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The Ghost of the Founder

Photo credit: Matt Sussman at The New School

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An intriguing experiment has been underway with groups of non-profit executive directors (EDs) who have only one thing in common: They all have replaced the founders of their organizations.

Though they represent extraordinarily diverse missions (social service, arts, education, housing, medical research, advocacy) and size ($50k to $20mm budgets) they have remarkably similar stories to tell.

Milano The New School for Management and Urban Policy established the Tenenbaum Leadership Initiative (TLI) specifically as a pilot program to help those EDs who follow a founder. Our initial goal was to develop a multi-faceted program that would enable them to find their own leadership voice amidst the prevailing "fog" of the founder who, in one of a number of ways, has probably never really left. With the generous support of a grant from Ann Tenenbaum and Tom Lee, we set out on an action-research project to simultaneously intervene and collect data about the dynamics of founder succession. After working with two cohorts of EDs – about 37 people – over the past 18 months, we have coined our own term to characterize an overarching theme in all of these cases: The Ghost of the Founder.

There are many ways the founder stays on, consciously or not. They shift to a board role, create a consulting contract to keep themselves involved, or stay in very close touch with the board (who they selected). Inevitably, a critique of their replacement ensues, since their "child" now has a new parent. In cases when they acknowledge the need to make a clean break and resist any formal or informal connection to their "child," their ubiquitous presence remains woven into the fabric of the organization's culture, guiding others in "the way things should be done." In an extreme case, one of our participants replaced a founder who was – quite literally – hit by a bus and killed. Memories of ways the founder solved problems and made decisions nonetheless lingered heavily on the board and restricted innovation by the ED who replaced him.

Though we are heartened by the feedback from EDs who completed both pilot programs, we remain distressed at implications of what we have learned for the broader non-profit sector. The demographics of founders who started non-profits in the 1970's and 80's are aging-out and realizing, for one reason or another, that it's time to step down. Data support our belief that the rate of founder-succession is accelerating and in many cities we have yet to experience the full impact that following the founder will have on a larger scale.

What Have We Learned?

Even when the founders remain physically connected to the organization, their successors can find their own voice, emerge as leaders, and take the organization on its necessary path.

From Day 1 – Guidelines for the New Executive Director

1. **Find support.** Participants in TLI report with near-unanimity

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the need for collegial and expert support. Even relatively minimal executive coaching enabled them to more objectively reflect on their plight and develop strategies for managing 'the ghost.' As a fish doesn't know water until it finds itself out of it, so too an ED often cannot see and understand their environment and options unless they can discuss them with others, outside the organization. Most EDs who have been able to develop meaningful relationships with peers who share similar following-the-founder issues are amazed at results from such mutual support and the sharing of lessons learned.

2. **Look forward.** A founder's legacy is rooted in his or her vision for their 'child.' That vision may have been the ignition to launch the enterprise and the fuel to sustain it through difficult times, serving as a guide to its growth. While the vision should not undergo wholesale change, the new leader must put their imprimatur on a revision of the founding vision. Perhaps the long-term strategy must be adapted to new circumstances or the values of the organization that undergird the culture need modification. Is the raison d'etre of the organization still relevant after the decades?

3. **Find your voice.** Only when a new ED can confidently express his or her ideas for the future to all the stakeholders – board, staff, external constituency, and even the founder – will there be a universal acknowledgement that the new ED is really sailing the ship. It's palpable when that voice is heard by others and, not coincidentally, the ED concurrently experiences a newfound confidence.

Placing all responsibility on the ED who's replacing the founder is really missing the point, though. The uphill climb would have far lighter baggage if founders and their boards acknowledged the difficult issues of succession long before the founder steps down. While this is easier said than done, a model is emerging from our experiences and my current research that provides new guidance to this process. The steps below may seem idealistic at first blush, but each step is actionable if the ***founder*** is willing to be innovative and engage in activities that may feel psychologically risky.

Step 1: **Find an unbiased friend or professional.** The attachment a founder experiences with their organization – their child – cannot be avoided. It prevents many founders from consciously thinking of, or planning for, succession even in the face of input from board members or other credible sources. At some point, the internal voices become louder and the conflict within so discomforting as to result in poor planning for the founder's personal future and for his or her organization. Options include an experienced executive coach, a therapist with some background in organizational issues, or even a trusted friend who has the independence to ask the difficult questions and not become complacent when the answers take a sharp tone. Founders must understand the emotionally strong connection to their creation and the issues inherent in letting go.

Step 2: **Start talking to the board.** If board members have not already raised the concern over succession, then progress on Step 1 should enable the dialogue to begin. Putting the topic on the table shows willingness to begin the discussion. While discussion is not the same as planning for succession, Step 2 is a critical bridge to establish the issues that need addressing by the board and the ED before any action is taken.

Step 3: **Start planning with the board.** As issues are clarified, the board or a subcommittee should convene to map it's recruitment and selection process. As a rule-of-thumb, the founder should not be part of these discussions except on an ad-hoc basis. But the founder and board must begin strategizing ways for the organization to create an identity separate from its founder.

Step 4: **Identify what will be required for the new ED to succeed.** Both the founder and the board need to identify steps that will enable the new ED to assume leadership and minimize effects of "the ghost." This should commence even before an ED is selected. For example: What role(s) will the founder serve after stepping down? How would each role potentially compromise the new ED's success? Is the board in its entirety ready to begin working with a new ED or do some members feel the need to step back, due to their intimacy with the founder? Are there new initiatives or a shift in strategy that might coincide with the new founder's first year?

CEO succession in any organization is difficult; in non-profits it is often more complex than in the corporate sector. But when the CEO of a non-profit is its founder who is stepping down, the underlying issues – left unaddressed – can virtually assure that the new ED will either fail or at the least waste precious time and energy managing the enterprise and establishing their leadeship. During these perilous times, no non-profit can afford this waste.

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