisco, and San Antonio), and a review of publications about nonprofit salaries, and capacity in the 3 cities. We focused on Management Support Organizations (MSOs), listings of independent consultants, search firms, university based programs, and funders. In general we examined these institutions' public information usually on their website to determine if they provided any services supporting executive transitions. For more information on the range of transition services, see the transition services matrix in the "Executive Transition Services as Capacity Building: A White Paper for Funders." Further we used the Foundation Center Database of grants to determine funding sources, examined 990 data in 3 cities in order to determine rates of transition, and examined existing reports on nonprofit sector capacity and wages in the 3 cities.

Findings

This scan of existing executive transition services and funding available to nonprofit organizations undergoing a transition paints a picture of services on the cusp of change. It shows **the need** for more services, **the need** for higher standards of practice, a large variation in the **supply of services**, and the **opportunity to expand on an existing infrastructure and funder interest** in building the capacity of their grantees and **creating a more integrated system of executive transition services**.

The Need for Transition Services²

A scan of IRS Form 990 data for nonprofit organizations in Baltimore and San Antonio showed an average of 10% to 12% of the executive directors changed per year. Given that 990 data is generally assumed to be skewed toward larger organizations, the rate may be even higher if one includes all small community based organizations. Further, with the pending retirement of many baby boomer generation executive directors, the annual rate of transition is likely to increase significantly over the next 5 to 10 years.

Access to executive transition services varies tremendously even where there are significant transition resources available. In terms of sheer numbers, last year San Francisco’s largest executive transition providers combined assisted between 20 and 50 organizations with some level of transition support and Baltimore’s new executive transition services served 15 organizations. Preliminary estimates suggest significantly more transitions occur in these cities each year.

The Supply of Transition Services

The supply of transition services is limited but growing. The depth and scale of services varies significantly across the country. Our national scan found a wide variety of tools and resources related to different components of the transition process including:

- 21 Management Support Organizations providing 1 or more related services,
- 36 Search and Organization

Prevalence of Executive Transition Services in Three Cities			
Type of Service	San Francisco	Baltimore	San Antonio
Pre-Transition Services			
Succession Planning	3	1	0
Pre-Transition Executive Coaching/Consulting	3	1	2
Infrastructure Preparation	2	1	0
Leadership & Management Training	10	5	2
Transition Services			
Transition Planning, Assessment Recruitment Planning and Search	5	1	0
Search and Recruitment	4	3	1
Transition Executive Coaching/Consulting	3	1	1
Interim Executive Director	2	1	0
Post Transition Services			
Executive Coaching & Peer to Peer Networking (post hiring)	8	2	2
Board Development	7	3	2
Organization Development	8	3	2

² Other research including two studies by CompassPoint Nonprofit Management Services, a survey of its grantees by the Annie E. Casey Foundation and a survey of executive director members of the Maryland Association of Nonprofits have shown between 65% and 85% of executive directors will leave their position in the next five to seven years. See “Executive Transition Services as Capacity Building: A White Paper for Funders” for references.

- Development Firms doing search work,
 - 12 Independent Consultants providing search or transition support services,³
 - 2 On-line Libraries of “how-to” transition information,
 - 36 Job Search Databases for nonprofit jobs (not including job postings by MSOs),
 - 1 University-based Nonprofit Management Program offering a course in executive transitions.
- (See Appendix 2 for more information on these programs.)

Further, the scan of available services in San Francisco, San Antonio, and Baltimore shows a range of available services. In San Antonio services are limited to search, recruitment and counseling. In San Francisco there are two management support organizations with a full complement of transition management services and a range of other institutions which may offer some support during transitions. The above chart shows the variation in transition support services in each of the cities. The darker the color of the cell, the more organizations there are that offer the service in that city.

As the above chart above makes clear, there are fewer organizations offering services during transition (middle rows) than offering services which are supportive of the transition process such as Leadership Development, Management Training or Organization Development. A few of the most comprehensive transition services are described in the sidebar. (For more details about specific executive transitions services, see Appendix 1.)

A System of Executive Transition Services?

Executive transition services are just beginning to be widely discussed by providers of technical assistance. There are pockets where executive transition is more visible such as San Francisco where it is lead by Barbra Kibbe at Packard Foundation and in Baltimore where there is growing interest lead by executive directors who have transitioned into local foundations, consultant Tom Adams, The Annie E. Casey Foundation and Maryland Association of Nonprofit Organizations. These local champions seem to be making a difference in drawing attention to the need for transition services and are advocating for the provision of services.

Despite the existence of some executive transition support services, they are not coordinated nor are they integrated with other capacity building efforts. Scan findings indicate that executive transition is not yet identified as an element of organizational capacity building. Consequently, executive transition or transition management is not standard operating procedure for organization development experts when they are doing board development, leadership development, strategic planning and other activities to strengthen organizations. This is true even in sophisticated environments like San Francisco where there are a range of transition services available from more than one provider. (For more information on this gap, see the city scans sections of this report) The gap in integration exists at multiple levels—

Selected Comprehensive Executive Transition Services
CompassPoint, Bay Area, CA
CompassPoint’s Executive Transitions programs provides:
<ul style="list-style-type: none"> acted as an interim executive including identifying needed skills and appropriate compensation and assistance introducing new executives for evaluation.
CompassPoint also provides training for new executives.
The Management Center, Bay Area, CA
The Management Center provides training for new executives through Executive Director 101 and trains nonprofit consultants in how to conduct searches for nonprofits. In addition, the Management Center provides placement service to help organizations find an interim executive and assistance finding a new executive and dealing with process of transition.
Maryland Association of Nonprofit Organizations, Baltimore, MD
Maryland nonprofits offers a peer networking support group, Executive Peer Networking Support Group, round tables for executives, and training for new executives. Through the new Executive Transition program, Maryland Nonprofits provides comprehensive coaching during a transition, assessment and planning, and interim executive directors.

³ Limited to web search. Number is likely higher

Summary of the State of Executive Transition Services Nationally and in 3 Cities

- 1) Within management support organizations which offer both management capacity building and executive transition services. There is currently little push to integrate succession planning or leadership identification into more general board and staff development work.
- 2) Among leadership development and management training institutions. The scan found only one course in executive transition management among the growing number of nonprofit management certificate and degree programs. While succession planning and transition management may be touched on in other management courses, there is little to indicate that it is a focus of discussion.
- 3) Between executive transition providers and providers of more general organization capacity building. The scan found no tools for organization development consultants about issues in executive transition management such as succession planning worksheets, or steps in successful executive transitions. The scan found no organized efforts to push the issue of executive transition management into the mainstream of organization development work.

Funding a System?

Financial support for the development of executive transition services⁴ and for organizations undergoing a transition closely matched the existence of financial support for organization development and management assistance. For example in the search of the Foundation Center database of grants in 1999 and 2000, of the three cities examined in this report, only the Bay Area showed grants specifically for executive or leadership transition in with \$141,000 in transition grants. The Bay Area also had the highest per nonprofit organization investment in management and leadership development grants with an average \$12,200 per organization in grant funds available. Baltimore had \$6,400 available in grant funds and San Antonio had \$895 available. The variety in funding available by location is explored in more detail in the city scans section of the main report. This analysis is summarized in the table below.

	# NP (nonprofits) which filed 990 forms with IRS in 1999	Management Assistance Grants authorized in 1999-2000	Leadership Development Grants authorized in 1999-2000	Total Management and Leadership Grants per NP which filed a 990	Local funders or programs providing funds for organization development and leadership
San Antonio	657	\$528,000	\$60,000	\$895	SBC Foundation
San Francisco	1382	\$13.3 million	\$3.56 million	\$12,200	Irvine Foundation David and Lucile Packard Foundation Haas Jr. Foundation San Francisco Community Foundation Coro Foundation
Baltimore	897	\$4.79 million	\$958,000	\$6,400	Abell Foundation Annie E. Casey Foundation Baltimore Community Foundation Goldseker Foundation Soros Foundation Knott Foundation Wienberg Foundation

According to interviews in the three cities and our own best guess, funds available for intermediaries providing executive transition services AND funds available directly to nonprofit organizations to create a demand for these services are both important factors in the push/pull that helps to create a supportive environment for capacity

⁴ Since practitioner experience has shown that nonprofits seldom have the resources to pay the full price for executive transition services, the scan also examined funding available for executive transitions.

building. Further, it was clear that executive transition is more visible in areas where there are local champions, such as in San Francisco and Baltimore.

Support for executive transitions can be identified in several different ways by foundations—they may actually identify a grant for an executive or leadership transition or they may list a grant as management assistance or leadership development. According to the Foundation Center Database, in 1999 and 2000, nationally there were 29 grants given specifically for executive or leadership transitions and 27 grants specifically for executive search. These grants totaled over \$5.4 million (\$1.6 million went to one organization—WEDO). The foundations providing these funds include:

- Allen Foundation for the Arts, WA
- Boston Foundation, MA
- Crowell Trust, Henry P. Crowell and Susan C., CO
- dePont Fund, Jessie Ball, FL
- Ford Foundation, The, NY
- Gerbode Foundation, Wallace Alexander, CA
- Grable Foundation, PA
- Haas, Jr. Fund, Evelyn and Walter, CA
- Hall Family Foundation, MO
- Hearst Foundation, Inc., The, NY
- Heinz Endowment, Howard, PA
- Irvine Foundation, James, The, CA
- Lilly Endowment Inc., IN
- Lutheran Brotherhood Foundation, MN
- Meyer Foundation, Eugene and Agnes E., DC
- New Hampshire Charitable Foundation, The, NH
- Packard Foundation, David and Lucile, The, CA
- Peninsula Community Foundation, CA
- Penn Foundation, William, The, PA
- Philadelphia Foundation, PA
- Pittsburgh Foundation, The, PA
- Prince Charitable Trusts, IL
- San Francisco Foundation, The, CA
- Surdna Foundation, NY

Conclusions:

Given the predicted increase in the number of executive transitions over the next five to ten years (just among community-based grantees of AECF the projection is 85%), there is currently an opportunity to solidify foundation and other support for services that will be critical to the on-going effectiveness of many nonprofit organizations. These findings suggest several strategies for increasing the availability of these services.

- Increase funding available for nonprofit organizations in transition to engage providers of transition services.
- Spread the word: Form partnerships with existing support organizations to extend the message that transition management can be an effective capacity building intervention; work with funders to help them better understand why they should support transition management services and organizations that are going through transitions; and continue to conduct research to further document the need for support services, the impact of leadership transitions on nonprofit organizations, and the outcomes from well supported transitions..

- Provide high quality tools and training to strengthen the practice of executive transition management. This includes reaching out to existing organization development experts, faculty of nonprofit management certificate and degree programs, and search firms.
- Support networking of executive transition providers and the development of an infrastructure to improve practice and to share lessons learned.

Introduction and Rationale

Nonprofits are a vital part of the economic engine that drives the United States. Today, there are more than 1.5 million nonprofit organizations, employing 10.9 million people in the US. That is 6% of organizations, businesses, and corporations and 8.7% of all non agricultural employees.⁵ This study includes a close look at the nonprofit sector in parts of Maryland, California, and Texas. Maryland has nearly 13,000 nonprofit organizations employing more than 185,000 people. Volunteers provide additional labor equivalent to 80,000 persons. Between 1989 and 1996, the nonprofit sector accounted for more than half of the jobs created in Maryland. This growth in the sector has helped to make nonprofits a major employer in Maryland.⁶ Nonprofit employment represents 5.9% of total California employment in 2000, or more than 1 out of every 17 workers. The 889,614 nonprofit employees in California earned approximately \$28 billion in wages in 2000.⁷ There are 49,293 nonprofits in Texas that spent \$28 billion in 1999.

As such an important part of the economy, it is important to understand the systems for supporting and enhancing the human capacity of the nonprofit sector. One aspect of this system which has not yet been adequately explored is support to organizations during a change in executive leadership (executive transitions). Research and experience is beginning to show that executive transition in nonprofit organizations creates both a time of strategic opportunity and significant vulnerability and stress. The executive transition moment and proactive preparation for executive transition have enormous potential for increasing organizational capacity and effectiveness. There is vulnerability and openness to change that occurs during leadership transition in many organizations that does not exist at other times. Poorly managed transitions can result in losses in funding, credibility, important relationships, and turnover among other staff and board members. In the extreme cases critical service delivery may be lost. Well-managed transitions, on the other hand, can result in a stronger, more effective organization. Other research points to a growing number of transitions in the nonprofit sector over the next five to ten years as the baby-boomer generation retires. Exploring the state of executive transition services offers a factual base for expanding the practice and availability of executive transition support and can begin to draw linkages between executive transition management and nonprofit organization capacity.

Capacity Building and Transition Support⁸

Two recent studies, *Building Capacity in Nonprofit Organizations* and *Effective Capacity Building in Nonprofit Organizations*, offer different frameworks for understanding capacity building. We briefly examine these frameworks and what they imply about how changes in leadership will impact organization capacity. The frameworks and discussion below help to solidify the potential impact of leadership transitions on an organization's capacity and the consequential need for support services during transitions.

“Since capacity building is embraced and practiced by most people involved in venture philanthropy, and many in traditional philanthropy as well, a broader understanding of the concept is warranted,” argue the founders of Venture Philanthropy Partners. Further, they note, “capacity building is well established in business world,” venture philanthropist asked why it wasn't the case for nonprofits. The report, *Effective Capacity Building in Nonprofit Organizations*, by McKinsey and Company seeks to better understand this question and elements of successful capacity building. Specifically, McKinsey and Company conducted case studies of 13 nonprofit organizations that have engaged in capacity building efforts within the past decade and used these studies to develop a framework for better understanding elements of capacity. As a part of these case studies they also developed an assessment tool for organization capacity.

⁵ From “The New Nonprofit Almanac & Desk Reference,” Urban Institute and Independent Sector, 2002.

⁶ *Private Action Public Good*, Maryland Nonprofits.

⁷ Dewees, S and Salamon, L. (2001) “California Nonprofit Employment” California Association of Nonprofit Organizations and Johns Hopkins University, IPS, Center for Civil Society Studies.

⁸ Without an exhaustive review of the literature, we hope in this section to describe the relationship between capacity building and transition support.

In this report, McKinsey and Company represent seven elements of capacity as a pyramid: Three higher level elements—aspirations, strategy, and organizational skills, and three foundational elements—systems and infrastructure, human resources, and organizational structure, and a cultural element which serves to connect all the others. Below is an explanation of the pyramid, and for the purposes of connecting executive transitions to organizational capacity, there is a brief discussion of how a change in executive might impact each of the elements of capacity. Finally, three lessons learned about capacity building are listed.



Aspirations—mission, vision, goals. In general a change in executive will not radically change these elements of capacity but leadership change may provide a perfect opportunity to reassess these aspirations which is a first step in building capacity.

Strategy—the coherent set of actions and programs aimed at fulfilling the organization’s overarching goals. Strategies may or may not change with a new executive; however, new leadership is likely to change the tenor with which these strategies are pursued and is an opportunity to reassess strategies in a non-threatening way. It is logical to reassess at such an important time and therefore may be done without some of the fear and blame that can often accompany this step in building capacity.

Organizational Skills—the sum of the organization’s capabilities, including such things as performance measurement, planning, resource management and external relationship building. As the senior executive officer, a new executive will have substantial influence on the organization’s skills. Further, the change in executives can threaten many pieces of organizational skill such as external relationships and planning; this potential is an important reason to support organizations during transitions.

Human resources—The collective capabilities, experiences, potential and commitment of the organization’s board, management team, staff and volunteers. Obviously, these capabilities and experiences change when a key person, such as the executive director, changes. Also, changes in executive directors can lead to turn over in other staff and board members which can cripple the human resources of the organization. This potential is another important reason to support organizations during an executive transition to try to mitigate other damage to the human resources of the organization.

Systems and infrastructure—The organization’s planning, decision making, knowledge management, and administrative systems, as well as the physical and technological assets that support the organization. While these systems may not change with a change in executive directors, the ability to manipulate and make these systems more effective may be an important skill for the new executive and without some attention to these systems, new executives are likely to lose some organization capacity.

Organizational structure—The combination of governance, organizational design, interfunctional coordination and individual job descriptions that shapes the organization’s legal and management structure. Again, while this structure may not change with a new executive, attention to these elements of capacity and an understanding of how changes in the structure may improve or harm capacity can be important to the success of a new executive.

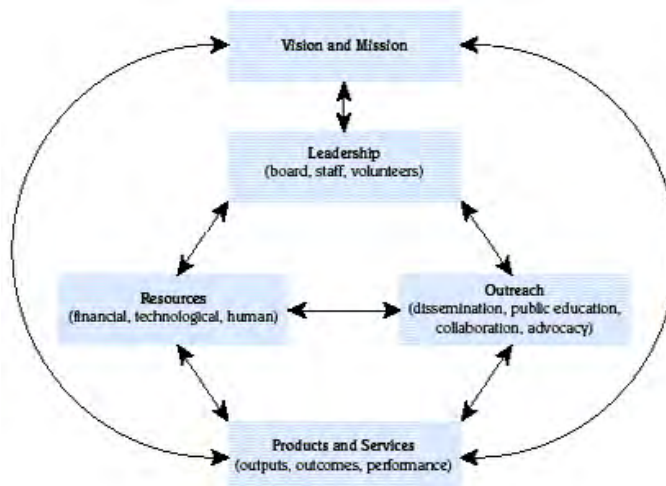
Culture—The connective tissue that binds together the organization, including shared values and practices, behavior norms and most important, the organization’s orientation toward performance. “Culture runs like an invisible thread throughout the entire subject of capacity.” Change, of any kind and certainly change in executives, can be influenced and even made a success or failure because of the culture of the organization.

Lessons from McKinsey Report:

- 1) Resetting aspirations and strategy is often the first step in dramatically improving an organization’s capacity. Reassessing vision and means of achieving vision can be used to tighten focus and keep people on track during long difficult process of building capacity.
- 2) Nonprofits need people in senior positions who are committed to taking the initiative to make capacity building happen and are willing to own it and drive it through the organization. Resetting aspirations and improving systems requires managerial ability and good leadership.
- 3) Patience is critical. Capacity building takes longer and is more complicated than one would expect. Changes in one area create new demands and needs.

In a second and equally important study about capacity building, *Building Capacity in Nonprofit Organizations*, Carol De Vita and Cory Fleming of the Urban Institute, offer another framework for addressing nonprofit capacity building. They too note that “capacity building is a popular term these days—too popular and expansive a term—to mean much to individuals making specific decisions about programs and grant strategies.” In their report, they define capacity building as the ability of nonprofit organizations to fulfill their missions in an effective manner and seek to push the link between indicators of capacity, overall performance, and community well-being. In order to do this, they review literature about civil society and social capital, sustainable development, and organizational and management theory. Further, they examine capacity building as it relates to the overall quality of life in the communities nonprofit organizations serve and seek to argue that nonprofit capacity must be viewed in collective terms, in other words, as the capacity of the sector as a whole. Finally the report “discusses how each stakeholder—nonprofit practice, foundation and research—might work to turn knowledge into action.”

For our purposes of connecting a change in the executive director to organization capacity and capacity building efforts, we are most interested in this report’s definition of capacity building and framework for understanding an organization’s capacity. The report notes, “Determining an organization’s capacity-building needs is not a simple of clear-cut process, in part, because no one has established what characteristics actually make an effective organization.” So, the authors develop a model (shown below) which can serve as a guide for the development of intervention strategies. This model shows potential pathways for addressing the capacity needs of the nonprofit sector. “It consists of five components that are commonly found in all organizations and intermediary structures: vision and mission, leadership, resources, outreach and products and services. As suggested by the direction of the arrows, these five factors are interrelated and mutually dependent on one another...Each factor can be viewed as a possible intervention point for enhancing organizational capacity.”



As this diagram shows, leadership is an important element of nonprofit capacity, and, as such, a change in leadership can be pivotal to organization capacity. Further, a change in leadership may be an effective capacity building intervention according to this model. In addition, this model shows how the types of support that can be offered during executive transition, such as assessing vision and mission and assisting new executives in moving into the organization’s other systems, can be effective capacity building intervention points.

The report also discusses the interrelationships of these elements and how changes (planned or otherwise) in one area impact other areas of organizational capacity. For more information on the interrelationships between these components see the full study.

While only two examples of the recent work on capacity building, *Building Capacity in Nonprofit Organizations* and *Effective Capacity Building in Nonprofit Organizations*, both offer insight into how organization capacity and organization leadership are connected and how in turn a change in leadership can represent an important opportunity to impact the organization’s capacity.

Describing the Infrastructure Supporting Executive Leadership

If transitions in executive leadership can have a critical impact on nonprofit organization capacity, as the above diagrams imply, then transition support services are a critical piece of more general capacity building programs. According to Walker and Weinheimer in “Community Development in the 1990s,” capacity building programs often include core operating support, training, grants to organizations to build capacity, technical assistance on projects and programs, and peer networking.⁹ The content of these capacity building programs usually addresses the core elements of capacity shown in the adjacent table.

Elements of nonprofit capacity	
Aspirations	Effective Planning
Strategies	Secure resources
Organization Skills	Internal management and governance
Human Resources	Program Delivery Capacity
Systems & Infrastructure	Ability to Network
Organizational Structure	
From McKinsey and Company and Community Development in the 1990s	

The following table, Comprehensive Matrix of Transition Services, places transition services within this larger organization capacity building framework. In showing the overlap in audience, and content we can begin to see where the menu of transition services is linked to other elements of capacity building including effective planning, strategies, organizational skills, internal management and governance, human resources and networking.¹⁰

The next three sections examine the capacity building system including specifically transition services and the major transition service players in Baltimore, San Francisco, and San Antonio. Appendix 1 includes three tables which summarize information about executive transition services in Baltimore, San Francisco, and San Antonio. Appendix 2 includes more detailed information about the programs described in the overview of services offered nationally. Specifically the tables in Appendix 2 are:

- Summary of MSO Resources
- Summary of Executive Search and Consultant Resources
- Other Search Consultants
- Websites for Executive Search
- Funder resources
- Foundations with Leadership Development Interests

⁹ Walker and Weinheimer. (1998) *Community Development in the 1990s*, Urban Institute.

¹⁰ We use this matrix of services to analyze the transition management systems in the three cities examined in this report. This matrix allows us to better identify where there are gaps in transition services and if there are gaps in the integration of transition services into other capacity building services.

- Executive Transition Grants
- Leadership Transition Grants
- Executive Search Grants
- Foundations with Capacity Building Interests
- Summary of High Profile Foundations' Interest in Executive Transition
- Summary of Top 10 Largest Foundations' Interest in Executive Transition

Comprehensive Matrix of Transition Services

When Assistance is Provided Who Receives Service	Pre Transition	During Transition*	Post Transition**
Board	Succession Planning Working with board and existing executive to identify issues which need to be addressed in succession, potential sources of new executives, and the process to be followed when succession happens.	Transition Assessment and Planning Organizational self-assessment and transition planning to determine key transition issues and steps needed before advertising and recruitment begin.	Board Development Consulting on Board roles and Responsibilities, evaluation systems
		Recruitment Planning and Search Defining key outcomes expected from next executive and competencies required from executive, marketing the position and assisting in candidate screening, interviewing and selection	
Current Executive Founder Long Term ED	Executive Coaching/Consulting Support for current executives as they plan for and transition out of an organization	Transition Coaching/Consulting Support for current executives as they plan for and transition out of an organization	
Potential Executive/New Executive	Leadership Development/Management Training Courses/Programs targeted at new executives or people getting ready to pursue executive positions.	Search and Recruitment Finding potential executives that are appropriate for the organization and potentially screening applicants.	Executive Coaching/Consulting Support for newly hired executives as they move into the executive position
	Succession Planning/Leadership Identification Identifying potential next executive director and providing support, training, shadowing opportunities to develop the successor.		New Executive Networking Providing opportunities for new executives to meet their peers and to discuss issues of substance.
			Leadership Development/Management Training (see pre-transition)
Organization as a whole— staff and board	Infrastructure Preparation Preparing staff for transition and strengthening the organization’s infrastructure to increase capacity to meet goals	Interim Executive Referral/Placement Providing highly skilled manager to run the organization and potentially assist in addressing organization issues before a new permanent executive is hired.	Organization Development Consulting to ensure that the policies, procedures, systems are in place to help organizations achieve their missions
Comprehensive Transition Management will include following services: Transition Planning and Assessment; Recruitment Planning and Search; and Executive Coaching for departing and new executive.			
Environment/Community	Interim Executive Strategies – Proactive development of a pool of qualified interim executives and assistance to boards in deciding on an interim management approach. Expanding the pool of potential executives. Training programs certificate programs and other educational and networking opportunities that increase the pool of potential executives in the long and short run.		

* During Transition is defined as once the ED has notified the board of his intention to leave

** Many of these services are traditional organization development services.

Baltimore Overview

The Baltimore Washington Metropolitan area ranked 4th out of 280 metro areas in terms of population. On the other hand, Baltimore City ranked 82nd out of 3141 counties in population size in 2000. The city has a total population of 651,154 and has lost 84,860 people since 1990. The median age in Baltimore is 35 with 75% of the population over 18 and 15% of the population over 62 years old. Thirty-two percent of the population is White; 65% is African American; 1.8% is Asian; and 1.7% is Hispanic or Latino. There were 300,477 housing units in the city in 2000 down from 303,706 units in 1990. Despite this decline in number of units there were still a lower percentage occupied units in 2000 (86%) than were occupied in 1990 (91%). Baltimore City Household median income in 2000 was \$33,900. Twenty-two percent of people of all ages are living in poverty in Baltimore City. For the region as a whole, the percentage of people living in poverty is 10%. In short, Baltimore represents an old industrial city still struggling with declines in urban population and economic base, and an increase in diversity.¹¹

At the same time, Baltimore's nonprofit sector is growing and represents a significant proportion of the city's economy. In 1992 Baltimore City had 3,134 501(c)(3) organizations and 349 or 11.6% had budgets over \$1 million.¹² There were 897 nonprofits reporting to the IRS.¹³ The number of nonprofit organizations in the city has been growing steadily. According to an analysis of human service nonprofit organizations, Baltimore had a 30% increase in these organizations between 1992 and 1996.¹⁴ Nineteen percent (74,500 employees) of the employees in Baltimore City are employed in the nonprofit sector. This is a larger number of employees than manufacturing and construction combined. Nonprofit employment growth was especially strong in Baltimore City, where it grew by 4.6 percent between 1998 and 1999. This means that nonprofit organizations accounted for nearly half of all net new job growth in the city over the past year. The payroll for nonprofit organizations in 1999 was almost \$2.5 billion.¹⁵

According to information reported to the IRS in 1999, the median revenue and expenses for nonprofits is under a half million dollars meaning that most organizations' budgets are below a half million. There are several significantly larger nonprofits, as the means in the chart below show.

	Revenue	Expenses	Assets
Mean	\$4,179,774	\$4,050,616	\$7,776,011
Median	\$387,454	\$377,051	\$563,475

In terms of salaries, the median executive director salary in the Baltimore area is \$71,162 according to Abbot's and Langer's 2001 survey.¹⁶ This is among the highest median salaries in the country, although not as large as in the Bay area.

Summary of the Funding Environment and the Institutions Supporting Nonprofit Organization Development

Baltimore has a moderately developed support infrastructure for nonprofit organizations. This infrastructure includes the following elements: management support organizations, university supported programs, locally focused funding, local fellowships or other support for nonprofit leaders, and the number of nonprofit

¹¹ 2000 Census Data

¹² De Vita, C. (1997) "Viewing Nonprofits Across States", Urban Institute.

¹³ Organizations with revenue of \$25,000 or more.

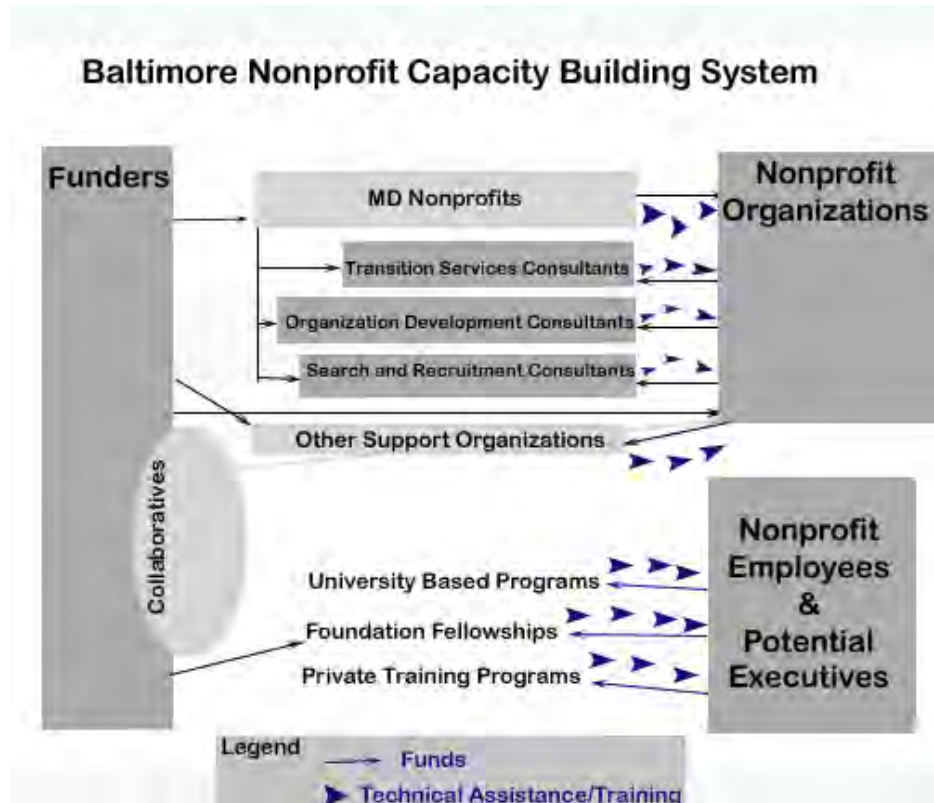
¹⁴ "Human Service Nonprofits in Metropolitan Areas during Devolution and Welfare Reform," (June 01, 2001) Urban Institute.

¹⁵ Dewees, S. and Salamon, L. (2000?) "Nonprofit Employment in Maryland." Maryland Nonprofits.

¹⁶ *Compensation in Nonprofit Organizations, 14th Ed.*, (2001). Abbot, Langer and Associates. (Based on responses from 1709 nonprofit organizations.)

consultants.¹⁷ In spite of the seeming diversity of resources to support nonprofit organizations, the breadth and depth of these resources is limited in scope. As one interviewee said, “the environment for nonprofits, particularly community-based nonprofits, in Baltimore is unstable.”

In general, the system for supporting the capacity of nonprofit organizations is described by the following diagram.¹⁸



As this diagram shows, the local funding community provides funds as individual foundations and through collaborations; they also meet regularly to better understand leadership development issues. Organization development/capacity building funds from foundations flow to support organizations, such as Maryland Association of Nonprofit Organizations (Maryland Nonprofits), and to local nonprofits which in turn use these funds to hire consultants or further develop their organizations’ capacity in other ways. Support organizations use both staff and external consultants to deliver training and technical assistance. Nonprofit organizations sometimes pay part or all of the cost for this training and technical assistance. In addition to support organizations, foundations and individuals currently employed in the nonprofit sector or interested in the nonprofit sector provide funding to university based training centers which in turn train individuals.

Support Organizations

We identified 13 different organizations that provide some type of capacity building training or consulting to nonprofits in Baltimore. Maryland Nonprofits is the largest technical assistance and training provider in Baltimore. It serves organizations throughout the state, but one of its offices and many of the trainings are in Baltimore City.

¹⁷ We did not examine a large number of cities in developing this description of moderately developed. It merely summarizes what is indicated by the comparative information between the 3 cities in this study and other information we could gather such as NCDI rankings.

¹⁸ This diagram is roughly based on the framework developed in *Community Development in the 1990s*, the NCDI evaluation.

Other support organizations and programs include:

- Maryland Center for Community Development provides training and technical assistance to community development organizations;
- Citizen Participation and Housing Association (CPHA) provides technical assistance to neighborhood organizations;
- City of Baltimore's Neighborhood Office assist nonprofits in their interactions with city government;
- Greater Baltimore Committee (GBC) is comprised of leading businesses, nonprofits, educational and civic institutions from Baltimore City and Anne Arundel, Baltimore, Carroll, Harford and Howard counties and runs a leadership program;
- Baltimore Neighborhood Collaborative offers both funding and technical assistance to selected neighborhoods;
- Associated Black Charities runs Leaders 2000Plus, a leadership program for African Americans that heightens awareness of community issues and provides support for emerging leaders.
- Schaefer Center for Policy Studies at the University of Baltimore offers management consulting services to local nonprofits.
- Goldseker Foundation has organized three workgroups—Leadership Strategies; TechAccess; Organizational Effectiveness Speakers Series—that enable funders to share information, and act collaboratively around these issues.
- The Enterprise Foundation's Management and Organizational Development Department (MOD) works with nonprofit community organizations to increase their capacity to successfully undertake community-building initiatives and revitalize neighborhoods.
- Neighborhood Design Center provides nonprofits with access to professional design services.
- Greater Baltimore Community Housing Resource Board provides Fair Housing education, training, and advocacy in Maryland.
- The Law Center provides legal 'tools' to help clients (nonprofits and unincorporated associations) successfully overcome neighborhood fragmentation, disinvestment and crime.

University Based Programs

Three universities in Baltimore offer degrees or certificates in nonprofit management (Goucher College, Johns Hopkins University and College of Notre Dame). In addition, the University of Maryland offers a nonprofit track for its Masters of Social Work students. These programs currently have enrolled between 60 and 100 people. Further, the Center for Regional and Baltimore Studies at Baltimore University offers a concentration in community studies.

Major Private Funders

According to the Foundation Center Database, in 1999 – 2000 \$4.79 million in grants was authorized for management development for nonprofits in Baltimore; one of these grants for \$1.64 million was to Johns Hopkins Hospital and did not benefit community based nonprofits. Without this grant the total amount in management development grants was \$3.15 million. The largest three funders of management development of nonprofits in Baltimore were the Abell Foundation with \$1.36 million in 18 different grants; the Hartford Foundation with \$1.64 million in 1 grant (to Johns Hopkins Hospital); and the Open Society Institute with \$585,000 in 6 grants.

Another \$15.85 million was available in general operating support from private foundations in 1999 – 2000. The largest funders of general operating support in Baltimore were The Abell Foundation, Inc. with \$1,789,824 in 11 grants, The Jacob and Hilda Blaustein Foundation, Inc. with \$4,152,652 in 38 grants, and the Aaron and Lilly Straus Foundation with \$2,251,505 in 16 grants. Finally \$958,000 was authorized in leadership development grants. The single biggest funder was Abell Foundation with \$498,000.

Despite a downturn in the economy and the lower returns in equity markets in 2001, which equates to a decline in foundation assets, according to a survey by the Association of Baltimore Area Grantmakers, only 39% of responding foundations indicated that their grants budget will be less in 2002 than in 2001.

In addition to funds summarized above which could come from any foundation, several local foundations began funding the Maryland Nonprofits Executive Transition Project in 2001. In 2001 and 2002 the following foundations provided a total of \$361,820 in grant funds for transitions in the Baltimore area: Annie E. Casey Foundation, Goldseker, France Merrick, Strauss, Blaustein Foundation, Baltimore Community Foundation, Barker Foundation, and Knott Foundation. Local foundations also provide management assistance or funding for organization development. These foundations include:

- Abell Foundation provides funds to its grantees for capacity building and leadership development
- Annie E. Casey Foundation provides funding to Maryland Nonprofits' Transition Services Program and is funding research and development for a national transition services model.
- Baltimore Community Foundation has a Neighborhood Grants Program that provides funds for developing community leaders.
- Goldseker Foundation provides Management Assistance Grants under its new Nonprofit Sector Grants Program and has provided other capacity building/organization development grants totally over \$130,000 in the past year within its regular program grants.

In addition, Soros Foundation, Knott Foundation and the Wienberg Foundation sponsor fellowships for Baltimore nonprofit leaders. These fellowships are often provided in conjunction with a local university, and serve 55 people a year.

In addition to these private sources of funds, the city's healthy neighborhoods program provides financial resources, training and technical assistance to selected neighborhoods to implement an innovative program of lending, neighborhood pride projects, and outreach and marketing tailored to the neighborhood's needs.

There are five foundations in Baltimore which are members of Grantmakers for Effective Organizations and which presumably have some interest in building the effectiveness of nonprofit organizations. They are Jacob and Hilda Blaustein Foundation, Joseph Meyerhoff Family Charitable Fund, Knott Foundation, Morris Goldseker Foundation of Maryland, and National Arts Stabilization.

Consultants

A final aspect of the capacity building system is private consultants who often provide training and technical assistance to Baltimore nonprofits. According to a database kept by Maryland Nonprofits¹⁹ the variety of consultants includes the following:

- 32 consultants offer coaching, 7 specifically mention executive coaching
- 56 consultants offer strategic planning
- 21 consultants offer key staff recruitment
- 3 consultants specifically mention executive transitions
- 4 consultants specifically mention interim services

¹⁹ It should be noted that Maryland Nonprofits does not seek to verify that consultants ably provide the services listed in the database nor do they market the existence of the database. So these numbers should be viewed at best as an estimate on the number of nonprofit consultants.

Specific Issues

The scan also sought to determine if any of these existing programs focused on issues of diversity, or moving middle management into executive positions. These programs might be of particular interests to the strategies for expanding and integrating executive transition services. Only the Associated Black Charities' Leaders2000, focuses specifically on minority leadership and, while several of the university based programs describe their students as existing middle management, there are no programs which focus specifically on moving middle managers into executive director positions.

Executive Transitions and Transition Support

Number of transitions

Almost 900 nonprofits in Baltimore filed 990 Forms with the IRS in 1998 and 1999. Using this data, we identified executive directors of 221 Baltimore based nonprofits which filed 990 Forms in both years. Further, by determining if there was a change in executives, we identified 22 organizations or 10% that likely had transitions from 1998 to 1999. Other survey data confirms that this is likely an accurate reflection of the percentage of transitions occurring in the city. If we assume that 10% of organizations change executives every year and according to the IRS masterfile there are over 3000 nonprofits in the city, then there may be as many 300 transitions happening every year. Even using the more modest estimates based on the almost 900 nonprofits which filed 990 Forms, there may be as many as 90 transitions a year.

Of the organizations that had a change in executive director, most are Multi Purpose Human Services Organizations (32%). While they range in size, the median 1999 revenue was \$679,092, expenditures were \$548,061, and assets were \$631,437. This is slightly higher than the median for all organizations in Baltimore. Twenty seven percent of the organizations that had a change in executives lost revenue from 1998 to 1999; 32% decreased expenditures and 41% decreased assets. This is not substantially different from the financial changes that took place in organizations that did not have a change in executives.

It is clear that there are significant numbers of executive transitions occurring in Baltimore every year and that in general these transitions are occurring in small organizations with budgets of under \$1 million. These organizations often are particularly vulnerable to lapses in capacity during transitions and may benefit the most from access to transition services.

Transition Services

The following matrix lists the programs in Baltimore which provide transitions services. The matrix helps to identify where there are fewer services available (gaps), what institutions are most engaged in supporting executive transitions, and consequently where there may be a need to increase capacity to provide a particular type of service.

The State of Executive Transition Services Nationally and in 3 Cities: Baltimore

When Assistance is Provided	Pre Transition	During Transition*	Post Transition**
Who Receives Service			
Board	Succession Planning Maryland Nonprofits Executive Transition Services Private Consultants. 3 in Maryland Nonprofit Database mention executive transitions	Transition Planning and Assessment Maryland Nonprofits Executive Transition Services Private Consultants. 3 in Maryland Nonprofit Database specifically mention executive transitions	Board Development Maryland Association of Nonprofit Organizations Maryland Center for Community Development CHPA Private Consultants. in Maryland Nonprofit Database 38 specifically board development; 37 specifically mention board staff relations.
		Recruitment Planning and Search Maryland Nonprofits Executive Transition Services	
Current Executive Founder Long Term ED	Executive Coaching/Consulting Maryland Nonprofits Executive Transition Services Private Consultants. 32 in Maryland Nonprofit Database offer coaching; 7 specifically mention executive coaching	Executive Coaching/Consulting Maryland Nonprofits Executive Transition Services Private Consultants. 32 in Maryland Nonprofit Database offer coaching; 7 specifically mention executive coaching	
Potential Executive/New Executive	Leadership Development/Management Training Johns Hopkins University Institute for Policy Studies MA and Certificate Program Goucher College Certificate Program University of MD, School of Social Work, Community Outreach Program Soros Foundation Community Fellows Associated Black Charities, Leaders2000	Search and Recruitment Maryland Nonprofits Executive Transition Services The McCormick Group, DC Office. KornFerry International-DC Office Private Consultants. 20 offer key staff recruitment.	Executive Coaching/Consulting Maryland Nonprofits Executive Transition Services
			Peer to Peer Networking Soros Foundation Community Fellows Maryland Nonprofits Executive Peer Networking
			Leadership Development/Management Training The Harry and Jeanette Weinberg Fellows Program run by Maryland Nonprofits Notre Dame MA and Certificate Program with Knott Foundation Johns Hopkins University Institute for Policy Studies, Certificate Program Goucher College Certificate Program
Organization as a whole—staff and board	Infrastructure Preparation Maryland Nonprofits Executive Transition Services	Interim Executive Director Maryland Nonprofits Executive Transition Services 6 Interims have placed 2001-2002; introductory training provided to 30 potential in 2002. Private Consultants: 4 specifically mention interim executive services.	Organization Development Maryland Association of Nonprofit Organizations Maryland Center for Community Development CHPA 59 private consultants offer some type of organization development assistance.
Environment/Community	Interim Executive Strategies – Annie E. Casey Foundation Expanding the pool of potential executives. Annie E. Casey Foundation		

Analysis of Transition Services Available in Baltimore

The matrix above shows a clear dependence on the new Maryland Nonprofits Executive Transition Services Program and limited programs or emphasis on the following:

- Succession Planning/Identifying leadership
- Board Development after transition
- Executive Coaching after transition
- Preparing the Infrastructure of the Organization for Transition

In addition to these gaps (limitations) in service and dependence on one organization for service delivery, there are opportunities for expanding the reach of existing services. Table (#) in the appendix shows the number of people that each of the existing programs reaches. This table helps to identify the scope or reach of the existing programs in combination with information about the size of the sector. It may also be used to identify types of services where there is room for growth in the number of service deliverers or the scale of existing programs. This analysis is summarized below.

Nonprofit Management Training

While there are several certificate programs for nonprofit managers, there are a limited number of people enrolled in these programs. The scan found that approximately 120 people are currently enrolled in university based programs and foundation sponsored fellowships in Baltimore. There are 74,500 employees of nonprofits in Baltimore. According to the Bureau of Labor Statistics, for the industry classifications social services, museums, art galleries and botanical gardens, and membership organizations, management occupations make up between 10 and 13 percent of total employment. So if we assume 10 percent of 74,500 employees are managers, 7,450 people already employed in the sector may be interested in management certificate programs. There is clearly room for growth in the enrollment of leadership and management training programs.

Executive Transition Services

Most of the services specifically targeting executive transitions are delivered through the Maryland Nonprofits' Executive Transition Services. Last year, this program delivered services to 15 organizations. There are also transition services being offered by individual consultants, and search services being offered by several private search firms. It is unclear how many organizations these private consultants and search firms reach in a year, but it is assumed to be very limited. According to estimates based on 990 data, at least 10% of nonprofits change executive directors every year. Conservatively, 22 executive transitions are taking place every year. If we assume that the 10% transition rate is reflective of all nonprofit organizations, then up to 300 transitions are taking place every year. These numbers show there is room for growth in the number of organizations with access to transition services.

Pre-Transition: Succession Planning, Infrastructure Preparation, Executive Coaching

Again many of the pre-transition services are delivered through Maryland Nonprofits' Executive Transition Services and to some extent through private consultants. Maryland Nonprofits' Executive Transition Services provided coaching to five organizations last year and limited succession planning and infrastructure preparation.

In a recent survey of nonprofit organizations in Maryland²⁰, 15% (24) of respondents were founding executives or had been in their jobs for over 10 years. There are at least 24 founders and long term executives in Baltimore (and potentially as many as 450 if 15% of all organizations are led by founders or long term executives). Other

²⁰ The survey geographically representative of nonprofits in Maryland and representative of organizations with revenue greater than zero.

research by Annie E. Casey Foundation indicates that transitions with founders and long-term executive directors are particularly sensitive. Therefore, these individuals and their organizations may benefit greatly from succession planning or coaching assistance in getting ready to leave their positions. These numbers show there is room for outreach and growth in providing succession planning and coaching to executives considering leaving their positions.

Post-Transition: Board development, Coaching and New ED support, Organization Development

There is limited data available on the scope of these services except for support to new executives from Maryland Nonprofits. A new executive workshop series in Baltimore attracted 26 participants; over 40 executives expressed interests in such workshops according to the consultant who organized the workshops.

San Francisco Overview

The San Francisco-Oakland-San Jose Metro area ranked 5th out of 280 metro areas in population in 2000. On the other hand, the city of San Francisco is relatively small with a total population of 776,733 in 2000; it has gained 52,774 people or 7.3% population from 1990 to 2000. The median age is 36.5 with 86% of the population over 18 and 16% of the population over 62 years old. Fifty-three percent of the population is white; 8.6% is African American; 32.6% is Asian and 14.1% is of Hispanic/Latino descent. There were 346,527 housing units in 2000 of which 85% were occupied. This is an increase in the number of housing units since 1990 when there were 328,471 housing units. Median Household income in 2000 was \$57,417. Nine percent of all individuals were living below the poverty line in 2000. In short San Francisco represents a growing city with a large population of Asian and Hispanic/Latino residents. Its high tech economic base grew substantially in the 1990s as did the associated wealth.²¹

San Francisco's nonprofit sector is also growing and is an important part of its labor force, although not the dominate part. Nonprofit employment represented 5.9 percent of total California employment in 2000, or more than 1 out of every 17 workers. This puts California slightly below the U.S. average (7.2 percent) in terms of the nonprofit share of total employment. In 1999 there were 1921 reporting public charities in San Francisco County and 59,163 people employed in nonprofit organizations or 9.4% of the labor force.²² 1382 nonprofits filed Form 990 with the IRS in 1999.²³ According to a recent study by CompassPoint, in Northern CA the vacancy rates for full time positions in nonprofit organizations was 8.5% and 6.5% for part time. These vacancy rates represent a consistent rate of change and staff turnover. While this is true for nonprofits in most labor markets, the Bay area may have special challenges given the tight labor market and high tech economic base.²⁴

Nonprofits in San Francisco which report to the IRS are relatively small in size with median budgets below a half million dollars. However, there are a substantial number of significantly larger nonprofit organizations as the mean expenses, revenue and assets below show.

	Revenue	Expenses	Assets
Mean	\$4,250,469	\$4,174,063	\$12,580,236
Median	\$369,408	\$354,144	\$417,702

San Francisco Executive Directors earn a low of \$45,000 and an average of \$90,315. The median salary is \$90,000.²⁵ These high salaries reflect the local labor market. The median salary for nonprofit executives varied significantly by the size of the organization as the following shows:

- 1 to 10 staff, median director salary was \$70,000
- 11 to 30 staff, median director salary was \$76,960
- 31 to 50 staff, median director salary was \$89,000
- 51 to 100 staff, median director salary was \$87,500
- 100 and over staff, median director salary was \$104,998

²¹ 2000 Census Data

²² Dewees, S. and Salamon, L. (2000) "California Nonprofit Employment." California Association of Nonprofit Organizations.

²³ 990 Data provided by Urban Institute, Center for Charitable Statistics.

²⁴ "Help Wanted." (2002) CompassPoint.

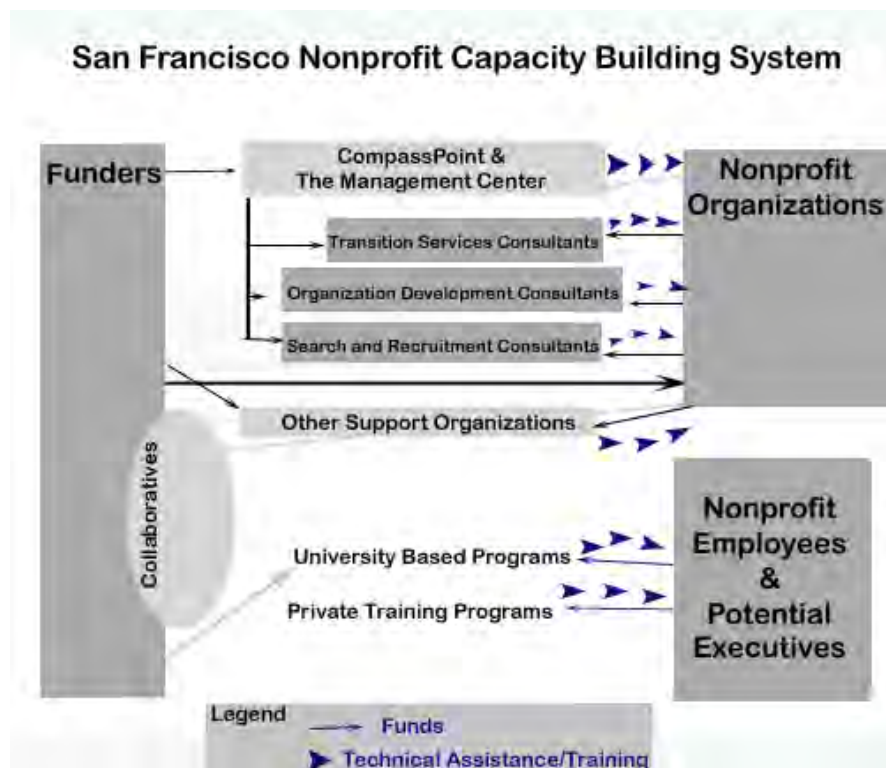
²⁵ "California Salary Survey." (2002) The Management Center.

Summary of the Funding Environment and the Institutions Supporting Nonprofit Organization Development

San Francisco has a well developed support environment for nonprofit organizations based on the following factors: support organizations, university supported programs, locally focused funding, local fellowships or other support for nonprofits, and the number of nonprofit consultants.²⁶ Important factors in characterizing the Bay area environment as well-developed are:

- the two fully developed management support organizations for nonprofits in the Bay area—CompassPoint and The Management Center;
- several large funders, including the Packard Foundation, which fund organization capacity building; and
- the sheer breadth of types of services available locally.

As one interviewee said, “The environment for nonprofits is strongly positive. The area seems to be rich with a large number and variety of nonprofits and support organizations. They are better supported in part because of local wealth.” In general, the system for supporting the capacity of nonprofit organizations is described by the following diagram.²⁷



As the diagram shows, funders provide grants to intermediary organizations and directly to nonprofit organizations in order to build organization capacity. The Bay area has two full service management support organizations (CompassPoint and The Management Center) and many other smaller support organizations which

²⁶ We did not examine a large number of cities in developing this description of moderately developed. It merely summarizes what is indicated by the comparative information between the 3 cities in this study and other information we could gather such as NCDI rankings.

²⁷ This diagram is roughly based on the framework developed in *Community Development in the 1990s*, the NCDI evaluation.

provide training and technical assistance to nonprofits. The training and technical assistance is sometimes subsidized by funders; nonprofits often have to pay some portion of the cost. Support organizations use both staff and external consultants to deliver training and technical assistance. In addition, several university-based training programs provide professional development to existing nonprofit employees and potential executives.

Support Organizations

The scan identified 13 management support organizations which offer a range of capacity building assistance to nonprofits in San Francisco. CompassPoint and The Management Center are the largest, most comprehensive organization development support institutions serving the Bay area. The Management Center tends to focus on slightly smaller organizations than CompassPoint – targeting those with budgets under \$5 million. Both of these institutions provide a range of services to nonprofits including training, technical assistance/consulting and transition services (for more information on these two institutions see Appendix 1).

- California Community Economic Development Association lists CED related jobs, coordinates Peer to Peer TA for a fee and holds conferences including workshops specifically targeted to building individual and organization capacity.
- California Association of Human Relations Organizations is working to become a training center to assist organizations in improving human and civil rights.
- California Association Microenterprise Opportunity (CAMEO) offers training, facilitates community discussion and technical assistance to communities seeking to establish microenterprise development services.
- California Association of Nonprofits assist nonprofits in finding Board members and helps member organizations through transition and change, CAN offers in-house assessments, consultation and training. Using a team approach that includes CAN staff and Associate Consultants, CAN will help with strategic planning, collaborations, mergers or consolidations, board and staff development, organization and programs assessments and evaluation.
- Center for Excellence in Nonprofits offers Executive Roundtables, Leadership Awards and Best Practice Exchanges.
- CompuMentor is meeting the needs of San Francisco Bay Area non-profits and schools with a suite of new services including hands-on consulting programs and a local version of the national technology site, TechSoup.org.
- CORO offers participants hands-on training to make meaningful contributions to society. Coro's leadership programs are designed to: expose participants to the myriad of individuals and institutions that play essential roles in creating and shaping public policy; develop participants' analytic, communication and problem solving skills; and strengthen the quality and creativity of decision-making in the field of public affairs.
- The Foundation Center office in San Francisco offers a range of publications and trainings for grant seekers.
- Interaction Institute for Social Change offers both facilitative leader workshops and skill building workshops. They have trained over 500 Packard grantees; they also provide coaching to executive directors and offer consulting on a range of organization development issues including board development, diversity training, and organizational assessment.
- LISC – Bay Office has a Durable CDCs Initiative which is a new, comprehensive and innovative Bay Area LISC program to improve the organizational effectiveness of local community development corporations. This Initiative focuses on the need of the Bay Area affordable housing industry - mostly non profit developers - to enhance their infrastructure to be able to identify, pursue, and complete high-impact affordable housing developments. The ultimate objective is to improve and increase affordable housing and community development in the four counties of Contra Costa, Alameda, San Francisco, and

San Mateo by strengthening the capacity of the CDCs that do this work. The Bay Area LISC office has also hosted workshops on succession planning.

- Tides Center provides a comprehensive set of core management services to new and existing nonprofit organizations promoting social change including Fiscal sponsorship, Financial services, Employee benefits, Administrative support, and Human resources policies, Training and intervention.

There are also a variety of small sector specific organizations that provide coordination and information to other nonprofit organizations. For example: the housing rights committee of San Francisco and the Community Housing Partnership.

University Based Programs

Five local universities offer training, certificate programs and degrees in nonprofit management.

- “Institute for Nonprofit Management at the University of San Francisco was established in 1983 and remains one of the nation's most highly regarded centers for nonprofit management education and research. Its Master's program was one of the first such programs in the country and is still considered a national model. Its research activities, especially its ethnic philanthropy study and California Nonprofit Database project, have charted new areas of knowledge. Its books, articles, working papers, and case collections have been used in hundreds of university classes and nonprofit training sessions. The Institute's programs reflect an ongoing commitment to strengthen management in the nonprofit sector in California, as well as nationally and internationally, and serve the nonprofit community in four major ways: Education Programs, Research, Conferences and Community Programs and Publications.”
- “Golden Gate University’s online Executive Master of Public Administration (EMPA) degree provides a comprehensive distance-learning opportunity that accommodates the educational needs of government employees, independent sector employees and others engaged in the field of public administration, or whose professional goals include careers in the public and non-profit sectors.”
- San Francisco State University. Masters in Public Administration includes courses in managing nonprofit organizations
- San Jose State University offers a Certificate in Nonprofit Management in cooperation with CompassPoint.
- Sanford University offers an executive program targeted at long term Executive Directors or others with significant experience. There are fellowships available of \$10,000 toward participation in the 2 week program.

Major Funders

According to the Foundation Center Database, in 1999 – 2000 \$13.3 million in grants was authorized for management development for nonprofits in San Francisco. The largest three funders of management development for San Francisco nonprofits were the Irvine Foundation with \$2.5 million in 13 grants, the California Endowment with \$2.2 million in 9 grants, and The William and Flora Hewlett Foundation with \$1.5 million in 9 grants. Another \$3.56 million was authorized in leadership development grants. The three largest funders of leadership development were the Packard Foundation with \$752,585 in 3 grants; the San Francisco Foundation with \$425,250 in 8 grants; and the Columbia Foundation with a single \$300,000 grant. Finally \$141,000 was given to Bay Area Organizations specifically for assistance with leadership transitions.

In addition to the above funds which could be from any foundation, several local foundations have large programs specifically focused on enhancing the effectiveness of nonprofit organizations including the following:

- Irvine Foundation committed \$3.8 million in 2000 under the Strengthen the Nonprofit and Philanthropic Sectors funding priority in order to build organizational effectiveness.

- David and Lucile Packard Foundation committed \$33.4 million in 2001 under the Organization Effectiveness Funding Priority: to enhance the effectiveness of Foundation grantees, build the field of nonprofit management, foster effective philanthropy, and better inform and engage donors in California. Eligible projects include leadership transitions for which the foundation has given \$302,000 over last three years.
- Haas JR Foundation committed \$335,400 in 2001 under the Nonprofit Leadership and Governance funding priority.
- San Francisco Community Foundation committed \$419,000 from July 1999 to June 2000 through the Philanthropy and Nonprofits fund which seeks to advance the effectiveness of nonprofits in the Bay area.

The Packard Foundation has been a national leader in urging foundations to consider organization effectiveness in their funding priorities.

Consultants

The final aspect of the capacity building system are the private consultants who often provide the training and technical assistance to nonprofits. CompassPoint Nonprofit Services mapped the consulting support available to Bay area nonprofits in 1999 in a project funded by Packard Foundation. The report, “A First Map: Exploring the Market for Consulting Services,” provides detailed data on consulting services available to Bay area nonprofits. Nearly two-thirds of all organizations they surveyed and 80% of those with budgets over \$500,000 contracted with consultants in 1999. Expenditures by nonprofits for consulting services in the Bay are estimated at \$65 million per year. The report also suggests that the Bay Area market for consulting has matured—“in the past nonprofits were unfamiliar with consulting and reluctant to engage consultants; that is not the case today; funder support for consulting services has served to both educate nonprofits about the usefulness of consulting and to nurture the fledgling industry; the provider community is larger, more professional and more fluid than previously thought.” The following indications of a maturing market are also evident: 1) consolidation of sole practice consultants into firms, 2) the emergence of larger firms as well as niche consultants, 3) the entrance into the nonprofit market by firms who previously found it insufficiently attractive, 4) increased specialization, and 5) increased demand for tools that would make the market more efficient.

Six percent of all consulting expenditures were spent on Human Resource Consulting (which would include leadership development and organization development), and 3% was spent on organization development. Human Resources ranked 8 out of 12 categories and Organization Development ranked 10 out of 12. In terms of frequency of use, Human Resources Consulting was used by 19% of the organizations and Organization Development was used by 13%.

Consultants OnTap provided through CompassPoint is a searchable database of consultants and technical assistance providers working with northern California nonprofits. This web-based database allows users to search for consultants with specific expertise, but is not intended to be an endorsement of any particular consultant nor is this an exhaustive list.

In Consultants OnTap, out of 759 consultants, the following were found who provide transition related services:

- 49 consultants offer Executive Leadership assistance with 8 specifically mentioning supporting some aspects of executive transitions and 6 others noting that they were executive directors of nonprofit organizations in the past;
- 168 consultants provide board development assistance;
- 269 consultants provide human resource management assistance;
- 192 consultants provide organization development assistance—design and structure, mergers, and start up;
- 278 consultants provide planning assistance.

Specific Issues

The scan also sought to determine if any of these existing programs focused on issues of diversity, or moving middle management into executive positions. These programs might be of particular importance for people interested in promoting strategies for expanding and integrating executive transition services. The Interactive Institute for Social Change focuses on enhancing, appreciating and managing diversity. The Haas, Jr. Foundation and Levi Strauss Foundation specifically seek to encourage greater diversity in community leadership. The Stanford Executive Leadership Program for Nonprofit Leaders includes both current executives and those who seek to become an executive within five years and several local universities describe their students as middle managers. Finally, The Management Center's ED101 course often includes a variety of middle managers who anticipate moving into executive positions.

Executive Transitions and Transition Support

The following matrix lists the programs in San Francisco which provide transitions services. The matrix helps to identify where there are fewer services available (gaps), what institutions are most engaged in supporting executive transitions, and consequently where there may be a need to increase capacity to provide a particular type of service.

The State of Executive Transition Services Nationally and in 3 Cities: San Francisco

Provided Who Receives Service	Pre Transition	During Transition*	Post Transition**
Board	<p>Succession Planning CompassPoint Institute of Nonprofit Management-San Fran University LISC-Bay area (limited) Private Consultants: 49 consultants offer Executive Leadership assistance with 8 specifically mentioning supporting some aspects of executive transitions and 6 others noting that they were executive directors of nonprofit organizations in the past</p>	<p>Transition Planning and Assessment The Management Center CompassPoint California Association of Nonprofit Organizations Interaction Institute for Social Change (limited) Private Consultants: 49 consultants offer Executive Leadership assistance with 8 specifically mentioning supporting some aspects of executive transitions and 6 others noting that they were executive directors of nonprofit organizations in the past</p>	<p>Board Development The Management Center CompassPoint California Association of Nonprofit Organizations (limited) Interaction Institute for Social Change Center for Excellence in Nonprofits CCEDA (peer TA) LISC-Bay area Private Consultants: 168 consultants provide board development assistance</p>
		<p>Recruitment Planning and Search The Management Center CompassPoint KornFerry International</p>	
Current Executive Founder Long Term ED	<p>Executive Coaching/Consulting The Management Center CompassPoint Interaction Institute for Social Change Private Consultants: 49 consultants provide executive leadership</p>	<p>Executive Coaching/Consulting The Management Center CompassPoint Interaction Institute for Social Change Private Consultants: 49 consultants provide executive leadership</p>	
Potential Executive/New Executive	<p>Leadership Development/Management Training CompassPoint The Management Center San Francisco State University Institute for Nonprofit Management-San Fran University Golden Gate University San Jose State University Interaction Institute for Social Change Stanford University Coro Fellows LISC-Bay area</p>	<p>Search and Recruitment The Management Center CompassPoint California Association of Nonprofit Organizations (limited) KornFerry International Private Consultants: 18 offer recruitment services</p>	<p>Executive Coaching/Consulting The Management Center CompassPoint Private Consultants: 49 consultants provide executive leadership</p>
	<p>Succession Planning/Leadership Identification</p>		<p>Peer to Peer Networking The Management Center-Exec Retreat and Roundtables CCEDA Center for Excellence in Nonprofits Nonprofit Housing Association of No California Coro Community Fellows Institute for Nonprofit Management-San Fran University (alumni society and leadership consortium) LISC-Bay area</p>
			<p>Leadership Development/Management Training CompassPoint</p>

The State of Executive Transition Services Nationally and in 3 Cities: San Francisco

When Assistance is Provided	Pre Transition	During Transition*	Post Transition**
Who Receives Service			The Management Center San Francisco State University Institute for Nonprofit Management-San Fran University Golden Gate University San Jose State University Stanford University Coro Fellows LISC-Bay area
Organization as a whole—staff and board	Infrastructure Preparation CompassPoint Interaction Institute for Social Change (limited)	Interim Executive Director The Management Center CompassPoint Private Consultants: CompassPoint has trained interim executives who are private consultants.	Organization Development CompassPoint The Management Center Interaction Institute for Social Change Center for Excellence in Nonprofits California Association of Nonprofit Organizations CCEDA (peer TA) Tides Center LISC-Bay area Private Consultants: 192 consultants provide organization development assistance—design and structure, mergers, and start up

Environment/Community	Interim Executive Strategies CompassPoint Packard Foundation Expanding the pool of potential executives Packard Foundation Coro
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Analysis of Transition Services Available in San Francisco

The matrix above shows the large number of both institutions and consultants engaged in supporting executive transitions in San Francisco. There are several institutions which have focused programs for supporting executive transitions including CompassPoint and The Management Center. In addition, there are significant funds available specifically supporting executive transition management services. Further, a local consultant noted that there is significant competition and that it becomes difficult to charge sustainable rates for providing transition management services. The competition among providers is another indication of the breadth of services available.

Even with this array of organizations, the matrix shows that there are few organized efforts at identifying the next immediate leaders of organizations and that there is still a need for better integrating of transition services before and after the actual transition including succession planning, infrastructure preparation, and new executive coaching.

Because of the diversity of services offered in the San Francisco area, it is difficult to compare the existing scope of such services with the potential need and to therefore identify potential areas for growth. To the extent possible existing programs and the number of organizations or individuals that they serve has been listed in the table in Appendix 1 and are discussed below.

Nonprofit Management Training

Local universities, support organizations, and private training institutes are offering extensive nonprofit management training. These include:

- MA in Nonprofit Management from San Francisco University, Institute for Nonprofit management
- Nonprofit Management Certificates from San Francisco University and San Jose State University
- Executive Leadership Program from Stanford University
- Courses especially for new executive directors from The Management Center
- Fellowships through Coro

Together these programs and the others listed in the appendix serve approximately 250 nonprofit leaders every year. The providers of several of these programs, specifically the ED101 courses from The Management Center, the MA in Nonprofit Administration and the certificate programs, could increase the number of people in these programs provided there was additional funding available.

While there may be a need for further marketing and funding of these programs, there is not a significant gap in nonprofit management training for the nonprofit workforce in the Bay area. There are programs and expertise available. Strategies for further support might include supporting marketing efforts, and further subsidy for potential participants. In addition, programs specifically aimed at bridging mid level managers with executive positions may be helpful.

Executive Transition Services

The Bay area's relatively young workforce (the median executive age was 45 in recent survey) who are unlikely to remain in one position for over five years, and the relatively tight labor market in San Francisco indicate there is likely to be an on-going need for transition support services. With 1,921 nonprofit organizations in San Francisco in 1999, we estimate that there are 190 executive transitions a year.

Most transition specific services are offered by The Management Center or CompassPoint. These organizations offer a full range of services to support organizations going through a transition including planning, assessment, coaching, search, recruitment and follow-up support for the new executive. Together they served between 20 and

Research conducted by Management Performance Concepts

50 organizations last year which is far below the estimated number of transitions that actually happened in that time frame. Many organizations are not able or do not want to take advantage of the full range of services, according to interviews with Management Center and CompassPoint staff.

San Francisco area has significant expertise in assisting nonprofit organizations through transitions. Further support for these services would include increasing their ability to reach more organizations by supporting more staff and consultants, and marketing the value of transition services to nonprofit board members and executives.

Pre-Transition: Succession Planning, Infrastructure Preparation, Executive Coaching

In part due to CompassPoint, The Management Center, and the Packard Foundation being located in the Bay area and their attention to executive transition services over the past four years, many nonprofit organizations are aware of the existence of support services. However, there is still limited focus on pre-transition services to prepare organizations. Organizations already engaged in transition services might encourage other technical assistance providers to reference transition planning and provide tools that introduce transition planning.

Post-Transition: Board development, Coaching and New ED support, Organization Development

The Bay area has a wide variety of organizations and private consultants which offer organization development and executive director support. Indeed, in a recent survey on the use of consultants, two thirds of all participating organizations had contracted with a consultant in the past year and 13% of organizations had contracted with an organization development expert. Further, associations including the California Association of Nonprofit Organizations, CCEDA, Northern California Housing Association, and other intermediaries such as LISC and the Tides Center offer organization development assistance. Finally the major support organizations, CompassPoint and The Management Center, offer a range of organization development assistance.

Despite this variety, many of these interventions do not regularly include transition support, and transition support services only occasionally include post transition support. Again, better marketing of the value of post transition support and better defined post transition services may help broaden the use of these services.

San Antonio Overview

San Antonio ranked 30th out of 280 metro areas in terms of population in 2000 with a total population of 1,144,646; it has gained over 100,000 people - about a 20% increase from 1990 to 2000. The city has a large number of children; the median age is 31.7 with 71.5% of population over 18 and 12.3% of the population over 62 years old. Seventy percent of the population is white; 7.4% is African American; 2.1% is Asian and 58.7% is Hispanic/Latino. San Antonio's majority Hispanic/Latino population is one of its defining characteristics. In 2000, there were 433,122 housing units, of which 93.5% were occupied. As reported in the 1990 Census data, of the 15 largest cities in the nation, San Antonio's poverty rate of 22.6% was exceeded only by the City of Detroit which had a poverty rate of 34.4%. The San Antonio jobless rate is consistently running less than 3% (Express News 1/9/00). In 1999, the City experienced the creation of 21,700 new jobs (TWC Jan. 2000), which represents a 2.5% job growth. Job growth in the year 2000 is predicted to be about 2% or 14,000 net new jobs. In short, San Antonio represents a growing and economically developing city with heavy immigration from Latin American countries and a large numbers of poor families. Further, the economic base of the city has radically shifted with the recent closing of major military bases.²⁸

In 1999 San Antonio had 657 nonprofit organizations that filed 990 Forms with the IRS.²⁹ They are generally small with budgets of under \$300,000. As the mean revenue, expenditures and revenues in the table below show, there are, however, also significant number of organizations with larger budgets. The information about the sector in San Antonio reflects a city with modest wealth and a still relatively sparse nonprofit sector.

	Revenue	Expenses	Assets
Means	\$3,033,603	\$3,025,184	\$5,315,254
Medians	\$284,416	\$292,959	\$432,325

Summary of the Funding Environment and the Institutions Supporting Nonprofit Organization Development

San Antonio's support (infrastructure) environment for nonprofit organizations is limited based on the scope of the following programs: management support organizations, university supported programs, locally focused funding, local fellowships or other support for nonprofits, and the number of nonprofit consultants.

The capacity building system for community development (one sub-sector's system) is described by the NCDI report. This scan suggests that the comments in the NCDI report are reflective of the support for nonprofit organizations as a whole. "San Antonio's community development environment lacks many of the organizations that can deliver assistance to CDCs. The capacity building program there has fewer elements, and centers around Enterprise's role and relationships. Until quite recently, the city had no CDCs with notable development capacity. It now has two, engaged in a variety of projects and programs, and a handful of emerging organizations. City government, lenders, and the relatively few corporate and philanthropic partners available locally all fund CDCs to undertake projects. A housing trust supported by the city also dispenses project-related financing to CDCs and others. To date, local leaders have not embraced sustained programs to enhance CDC capacity. The city provides core operating grants to CDCs—but does not always relate its grants to CDC performance or need. Until recently, no one provided training or technical assistance. Noting this gap, Enterprise has used NCDI funds to support an ongoing grant program to provide basic support money to selected CDCs, which, in turn, must meet performance standards. Enterprise has also developed monthly training programs for CDC directors and board members to acquaint them with program, project, and funding opportunities and to discuss organizational issues."³⁰

²⁸ 2000 Census data

²⁹ 990 data provided by the Urban Institute, Center for Charitable Statistics.

³⁰ Walker and Wiemer. (1998) "Community Development in the 1990s." Urban Institute.

With few major corporate headquarters located in San Antonio, there also less funding available for nonprofit organizations and even more limited funds available for organization development. In general the system for supporting the capacity of nonprofit organizations is described by the following diagram.



As the above diagram shows, there is one major support intermediary in San Antonio and one university based program. In general funders fund the support organizations but do not regularly fund nonprofits to purchase organization development services. There are also no easily identifiable consultants focused on executive transitions.

Support Organizations

The scan identified seven organizations that provide some management support to nonprofit organizations in San Antonio. The largest such organization is the Nonprofit Resource Center of Texas and is funded in part by the local United Way. Its core services include a Cooperating Collections library, workshops, consulting and facilitation services, and publications. In addition, they have facilitated T.N.T. (Talking Nonprofit on Tuesdays) for Executive Directors, a successful breakfast series specifically designed to facilitate information and advice sharing for Executive Directors. The T.N.T. group has discussed leadership development and succession planning.

Other management support organizations include:

- Enterprise Foundation offers financial support and training to community development organizations and has an office in San Antonio. San Antonio has been a NCDI city meaning that there have been focused funds available for building the capacity of nonprofit community development organizations in the city.
- TexasNonprofits.org is a new website providing a range of information about nonprofits in Texas and seeking to help link existing nonprofits, clients, and consultants.
- Executive Service Corp of San Antonio assists nonprofit and publicly-funded agencies in the greater San Antonio area in their pursuit of excellence in management and performance, and provides executives and experienced retirees with the opportunity to make a significant contribution to the community by serving as volunteer management consultants to nonprofit and publicly-funded organizations.

- Texas Nonprofit Management Assistance Network seeks to develop a coordinated network of centers and organizations, strategically located throughout Texas that will deliver quality management support services and resources to the nonprofit sector.
- San Antonio Nonprofit Council is a relatively new association of executive directors of health and human service nonprofits. It generally seeks to educate members on issues of importance to nonprofit organizations and to act as a convener for nonprofits in political arenas.
- Department of Community Initiatives serves as a catalyst for coordinating resources and partnerships that promote economic self-sufficiency, family strengthening, and enhance the quality of life for children, families and seniors and ensure greater public accountability for the investment of resources.

Despite the limited number of support organizations in San Antonio, nearby Austin has several support organizations including the Texas Association of Nonprofit Organizations, Center for Community Based and Nonprofit Organizations, Greenlights for Nonprofit Success, The Nonprofit Center, and The RGK Center for Philanthropy and Community Service at the Lyndon Johnson School of Public Affairs.

University Based Programs

University of Texas at San Antonio through Bridging Our Communities offers a certificate in Nonprofit Management and Leadership. This is a six-week high school internship program in nonprofit organizations. The University also sponsors the nationally-recognized American Humanics Certificate for nonprofit management.

Major Funders

According to the Foundation Center Database in 1999 – 2000, \$528,000 in grants was authorized for management development for nonprofits in San Antonio, TX. The largest management development funder was Albert and Bessie Kronkosky Charitable Foundation with \$305,000 in 6 grants. The Kronkosky Foundation is also a member of the Grant Makers for Effective Organizations and is interested in supporting projects that reach as many people as possible; involve the persons served in developing solutions; raise expectations; build self-esteem; develop personal and organizational capacity; encourage innovation; and make use of technology. In total, foundations committed \$60,000 in 1999-2000 for leadership development and \$8 million in general operating support for San Antonio nonprofits.

SBC Foundation located in San Antonio has supported the development of Texas Nonprofit Management Assistance Network which seeks to develop a coordinated network of centers and organizations that delivers quality management support services and resources to the nonprofit sector. Further, the Director of the SBC Foundation is currently taking courses in the Bridging Communities Certificate program and may be interested in supporting the program.

United Way of San Antonio is a major nonprofit funder in the city. While the United Way offers a variety of referral services for local community resources and acts as a convener, the organization's limited support for organization capacity building has been through the Nonprofit Resource Center.

San Antonio Area Foundation is the local community foundation and offers limited capacity building support.

According to interviews with local nonprofit leaders, funders may fund intermediary organizations but they are not yet funding nonprofit organizations directly for capacity building. Consequently there is less demand for organization support services than there might otherwise be.

Consultants

According to interviews, there are a very limited number of local management consultants who serve the nonprofit community in San Antonio. If forced to make an estimate, one interviewee said "about 5". Greenlight

a nonprofit support center in Austin has begun to develop a list of consultants working in the area, so far there are no independent management consultants in San Antonio listed in the database.

Executive Transitions and Transition Support

Number of transitions

Based on Form 990 data from 1998 and 1999, the scan identified executive directors of 135 San Antonio organizations. Further, by determining if there was a change in executives, the scan identified 16 organizations or 12% that likely had transitions from 1998 to 1999. Other survey data confirms that this is likely an accurate reflection of the percentage of transitions occurring in the city.

Transition Services

The following matrix lists the programs in San Antonio which provide transitions services. The matrix helps to identify where there are fewer services available (gaps), what institutions are most engaged in supporting executive transitions, and consequently where there may be a need to increase capacity to provide services.

The State of Executive Transition Services Nationally and in 3 Cities: San Antonio

When Assistance is Provided	Pre Transition	During Transition*	Post Transition**
Who Receives Service			
Board	Succession Planning	Transition Planning and Assessment	Board Development Nonprofit Resource Center Executive Service Corp
		Recruitment Planning and Search	
Current Executive Founder Long Term ED	Executive Coaching/Consulting Nonprofit Resource Center Executive Service Corp	Executive Coaching/Consulting Executive Service Corp	
Potential Executive/New Executive	Leadership Development/Management Training University of Texas at San Antonio Nonprofit Resource Center	Search and Recruitment Private Consultants Executive Service Corps	Executive Coaching/Consulting Executive Service Corp
	Succession Planning/Leadership Identification		Peer to Peer Networking Nonprofit Resource Center—round tables
			Leadership Development/Management Training University of Texas at San Antonio Nonprofit Resource Center
Organization as a whole—staff and board	Infrastructure Preparation	Interim Executive Director	Organization Development Nonprofit Resource Center Executive Service Corp

Environment/Community

Analysis of Executive Transition Services

As the matrix above shows, there is currently little attention to executive transitions—before, during or after—in San Antonio. On the other hand, there are institutions, most notably the Nonprofit Resource Center, Executive Service Corps and Building Bridges at the University of Texas at San Antonio, which might host executive transition services.

Comparing San Antonio, San Francisco, and Baltimore

	City Population in 2000	# NP (nonprofits) which filed 990 forms with IRS in 1999	Management Assistance Grants* authorized in 1999-2000	Leadership Development Grants* authorized in 1999-2000	Total Management and Leadership Grants per NP which filed a 990**	# Support Organizations offering significant management consulting to all types of NP	% of All Support Organizations offering significant transition support***	Types of Executive Transition Support Available****	# Local university based nonprofit management programs	% Executive Transitions 1998-99
San Antonio	1.1 million	657	\$528,000	\$60,000	\$895	2	0	Search and Recruitment Organization development services	1	12%
San Francisco	776,733	1382	\$13.3 million	\$3.56 million	\$12,200	7	15.4%	Comprehensive services by 2 organizations	5	Unknown
Baltimore	651,154	897	\$4.79 million	\$958,000	\$6,400	3	7.7%	Growing range of services by 1 organization	3	10%

* This is based on the Foundation Center Database of grants from 20,000 largest foundations.

** This is a measure of the amount of money available for management and leadership per nonprofit organization in the city.

*** This percentage is based on the number of management support organizations in each city which offered significant management consultant services to any nonprofit organization, i.e. like The Management Center, and the total number of management support organizations of any type that we found in the city. It offers a sense of how wide spread and accepted executive transition services are.

**** These are based on the categories of transition services defined in the matrix in the Introduction to this report.

Each of these three cities has significantly different levels of infrastructure and resources available for nonprofit capacity building and executive transition:

- San Francisco has a well-developed, complex infrastructure for supporting nonprofit organizations and significant management support and funding for assistance during executive transitions;
- Baltimore has a less developed infrastructure for supporting nonprofits, however there are significant funds available for management assistance, with several organizations offering a variety of organization development support and executive coaching, and growing transition services; and
- San Antonio has the least developed infrastructure for supporting nonprofits and limited funding for management assistance, however, there are management support organizations and local expertise which might be tapped to provide more intensive organization development and transition support.

In each of the cities, there seems to be between a 10% and 15% annual executive transition rate indicating a substantial potential market for transition services.

Comparing the support systems for nonprofit organizations in San Francisco, Baltimore and San Antonio suggests the following conclusions.

Funding.

One significant factor in the availability of management and leadership assistance generally and executive transitions services specifically is the existence of funding for capacity building and a supportive funding environment. For example, in 1999-2000 foundations committed on average \$12,200 in management and leadership assistance per nonprofit organization in San Francisco, where as in Baltimore the comparable figure was \$6,400 and in San Antonio it was only \$895.

Having Champions Matters.

Local champions for an issue may make a difference in developing a supportive funding environment. San Francisco's foundation community is extensive, and led by Barbara Kibbe at the Packard Foundation. The local foundations have embraced the concept of capacity building and even supporting nonprofits during leadership transitions. Baltimore's funding community is less extensive than San Francisco's but includes multiple locally focused foundations with extensive resources. Further, in the past few years, several leading executive directors of nonprofit organizations have moved into leadership positions in foundations in Baltimore and these executives have been instrumental in focusing conversations on leadership in the sector. Finally, San Antonio has a couple of locally focused foundations and an active United Way; however, there is not currently a funding champion for capacity building or executive transitions.

Management Support Institutions and University Based Management Programs are Wide Spread.

Despite the differences in the level of funding and funder interests which has probably lead to differences in the amount of assistance available in these three cities, there are management support institutions which provide local anchors for building the capacity of nonprofit organizations. So while the complexity and scope differ, the institutions exist that might be helpful in increasing the provision of executive transition services.

Access to Transition Services Varies Widely.

In terms of sheer numbers, last year San Francisco's largest executive transition providers assisted between 20 and 50 organizations with some level of transition support and Baltimore's new executive transition services served 15 organizations. The only formal transition services available in San Antonio are search and recruitment. Not only does the access to transition support services vary by city, access varies by organization size and in some cases membership in associations or relationships with funders. If our estimate of an approximately 10% annual transition rate is accurate, then there is a significant potential market for transition services. Even in areas where there are well established transition support services available, there is an opportunity to broaden access by supporting more extensive marketing and perhaps subsidy support.

Transition Services are Generally Not Fully Integrated Into Organization Capacity Building/Organization Development Services.

Even in San Francisco where transition support services are supported by the funding community and there are years of experience in the two major support organizations, there is an opportunity to better integrate transition management concepts in more general capacity building work. There are few indications that the concepts of transition management, succession planning, and executive coaching are significant parts of board development, or organization development work done outside of immediate transitions. This means that even in the most sophisticated

environments, transition management is not part of nonprofits' standard operating procedures and consequently many nonprofits may never take advantage of services even if they are readily available.

An Overview of Executive Transition Support Nationally

In addition to attempting to understand how executive transition services operate in selected geographic areas, this study reviews the existence of services to support executive transitions and available funding nationally. By reviewing the services that are more generally available, this report provides some context for developing new services, an introduction to the breadth of services available, and potential partners in developing more integrated or accessible services. The same set of services that support executive transitions was reviewed in this national scan as in the local scans. Specifically,

- Pre-transition (but supportive of transitions) services include: succession planning, management and leadership planning, organizational infrastructure preparation, executive coaching and leadership identification;
- Transition services include transition assessment and planning, interim executive referral, transition coaching, comprehensive transition and search, and new executive support; and
- Post-transition (but supportive of transitions) services include: board development, executive coaching, peer networking and organization development.

More detailed information about the available resources is presented on the resource pages in the Appendix 2, as well as in the local scans of Baltimore, San Francisco, and San Antonio. In both Baltimore and San Francisco, in particular, there are a number of resources which operate on the local level but which also have a national reach.

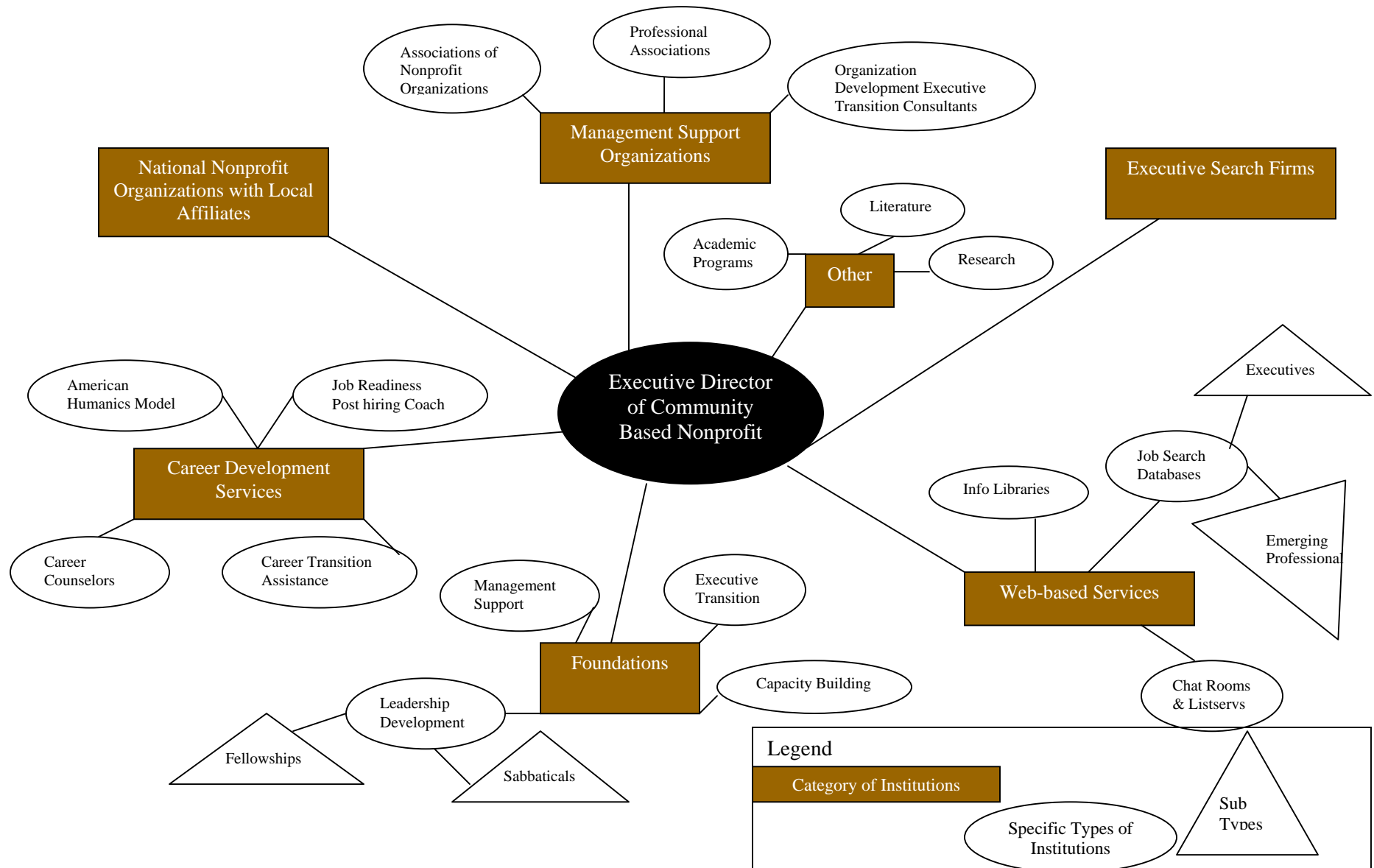
Following is a diagram that shows the different categories of institutions that can help those interested in becoming executive directors and as such helps map the types of institutions which might be useful in supporting executive transitions. Most of the categories of institutions on the diagram (in the gray boxes) are explored in more detail in this national scan including Management Support Organizations, Search Services and Consultants, Web-based Services, Foundations, and Others. Several examples of national nonprofits with local chapters are reviewed in the Management Support Organization section. In addition, we looked across all institutions for programs focused on generational change issues and increasing diversity. Examples of specific types of institutions or services in these categories are also provided and in some cases sub-types of services are provided.

Generally, we found:

- 21 Management Support Organizations providing 1 or more transition related services,
- 36 Search and Organization Development Firms doing search work,
- 12 Independent Consultants providing search or transition support services,³¹
- 2 On-line Libraries of “how-to” transition information,
- 36 Job Search Databases for nonprofit jobs (not including job postings by MSOs),
- 1 University-based Nonprofit Management Program offering a course in executive transitions.

³¹ Limited to web search. Number is likely higher
Research conducted by Management Performance Concepts
www.managance.com

Types of Institutions Assisting People in Becoming Executive Directors of Nonprofit Community Based Organizations



Management Support Organizations and Associations

Management Support Organizations (MSOs) are nonprofit organizations that offer a wide variety of management support and capacity building services to other nonprofit organizations across the sector. Common types of services provided by MSOs include workshops, seminars, conferences, systems that match independent consultants with specific types of technical assistance, information and referral, job banks, etc. There are approximately 250 management support organization members of the Alliance for Nonprofit Management. The Alliance serves as the professional association of MSOs, independent consultants, foundations and other nonprofit organizations that have an interest in supporting the development of nonprofit management.

Findings

Management support organizations, with the exception of CompassPoint, The Management Center and Maryland Association of Nonprofit Organizations, are “dabbling” in executive transition work by offering workshops and some executive search assistance. In a random sampling of 50 management support organizations across the country 21 were identified as having some limited service related specifically to executive leadership development or other transition services. No other MSOs were found to have the same level of comprehensive services as CompassPoint, The Management Center or Maryland Association of Nonprofit Organizations. Most of the identified organizations offer only one or two related services in a small way. Further, information about the services is not too detailed, and in many cases only includes a line or two embedded in a web-page. In other words, in many cases there are not easily found references to this information.

Only 3 MSOs – CompassPoint, The Management Center and Maryland Association of Nonprofit Organizations – were identified as offering interim executive director services.

Several management support organizations offer post-hiring support services. Examples of these include executive round tables for peer networking and for discussion of common issues, and executive director specific forums and workshops.

For MSOs that offer some executive transition services, the most common services are assistance in succession planning, executive coaching, transition planning and assessment, search and recruitment, and peer networking. Very few have formal executive transition services and instead often deal with transitions through their normal consulting/coaching practice. In general, the MSOs acknowledged a need for transition related services although the urgency of the need clearly varied.

Several management support organizations (MSOs), initially identified as providing “related” executive transition assistance, were contacted by telephone to determine the extent to which they offer transition services. Of the 16 MSOs contacted, 10 responded to our telephone inquiry. All of the respondents stated that they were familiar with executive transition services but only eight indicated that they provide some level of such services. These MSOs are Bayer Center for Nonprofit Management, Greater Worcester Community Foundation, Indiana Nonprofit Resource Center, Planned Parenthood Federation of America, Support Center for Nonprofit Management, The Georgia Center for Nonprofits, and The NonProfit Center – LaSalle University.

In general, all of the respondents acknowledged a need for transition services in their target area but some consider the service as something that is “good” to have available while others clearly stated an “urgency”

for formalizing and expanding the transition service practice. None of the respondents, with the exception of two (Planned Parenthood Federation of America, Support Center for Nonprofit Management), have a formal executive transition program and so transition services are provided through their regular consulting and training programs. Recruitment of clients normally occurs through referrals, cold calls, or on-going technical assistance. Three of the respondents expressed a strong interest in establishing a formal executive transition program within the next 9 to 18 months. These include: Bayer Center for Nonprofit Management, Greater Worcester Community Foundation, Support Center for Nonprofit Management, and The NonProfit Center – LaSalle University. They are in the process of organizing meetings with potential donors and defining program objectives for the expansion of the service. In addition, these respondents consider the availability of an Interim Executive Director program as a “critical” component of the transition process, and are interested in providing this service as well.

All of the respondents indicated that they have some funding resources available to support costs associated in the delivery of transition services; these funds though are limited, thereby restricting the “reach” of the services. Approximately 3 to 5 clients, on average, are being provided some level of transition services concurrently by the respondents. The annual operating budgets of these clients range from \$500,000 to \$19 million.

For information about MSO services, see Appendix 2.

Some national associations have programs which seek to encourage new leadership or seek to support the development of human capital for the industry. For example National Congress for Community and Economic Development hosts:

- Emerging Leaders Program which is open to undergraduate students, graduate students and recent graduates.
- Community Development Leadership Association which is an alumni network from the Emerging Leaders Program
- Human Capital Development Initiative which in 1999-2001 funded human resource development initiatives in 10 locations across the country (i.e. Atlanta, Boston, California: Bay Area, Los Angeles, San Diego, Chicago, Cleveland, North Carolina: St. Augustine’s College, Portland, Seattle, Philadelphia, St. Paul, Washington DC). Types of activities developed in these locations included fellowships, internships, career counseling, leadership institutes, compensation and benefits analysis, recruitment and retention services, and executive transitions services.

Some national organizations with local chapters offer search and recruitment services for their chapters and may offer other support services including strategies and tools for increasing diversity, job banks, and internships and other tools for encouraging people to enter into the field.

For example, United Way of America (UWA) has an Executive Search Unit at its headquarters in Alexandria, VA*. The Executive Search Unit does the following:

- Recruits candidates for executive director positions as well as other senior management staff for the headquarters and United Ways’ 1400 independent affiliates.
- Provides career development services including resume writing, interviewing strategies and selecting the right job within the system.
- Operates an internal electronic job bank for employees within the system.
- Is testing an internal diversity program to assist people of color with their UW career.

In addition, UWA used to have an internship program for recent college graduates. It gave them the opportunity to rotate for a year through different positions within UWA before selecting a career. It was discontinued in 1992 during the UWA’s own leadership/financial crisis due in part to the cost. UWA’s Research conducted by Management Performance Concepts

new President (Brian Gallagher – hired January 2002) is a product of the internship program and is exploring how to revitalize it as a way of developing the leadership pipeline.

UWA is also seeking ways to retain good talent in the middle – one stop away from Chief Professional Officer until executive positions become available. Executives within the UWA system tend to stay for a long time. Many people in the middle choose to leave the system and look elsewhere for promotions rather than wait for an executive position to become available. Additionally, many of the staffs in senior management positions are settled and unwilling to move, which is often a requirement to find executive positions. UWA is now exploring developing a program to identify “up & comers” to take through a comprehensive professional development program.³²

Executive Transition is not a commonly used or understood term even among management support professionals. As of the Summer 2002, the Alliance for Nonprofit Management website did not include Executive Transition as search choice in its web database of management support organizations, consultants and foundations. A review of several of the provider profiles in the database also suggests that executive transition is not a common key word.

There are limited numbers of organized forums for practitioners interested in sharing ideas and enhancing the practice of supporting executive transition. As of June 2002, The Alliance for Nonprofit Management now has an Executive Transition Affinity Group. The Group is comprised of management support organizations and consultants with an interest in this area. The purpose of the group is to begin networking and sharing information more broadly about Executive Transition. This is the only such group this scan of resources found.

Observations

Since executive transition services may be viewed as a type of capacity building for nonprofit organizations, management support organizations are a logical place for these services to develop and grow. This is evidenced by the number of organizations that already have some service in this area. This network of organizations is a viable resource through which transition management services may become more visible and accessible. Further, as more MSOs deliver related services, it is a mechanism through which more research and evaluation of the services and outcomes maybe implemented. However, at this time, organized executive services are few and far between.

United Way of America has an extensive and growing system for executive staff recruitment. The focus of this work is on recruiting and retaining professional for United Way operations. A seemingly missed opportunity is making resumes available to United Way funded community based nonprofit organizations around the country. All of the 1400 affiliated United Ways fund several thousand small and medium sized nonprofit organizations that might also benefit from the resources UWA allocates to executive search.

³² Information in this section gather in a personal interview with Nancy Warrick, Director Executive Search, United Way of America, June 18, 2002.

Executive Search and Transition Service Firms

A variety of executive search firms/head hunters and independent consultants provide search services and some related services to nonprofit organizations seeking executive directors.

Findings

Thirty-six firms (i.e. businesses with multiple staffs and often multiple locations and independent consultants with a corporate identification) that provide executive transition related services to nonprofit organizations were identified. Of these firms, 15 consider their main clients to be nonprofits and/or government agencies; 6 firms have some clients from the nonprofit, philanthropic, and/or public sector, but the review of their website indicates that a majority of their clients are from other sectors. Fifteen firms indicated that their services are available for clients in the nonprofit sector (and have served in the past 1 or 2 clients) but primarily represent clients in the private sector. One firm does not clearly specify a target sector.

Of the 36 firms, 25 of the firms provide exclusively executive search services; 8 firms describe the capacity to provide transition management services but it is unclear from their websites whether they currently provide such services. (Executive transition services is defined here as search in the context of organization development work, rather than executive search alone.) Three firms appear to provide transition management services to their nonprofit clients. Also, eleven of the 36 identified firms appear to be Organization Development Consultants who are doing search related work.

From the web-based scan, it is difficult to determine the size and scope of many of the firms and the size and scope of their transition work. However, from a review of available sample client lists, it appears that much of the search work of these firms is with (in order of magnitude) educational institutions, health care systems, religious institutions and human service providers. In the scans of transition services in Baltimore, San Francisco and San Antonio, the large search firms suggested that they did small searches on a pro bono basis.

Two minority-women owned search firms were identified. Graciela Kenig & Associates located in Glenview, Illinois targets careers for Latinos. Boulware and Associates based in Chicago and Denver has completed more than 300 searches in the nonprofit and public sectors.

Eleven independent consultants or smaller firms were identified that have executive transition or career development related practices. (Note: Many independent consultants do not have web-sites and therefore are not included in this analysis.) The services offered in these practices include the following:

- 3 - Executive coaching
- 7 - Executive search
- 4 - Interim executive management
- 1 - Interview coaching
- 1 - Resumes and career planning
- 1 - Succession planning
- 1 - Transition research

(For more information on these firms including contact information in some cases, see Appendix 2: Search and Consulting Resources.)

Observations

There is a wide variety of firms and consultants offering executive transition and search related services to nonprofit organizations. Assuming that nonprofit organization board members and staff are knowledgeable about surfing the web for information, it is not too difficult to identify the larger firms on the Internet. Smaller, specialized independent consultants are not as easy to locate. Further the information on the various websites is fairly limited to “this is who we are” and this is “what we do.” While some firms include examples of clients, pricing, process and outcome information is not readily available. This kind of information is only available through direct contact which requires a bigger investment of time on the part of nonprofit organizations.

The wide and growing number of firms and consultants doing this work offers nonprofit organizations a variety of choices for getting help with transitions. Additionally, the number suggests there is demand, or at least a group of consultants who are creating the demand.

Career Counseling Services

Career counseling is another aspect of consulting in workforce development. There are a wide range of services and consultants that are in the business of helping people figure out their interests and a direction for their careers.

Findings

A brief web search identified several hundred career counseling references from individual consultants who focus on mid-career changers to programs and services at colleges and universities. In the internationally acclaimed book *What Color Is Your Parachute* (1998) by Richard Nelson Bolles, he lists over 300 private and nonprofit career counseling resources. Examples of nonprofit-based career counseling services include Jewish Vocational Services and YWCA.

One example of a web-based career counseling site is **Careers.org**. This site bills itself as “A free and comprehensive career research and job-hunting site, that also includes expert job advice, career articles, and the best career sites on the Web. Careers.Org has nearly 4000 links organized by topic, including more than 1800 Links to Current Jobs plus Employers, Education, Personal Business, Career Services, and Career References. For nonprofit sector jobs, this site lists links to 25 of the commonly found websites targeted specifically job seekers in the nonprofit sector.

Observations

Career counselors and counseling services is a large component of the workforce development industry. In this review of executive transition services, this component of the industry does not appear to be linked to any executive transition services. However, it does appear that it would be useful in expanding access to information about jobs and qualification requirements in the nonprofit sector.

Web-based Services

With the growing popularity and access to the Internet, there are an increasing number of recruitment, search and other support services offered primarily through the world wide web.

Findings

The diversity of resource identified on the Internet suggests a growing demand or at least growing interest in information and related resources for work force development. There is no consistency in the language used to describe available programs and services. Internet web-sites include the following types of information:

- Libraries of how to information
- Resume and job search websites
- Online chats and peer networking opportunities
- General information

Two libraries of “how-to” information for nonprofit organizations include specific information on the executive director or chief executive. One site even includes a guide about transitions for boards of directors. The most comprehensive of these libraries is the *Free Management Library for Nonprofit Organizations* hosted by the Management Assistance Program serving Minneapolis and St. Paul <http://www.mapnp.org/>. LISC www.liscnet.org Online Resource Library References includes approximately two dozen items published by Neighborhood Reinvestment (Tom Adams), Free Management Library for Nonprofit Organizations, Chronicle of Philanthropy and Harvard. No original works were provided.

Nearly three dozen resume and job search web sites targeted to nonprofit sector jobs, with several specifically targeted to executive jobs were identified. Some examples of national job databases are: CareerBank (Alliance for Nonprofit Management), Career Search Online (Charity Channel), ExecuSearches.com (now independent; originally created by the Issacson Miller Search Firm); NonprofitOyster.com (commercial site); OpportunityNocs (The Management Center, San Francisco); HireDiversity.com (commercial site for Latinos). Some of the job search databases charge a fee to both post and search for a position, and several are free. Several of the management support organizations reviewed also have job listings for their communities on their web-sites. One interesting example is Elfnet.com (Embracing Idealism Through Nonprofit Career Choices) http://elfnetwork.com/about_us.htm This is a for-profit Internet business with the mission “To encourage current and pre-professionals to consider non-profit careers by dispelling myths, disseminating information, and publishing exciting and profitable job opportunities with non-profit organizations on their web site.” Their site includes a detailed article about nonprofit job searching through the Internet. The position announcement rate is \$100 for 60 days. The site also offer discounts for multiple job listings. This rate and discount is representative of the fees for several of the sites.

There are a variety of on-line chats and peer networking opportunities for post-hiring support. For example, CareerNet is the listserv of the Careers Division of the Academy of Management. It provides a forum for discussion about careers issues of interest to both researchers and practitioners, including the nonprofit sector.

There are a few web sites that offer multiple links to information about executive director jobs and transition information, but there is not one coordinated Internet source (or portal) of information. For the person considering an executive director position or even for the employer posting a position, the choices and quality of the resources is not clear, somewhat confusing and may even be overwhelming. There is some but not standard information about how effective some of the services are for job seekers or employers. For example, *About.com* is a network consists of hundreds of Guide sites neatly organized

into 23 channels. The sites cover more than 50,000 subjects with over 1 million links to the best resources on the Net and the fastest-growing archive of high quality original content. The Guides know their subjects as well as anyone. Together they have gathered and created hundreds of thousands of pages of content to share with users. Stan Hutton, a nonprofit management professional, and program officer at the Clarence E. Heller Charitable Foundation is About's Nonprofit Guide. The links in this Guide cover such topics as "so you want to work in the nonprofit sector," "tips on job seeking in the nonprofit sector," "links to job websites," and an "overview of the executive director's job." The tag line for the "overview" say, "Looking for a stressful job that pays under market rate? Here's an overview of the nonprofit CEO job."

(For more information about these web-based services, see Appendix 2: Websites for Executive Search.)

Observations

The Internet offers a variety of resources for job seekers and employers in the nonprofit sector. There is an expanding infrastructure of existing websites offering various services at varied costs that support different aspects of the executive transition process. For the most part the services are charging affordable rates because most are trying to tap into the power of volume demand. This includes information for those just thinking about a job in the nonprofit sector to many vehicles for preparing for and finding a job. The number of Internet resources related to employment and the extent to which they are being used, suggests it could be a useful tool in increasing information and access to executive transition services.

Foundations

Foundations provide much of the financial support for developing services for nonprofit organizations. Services such as strategic planning for nonprofits and other organization development services have been encouraged and subsidized by foundations. It is likely that executive transition services will also need to be marketed and subsidized.

Findings

The Foundation Center provides two ways to search its on-line directory of foundations. One way is a search by foundation. The other way is by grants awarded. We conducted a search of both using the following keywords: executive transition, leadership transition, executive search, leadership development, organizational capacity building and nonprofit management. **A search of The Foundation Center Directory including 10,000 foundations and 150,000 individual grants identified the following information:**

- 31 foundations with an interest in organizational capacity building –818 grants awarded for a total amount of \$321,692,337
- 13 foundations with an interest in nonprofit management – the total amount of grants awarded was \$225,630,063
- 1813 foundations with an interest in leadership development related activities – a sample of 10% of these grants was valued at \$2,453,432,577
- 3800 leadership development grants – a sample of 100 of these grants was valued at \$4,618,559
- 29 grants for executive or leadership transition - grant amounts ranged from \$10,000 to over \$1 million. The 29 grants were made by 16 foundations – primary among them the Packard Foundation with 6 grants. The James Irvine Foundation had 2. Total giving for executive or leadership transitions was \$4.2 million.

- 27 grants for executive search – grant amounts ranged from \$12,000 to \$200,000. The 27 grants were made by 5 foundations – primary among them the Packard Foundation with 19 grants. Other foundations includes Surdna, Philadelphia Foundation, Boston Foundation and Jessie Ball duPont Foundation.

We also specifically examined the top 15 foundations by asset size for signs of interest in executive transition or related leadership and organization development. Ten of the 15 noted some interest in building nonprofit capacity, although few specifically funded executive transitions. Following is a summary of the relevant findings. For more information on all top 15 foundations and other visible foundations, see Appendix 2.

- Lilly Endowment has an interest in leadership education in nonprofits and has given \$6.5 million to The Center on Philanthropy at Indiana University to build on the academic center's leadership in enhancing the understanding of philanthropy and improving its practice including improving nonprofit services in Indiana and the nation. One grant was found that specifically supported leadership transitions. There were several grants to support clergy renewal.
- In the past 40 years the Ford Foundation has made approximately \$90 million in grants to train and develop nonprofit leaders in the United States and overseas. Grants given to support leadership transitions include: American Civil Liberties Union Foundation, Inc., Oxford Brookes University, University of Ghana, Indonesian Society for Performing Arts, WEDO, Carolina Alliance for Fair Employment.
- The David and Lucile Packard Foundation, as shown in summary above, have a significant interest in building organization effectiveness and have given over \$33 million in grants to support increased organization effectiveness including supporting leadership transitions and intermediaries providing executive transition services.
- The Robert Wood Johnson Foundation has supported capacity building through its participation in NDCI, but has limited other engagement with capacity building or leadership transitions.
- J. Paul Getty Trust is focused on arts and funds a Leadership Institute which offers professional development opportunities to strengthen museums as well as individuals working for museums.
- One key funding area for the W. K. Kellogg Foundation is philanthropy and volunteerism. In this area, their three key strategies include: Supporting emerging leaders and donors, Creating and sharing knowledge and Building tools for nonprofit sustainability and foundation effectiveness. Further Kellogg has a long history of funding leadership development and funds www.leadershiponline.org a website on leadership development.
- The Pew Charitable Trusts has funded capacity building in the Philadelphia area and funds innovative ideas through its Venture Fund.
- The John D. and Cathrine T. MacArthur Foundation seeks to foster effective community organizing and planning efforts, organizational development and institutional capacity building among non-profits, and the implementation of comprehensive community initiatives in neighborhoods through its Human and Capital Development Program. They are also a NCDI funder.
- The William and Flora Hewlett has a strong commitment to the voluntary, nonprofit sector. It will therefore assist efforts to improve the financial base and efficiency of organizations and

institutions. They also fund the Philanthropy West which provides workshops for grant makers on variety of issues. Over ½ of their grants are general operating support. No grants were found that specifically supported leadership transitions.

- The Rockefeller Foundation has a focus on Global Philanthropy including next generation leaders creating a diverse intersectoral network of young leaders to develop problem-solving models and to identify solutions to the social, economic and technological disparities that threaten democracy. Rockefeller is also an NCDI funder. Finally, the foundation funds the Humanities fellowship which highlights diversity.

The Foundation Center databases rely on information reported in foundations' 990 forms and other sources. Consequently, there are more recent grants that support executive transition which are not captured by the above figures. For example, in Baltimore the Annie E. Casey Foundation provided a \$75,000 grant to Maryland Nonprofits to begin their Executive Transition Program in 2001.

Observations

The total number of grants in FY00 targeted to leadership development, organizational capacity building and executive transition was 4,679. This represents 3.1% of the 150,000 grants listed by The Foundation Center. While in financial terms it represents a several billion dollars in giving, it is very small percentage of total funding made available by foundations.

Executive transition and executive search is not a field of interest keyword for a search of foundations, but these are key words in the search engine for individual grants. While very few in number – 39 total for FY 00 - the fact that grants for this purpose appear at all is encouraging. Through such organizations as the Council on Foundations, Associations of Grant Makers across the country, and Grant-Makers for Effective Nonprofit Organizations, there is an opportunity to continue to educate foundations about executive transition as an organizational capacity building opportunity, and the increasing need for these services among grantees. Further, 10 of the top 15 foundations by asset size showed some interests in organizational capacity building which may be expanded to include executive transition.

Other Institutions

Findings

There is a small but growing interest in academic research related to executive workforce development and transition practices in the nonprofit sector. Separate from “how-to” management literature, there is qualitative and quasi-experimental research aimed at understanding the issues and outcomes of different approaches to transition support and management. There is also survey research being done by various organizations to better understand transition and career development needs, and job satisfaction among nonprofit organization employees.

Finally there are a growing number of university based nonprofit training programs. According to a recent review of these programs, “Over 242 colleges and universities offer courses in nonprofit management. Sixty-six programs offer noncredit courses such as Fundraising, Managing Your Nonprofit Organization, and Governance. Many of the 53 programs with courses through continuing education, have similar courses designed for the nonprofit manager, including Strategic Planning, Human Resource Management and Financial Management. An additional 83 schools offer at least one course for undergraduate credit, 76 of these with an American Humanics affiliation, (an alliance of colleges, universities and nonprofit organizations preparing undergraduates for careers with youth and human

service agencies). Finally, 146 colleges and universities have at least one course within a graduate department. Ninety-seven of these programs offer a graduate degree with a concentration (three or more courses) in the management of nonprofit organizations, while an additional 49 universities offer one or two graduate courses, usually financial management and generic nonprofit management.” Only one program was found with a course that focuses on executive transition. **Regis University Master’s Program in Nonprofit Management**, Summer 2002 offered a course in transition management. The faculty is Scott Smith, Principal Full Circle Consulting.

Observations

The growing academic interest in nonprofits and in executive transitions and the increasing number of nonprofit management programs offer an opportunity to insert transition management practices and issues into nonprofit management training. In the long run, this may help to create an environment where nonprofit executives are better able to access resources to support them and their organizations during transitions.

Generational or Diversity Oriented Services

Findings

Across all existing transition and transition related services, there are very few focused programs promoting greater diversity in the leadership of the sector. There are a few programs which aim to bring young people into the sector. The services are reviewed below.

One service was found that focused specifically on mid-career changers. 40Plus is a non-profit, self-help, volunteer organization providing a proven, education-based program of classroom training, group support from peers, networking opportunities, and lectures on topics of interest to executives in career transition. Today, there are 11 independent 40Plus organizations located in Washington DC, California, New York, Ohio, Pennsylvania, Texas, Utah and Wisconsin.

At the core of the 40Plus commitment to improve management of the job search is an intensive, two-week training program, which combines the best information available to commercial executive search and placement services with the unique power of peer group dynamics to encourage personal change.

The program focuses on the entire spectrum of the job search with an emphasis on presentation, resume writing, and networking. Participants meet daily in small groups to learn the techniques of interviewing, networking and goal-setting, and come away knowing how to plan, organize and succeed in your job search.

Several programs were found that focused on attracting young people to the nonprofit sector. American Humanics is a national alliance of 78 colleges, universities and 17 national nonprofit organizations preparing undergraduates for careers with youth and human service agencies. The web site <http://www.humanics.org/> includes references to salary studies and job readiness, and links to the national nonprofit organizations partners and their job recruitment information. Examples of its nonprofit organization partners include American Red Cross, America’s Second Harvest, Big Brothers Big Sisters, Catholic Charities USA, Junior Achievement, National Urban League, Special Olympics, etc.

The National Congress for Community and Economic Development’s Emerging Leaders program also focuses on undergraduate and graduate students and encouraging them to take a job in community and economic development. Other websites targeting young talent include Access in the Public Interest and Idealist.org.

A few programs were found that focused on increasing diversity especially among management, although not specifically nonprofit management. Hispanic Alliance for Career Enhancement (HACE) is a national nonprofit organization located in Chicago. Founded in 1982, it is a national pioneer in developing initiatives that provide opportunities for Hispanics to participate in professional and managerial positions, as well as in the educational advancement of college students. HACE's Candidate Referral Service is the only multi-disciplinary Hispanic sourcing vehicle available today. HACE's recruitment service utilizes a résumé database of over 4,000 Latino professionals and a seasoned recruitment team who access hundreds of résumés from a wide range of disciplines on a daily basis. HACE posts position descriptions in a member only database, sponsors an annual career development conference (June 20, 2002 was the 17th annual) with career fair and workshops, as well as a series of career strategy and skill development workshops. While seemingly oriented to positions in the for-profit sector, there are some job listings for nonprofit and public organizations.

One search firm was identified targeting African American professionals as was one leadership program. Minority Executive Search, Inc. <http://www.minorityexecsearch.com/> located in Cleveland, OH, serves women and minority professionals. This firm primarily targets jobs in the for-profit sector.

African American Leadership Institute at UCLA <http://www.uclaexeced.com> is facilitated by the Office of Executive Education Programs. It is a 5-day program offered annually at a cost of \$4,950 per participant. UCLA's African American Leadership Institute aims to distill the wisdom and experience of the nation's top African American corporate leaders and public figures and identifies the tools required to prepare today's African American executives for tomorrow's organizational leadership. During five days of provocative and stimulating discussion on the state of African American leadership, participants address key issues from a personal, interpersonal, and organizational perspective and take away a practical tool kit to increase productivity, leverage, and value to their organizations.

Though not specifically oriented to nonprofit organizations, this Institute suggests a model that may be useful for assisting Executive Directors of color or diverse origins. The need for such assistance in the nonprofit sector is well documented in the recent book *The New Urban Leaders*, by Joyce Ladner. Published by Brookings Institute, 2001, this book features the stories of founders of nonprofit organizations who are making profound differences in their communities through persistence, vision, risk-taking, and challenging the status quo. The book concludes that "building intergenerational organizations, which nurture new leadership, must be a priority for the new urban leaders." Ladner summarizes that a majority of them are concerned about producing the next generation of leaders who are able to carry on their work.

No MSOs were found that identify generational issues or diversity issues as part of the focus of their executive transition work. However, a few MSOs with a focus on diversity were identified and may be a logical place to go to begin to expand executive transition work incorporates and targets greater diversity. Two such organizations are Mosaica www.mosaica.org located in Washington DC and Wilder Center for Communities www.wilder.org located in St. Paul, MN. Mosaica is organized into three interrelated components: Organizational Development, Health Care Access and Capacity, and Consultation to Philanthropy. Staff and carefully selected consultants typically work in multicultural teams with diverse training and perspectives. The Board and staff include Hispanic, African American, Asian, multicultural, and white non-Hispanic members who are Christian, Jewish, Muslim, and Buddhist. Most come from communities of color; several have multicultural families. Wilder Center for Communities was recently involved in a bi-cultural training initiative with new arrived Americans and Southeast Asian populations.

Observations

There are a number of executive search and transition resources designed for different age groups and their needs given their career development. There are also a number of resources for people of diverse origins and race. The existing resources are a foundation to start with in expanding the attention to executive leadership development in nonprofit organizations. For example, creating opportunities within nonprofit organizations for intergenerational leadership development and forums for leaders to continue their professional development may offer a promising practice.

The web-based resources for people of color and other minorities are not well integrated into the general resources available for executive transition and search. In other words, it took several additional steps and keywords to find this information.

Recommendations Based on Review of Nationally Available Executive Transition Services

This national scan suggests that there is a broad and diverse infrastructure for accessing information and resources that facilitate and support executive leadership development and placement in nonprofit organizations. On the Internet, it is a disperse set of resources that is not as well linked as it could be in many cases. Also because of the abundance, especially when it comes to search firms, consultants, and on-line job databases, it is not easy for either the job seeker or the organization with the position to know how to best market and advertise to find good candidates. These recommendations are offered as potential strategies for foundations and other stakeholders to consider.

- Develop a plan to expand the visibility of transition services through the existing infrastructure that supports nonprofit organizations (i.e. management support organizations, educational institutions and programs, and foundations).
- Create a more comprehensive resource for transitions that draws together and links the diversity of available resources, especially on the Internet. This type of resource might resemble an executive transition targeted, web-based MSO and could include a process for users to better “judge” the value of the information on other websites. (See Georgia Center for Nonprofits www.nonprofitgeorgia.org, for an example of a consultant quality assessment system.) For example, there is no way to know without an extensive review, which of the job search web-sites are the most frequently used by employers or people searching for jobs.
- Expand linkages with career development professionals such as counselors who specialize in working with mid-career changers and young professionals to increase their knowledge of the leadership needs in the nonprofit sector.
- Develop and disseminate more quality information about executive workforce development and transition practices for and in the nonprofit sector. The *Free Management Library for Nonprofit Organizations* hosted by the Management Assistance Program serving Minneapolis and St. Paul is the most commonly reference link on related web sites and the source of information for handout materials being used in workshop by Management Support Organizations.
- Develop a curriculum for a management course in executive transitions. The factors involved in this are broad enough and becoming grounded enough for a semester long course.
- Expand the academic research to executive workforce development and transition practices. This type of reach would be important for obtaining more definitive information about the value and outcome of the approaches the sector is taking in these areas.