

# EXECUTIVE TRANSITION FUND REPORT



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## **This report was** \_\_\_\_\_

**Written by** Carrie Harlow and Otha Cole

**Designed by** Regina LaPlante

## **Acknowledgements** \_\_\_\_\_

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### **Managing Funder Committee Members**

Erin Jackson-Ward, Cedars-Sinai

Jennifer Price-Letscher, The Ralph M. Parsons Foundation

Sara Straubel, The Ahmanson Foundation

Christine Tran, Ballmer Group

### **Executive Transition Committee**

Maisie Chin, Versal Strategy

Stella Chung, Durfee Foundation

Kadar Lewis, The Ralph M. Parsons Foundation

Qiana Montazeri, Cedars-Sinai

Lisa Watson, Watson Consulting Group

Jacqueline Chun, Carl & Roberta Deutsch Foundation (formerly)

Claire Peeps, Durfee Foundation (formerly)

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This report is based on the Nonprofit Sustainability Initiative's independent experience and analysis. The Nonprofit Sustainability Initiative is solely responsible for its content, which does not necessarily reflect the individual views of others named in this report.

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# EXECUTIVE SUMMARY

The Executive Transition Fund (ET Fund), launched in 2021 by the Nonprofit Sustainability Initiative (NSI), supports Los Angeles County-based nonprofits through critical executive leadership transitions. The ET Fund has awarded grants (ranging from \$75,000 to \$100,000), tools and support, and a peer network to three cohorts of organizations to date, totaling 18 nonprofit organizations. Recognizing there is no “one transition plan fits all” approach, NSI emphasizes comprehensive transition planning reflecting each organization’s values and unique circumstances. NSI’s work has demonstrated the importance of treating transitions like other strategic endeavors, incentivizing thoughtful planning with robust investment. Transitions of long-tenured executives often involve documenting institutional knowledge, right-sizing the executive role, board engagement and training, external consulting and coaching, recruitment, and more.

Abandoning the “wait and see” approach is not enough. Funding transitions requires moving beyond scarcity mindsets. With average transition budgets estimated at \$235,000, organizations need change capital to handle unexpected expenses like prolonged recruitment, overlapping salaries, retention bonuses, or consultants for new leaders.

Executive transitions are not merely organizational crossroads; they are opportunities for resiliency and growth. By supporting transitions boldly and proactively, funders can help nonprofits emerge stronger, ready to sustain and expand their impact.

## NONPROFIT DISCOVERIES

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1. Transition as a Fundraising Opportunity
2. Leadership Structure Flexibility
3. Financial Runway
4. Stakeholder Alignment
5. Protect Onboarding Time

## FUNDER RECOMMENDATIONS

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1. Talk about transition
2. Fund the mission, not individuals
3. Encourage comprehensive planning
4. Recognize the investment required

# BY THE NUMBERS

18

Nonprofit  
Transitions  
Supported

15

Executives  
Onboarded



93%

Executives  
onboarded  
identify as  
**BIPOC**

Average  
transition budget:

\$235,000



87%

First-time  
executives  
onboarded

## NONPROFIT OUTCOMES

80% Board more engaged & educated

80% Institutional knowledge more organized & accessible

70% Board Chair introduced to new ideas & more effective practices

60% New technology & system processes implemented



6 months prior to departure

40%-80%

outgoing executives' time  
dedicated to transition



# ORIGIN STORY AND STATEMENT OF NEED

Nonprofit organizations often face significant challenges during executive leadership transitions, which, without adequate support, can disrupt operations and derail impact. Recognizing this gap in support, the Nonprofit Sustainability Initiative (NSI) launched the Executive Transition Fund (ET Fund) to provide critical financial and capacity-building support, normalizing transitions as opportunities for resilience and sustainability rather than existential crises.

Conceived in 2019, when generational leadership shifts were accelerating, the ET Fund responded to a lack of philanthropic investment in this area. NSI engaged a consultant to identify barriers through focus groups, laying the groundwork for a timely launch in 2021, as the Pandemic added complexity to leadership transition trends already underway.



NSI's ET Fund provides critical financial and capacity-building support to help organizations navigate the complex process of an executive director or founder's departure after many years of leadership. The ET Fund supports nonprofits through grants, a library of toolkits and resources, consultant referrals, and cohort-based coaching and peer support, empowering them to skillfully plan and implement leadership transitions. By addressing all stages of the process—planning, implementation, onboarding, and acclimation—the Fund helps organizations navigate these pivotal moments with confidence and emerge stronger.





# HOW WE WORK

NSI is a Los Angeles County-based pooled fund with participation from 25 funders since its inception in 2012. A managing funder committee directs the initiative, which is fiscally sponsored by Southern California Grantmakers. The current managing funders include: Ballmer Group, Carl and Roberta Deutsch Foundation, Cedars-Sinai, The Ahmanson Foundation, and The Ralph M. Parsons Foundation.

In 2021, NSI established the Executive Transition Committee to oversee the ET Fund activities and make recommendations to the managing funder committee. This specialized committee includes representatives from both funder and transitioned-nonprofit-executive perspectives, ensuring that the fund's strategies align with the needs of nonprofits undergoing executive transitions.

## PROGRAM STRUCTURE

The ET Fund provides financial and non-financial support to cohorts of 5-7 nonprofits undergoing executive transitions. Financial awards, ranging from \$75,000 to \$100,000, are disbursed in two phases—one for transition planning and another for implementation. This structure ensures flexibility, allowing organizations to adjust their plans as needed. NSI emphasizes alignment with nonprofit values, encouraging organizations to tailor transition pathways to their unique needs without prescriptive mandates.



- **Transition Planning Grant:** Supports the initial planning, allowing grantees to thoughtfully assess their needs, develop a detailed plan, invest in board development activities, and avoid rushing through critical decisions.
- **Transition Implementation Grant:** Funds execution of the plan, allowing adjustments to address emerging challenges.

**The core ET activities include:**

## REGULAR PEER GROUP MEETINGS

Facilitates shared learning and support among peer groups of outgoing executives, incoming leaders, and board members. To ensure participants can fully benefit from the program, as well as be a resource to their peers, we required a 75% attendance rate. Regular participation is crucial as it helps each cohort member stay aligned with others going through similar transitions, enhancing the collective learning experience.

## PLANNING TOOLS AND RESOURCES

Helps organizations map out their transition strategy with structured guidance. Including:

- A video library offering expert insights on executive leadership transitions from individuals with recent lived experience
- A transition roadmap to guide the overall process with likely activities and key considerations outlined
- An exit compensation guide to navigate compensation discussions
- A consultant roster for specialized transition assistance

## ONE-ON-ONE COACHING

Provides tailored guidance and support to address the unique challenges of each transition.

## ELIGIBILITY CRITERIA AND TRANSITION TIMELINE ALIGNMENT

The program serves Los Angeles County-based nonprofits with at least five full-time staff planning for the departure of a founder or long-tenured leader (7+ years). To ensure a meaningful and practical peer learning environment, and an alignment of experiences, organizations must commit to a defined transition window. For instance, the April 2024 application cycle required participants to plan executive departures between April 2025 and December 2025. Additionally, participants must also incorporate diversity, equity, and inclusion goals into their transition plans, ensuring leadership changes reflect broader institutional values and support transformational organizational growth.

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## COHORT MODEL - PEER MENTORING

The program organizes participants into three tailored peer groups, fostering trust, candid conversation, and mutual learning over 12-14 months. These groups provide a consistent support system, helping participants navigate transitions effectively. The program remains responsive to emerging themes and challenges by inviting past participants and peers with relevant experience to share insights and practical guidance during meetings.

- **Outgoing Executive Peer Group:** Offers departing leaders a space to reflect on their experiences, share insights, and receive peer mentoring to address the emotional and professional complexities of leaving a long-held role.
- **Board Chair Peer Group:** Supports board chairs, who play a critical role in ensuring continuity during transitions, by facilitating the exchange of best practices and strategies to guide organizations through leadership changes.
- **Incoming Executive Peer Group:** Helps new leaders build confidence and navigate onboarding by providing a forum to exchange ideas, seek advice, and strengthen institutional funding relationships through Meet & Greet events with funders.
- **All Cohort Convenings:** The program kicks off each new cohort with a breakfast gathering, bringing together current and past participants for shared learning and knowledge exchange. Afterward, peer groups reconvene to continue focused discussions. This mix of broader and role-specific meetings ensures participants gain both general insights and tailored support.

## CONFIDENTIAL PARTICIPATION

Grantee participation remains confidential until publicly announced, ensuring that sensitive organizational matters are handled discreetly and transitions can be planned without external pressure.

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# WHAT WE HAVE LEARNED

## PREPARING FOR A SUCCESSFUL TRANSITION

There is no “one transition plan fits all” approach. Each organization’s transition planning and implementation must reflect its unique circumstances. While some outgoing leaders require time to document institutional knowledge and delegate tasks, others may already have these processes in place. Transition strategies vary: some favor a “clean break,” while others benefit from staggered milestones, with outgoing leaders assisting in onboarding while maintaining healthy boundaries. Organizations may need external recruitment firms, or opt for a supported in-house approach based on internal candidates or criteria like lived-experience and cultural competency. Boards require varying levels of development as they become key stewards of the mission in the absence of a long-tenured leader, particularly after board turnover or without prior implicit bias training. Executive coaching is commonly provided for incoming leaders, but in some cases it may also benefit outgoing leaders learning to let go, and even board chairs as they guide the organization through change.

**However, there are some common conditions of successful transitions:**

### **1. Board involvement early and often in succession planning**

- Boards were engaged early by the outgoing executive or included succession planning in their strategic planning. Either the full board or a transition committee committed additional hours to define roles, conduct outreach, meet candidates, maintain communication with stakeholders, and support the incoming leader.

### **2. Staff informed of transition plans**

- While the board reserves final hiring authority, it’s crucial to inform and consult staff during key stages. This allows time to process the change, provide input, and nurture buy-in for the new leader, particularly when internal candidates are involved.

### 3. A plan in place for knowledge transfer

- For founders and long-tenured leaders (7+ years), addressing institutional knowledge gaps is critical. Outgoing leaders spent 40–80% of their time in their final six months documenting key information, such as banking protocols, partner contacts, logins, and fundraising materials such as messaging repository for proposals, prospect pipelines and more.

### 4. Organization has its “house in order”

- Participants emphasized resolving issues like personnel conflicts, staff-board misalignments, or financial mismanagement before transitions. Leaving such challenges unresolved can overwhelm incoming leaders and consume their time as they onboard.

### 5. Organization has sufficient resources or funding for process

- Raising “change capital” is essential, particularly for smaller organizations with limited capacity. Flexible resources enable organizations to address unanticipated costs and to achieve buy-in for and execute on the new leader’s vision.

## A TRANSITION GUIDE: PHASES OF TRANSITION & KEY CONSIDERATIONS

While each transition’s circumstances and stakes are unique, we have observed that many transition plans contain common activities that fall within four phases: **Phase I, Early Transition Planning; Phase II, Pre-Recruitment; Phase III, Recruitment; and Phase IV, Offboarding and Onboarding**. We documented the activities grantee partners reported to us and created a Transition Roadmap, including key thematic and considerations for organizational leaders (board and staff alike) to keep in mind as they develop a transition plan.

For a list of transition activities and key considerations by phase, see Appendix A. These lists are neither exhaustive nor obligatory, but meant to inspire conversations that lead to custom transition plans and inform a proactive transition budgeting process.

# FUNDER RECOMMENDATIONS

The following four recommendations are supported by learnings shared by NSI cohort participant grantee partners. Below our recommendations are a summary of recommendations informed and borrowed from recent publications from peers in the field, including the Robert Sterling Clark Foundation [Brilliant Transformation Report](#), the Cricket Island Foundation's [Supporting Nonprofit Leadership Transitions Report](#), a [recent article by Bridgespan](#), and conversations with other funders as part of the [Leading Forward Initiative](#).

## 1. TALK ABOUT TRANSITION

- Practice signaling openness and partnership with grantees during leadership transitions.

## 2. FUND THE MISSION, NOT INDIVIDUALS

- Support the organization's mission and impact, especially during transitions, which offer unique opportunities to invest in high-impact organizational development.

## 3. ENCOURAGE COMPREHENSIVE PLANNING

- Fund transition plans that go beyond recruitment to include board and staff development, coaching, overlapping salaries, retention and exit compensation, systems updates, and fundraising support.

## 4. RECOGNIZE THE INVESTMENT REQUIRED

- Healthy transitions take time and financial resources. Partner with grantees to set realistic expectations and ensure incoming leaders are well-supported.



# FUNDER RECOMMENDATIONS FROM THE FIELD:

## FULLY ACKNOWLEDGE YOUR OUTSIZED POWER AND OPERATIONALIZE IT BY

- Inviting regular conversations about succession planning and transition planning (and differentiate between the two)
- Encouraging the conversation early; use your communication to de-pathologize transitions and share transition resources
- Examining what impact a “wait and see” message has

## TRUST ORGANIZATIONS TO KNOW WHAT THEY NEED

- Ask organizations about the full cost of transition and provide targeted support for leaders, boards, and teams (board and staff development, consultant and coach engagements, legal or HR assistance, overlapping salaries, a chief of staff to manage operations, transition-related events, PR and marketing, etc.)
- Provide funding with as few restrictions and conditions as possible to enable leadership to be responsive and for the transition plan to evolve as events unfold and needs become apparent

## KNOW THE COST OF **NOT** FUNDING TRANSITION: REMEMBER THAT GETTING IT WRONG COMPROMISES GRANTEES’ WORK AND COMMUNITIES

- According to a [2024 article by Bridgespan](#), “When new leaders of color are not given the support they need, we collectively miss out on perhaps the most fundamental and far-reaching gift these leaders have to offer: the ability to re-envision organizations so they can more holistically serve their communities today and develop approaches to combat root causes of social injustice for a better tomorrow.”

## FUND LIKE YOU WANT BIPOC LEADERS AND THEIR ORGANIZATIONS TO FLOURISH

- Lengthen the funding runway through ample & unrestricted grantmaking, over the true length of the transition (18-24 months)
- Provide new leaders with opportunities to connect and offer introductions or use your power to convene within your network (connect new leaders to funders and peer leaders)
- Support peer exchange, mentorship, executive coaching, and well-being activities

### BRIDGESPAN INSIGHTS ON SUPPORTING LEADERS OF COLOR:

“Flexible grants can eliminate pressure to focus immediately on fundraising and provide leaders with the time and space needed to reimagine their organizations in accordance with their own visions, which may differ significantly from that of their white predecessors, as well as the means to fund a new program or strategic priority. Such grants give these leaders the ability to address immediate needs within their organizations without fear of going off a fiscal cliff later—a fear that may stifle risk-taking, innovation, and creativity.”

**“One of the biggest gifts is the financial runway. I am aware that for others sometimes as an executive director you have to come in and raise your own salary. It gives me the privilege to really think intentionally about how to be strategic and how to move forward in ways that are authentic to the organization because I’m not in survival mode.” - Élice Hennessee, Co-Executive Director, CADRE**

“As we have noted, leaders of color often bring, or can build, deep connections to the communities their organizations serve. Yet, they also have been excluded from the key social networks that help a leader cultivate major donors or that open doors in policy spaces...Whether through a grantee spotlight in a key publication or a warm introduction to peers, funders can help raise the profile of a new leader of color and provide access to valuable networks. Moreover, like unrestricted grants, these forms of support can also serve as public votes of confidence, with the add-on benefits such endorsements bring.”<sup>1</sup>

<sup>1</sup> "Nonprofit Leadership Transitions: Four Ways Funders Can Support Leaders of Color." [www.bridgespan.org](http://www.bridgespan.org). May 7, 2024



# FUNDING TRANSITIONS AS RESILIENCY-BUILDING

Funders have historically hesitated to support organizations during executive transitions, often taking a “wait and see” approach, withholding renewals, or scrutinizing grant requests more closely. This reluctance leaves nonprofits without the resources needed to succeed during these pivotal moments.

NSI’s work has demonstrated the importance of treating transitions like other strategic endeavors, incentivizing thoughtful planning with robust investment. Transitions of long-tenured executives often involve less engaged boards, requiring additional support like board retreats, development consultants, or project managers—costs that exceed standard budgets.

Similarly, often nonprofit executives have limited available bandwidth and many competing priorities for their time. Yet NSI cohort participants have shared that preparation activities leading up to their departure are daunting: documenting institutional knowledge, right-sizing their role and outsourcing responsibilities, completing projects and resolving outstanding system or HR issues, coordinating meetings for the transfer of knowledge and key relationships, etc. Grantees report that 40% - 80% of their time over the last six months in their role was dedicated to transition-related preparations - a substantial time investment, especially for leaders who already had limited bandwidth. NSI grantee partners assert that dedicated transition funding helped enable this shift and justify this necessary reprioritization in the 12-18 months leading up to their departure.

Abandoning the “wait and see” approach is not enough. Funding transitions requires moving beyond scarcity mindsets. With average transition budgets estimated at \$235,000, organizations need change capital to handle unexpected expenses like prolonged recruitment, overlapping salaries, retention bonuses, or consultants for new leaders. Flexible resources are critical, enabling nonprofits to adapt and align transitions with their future vision.

Executive transitions are not merely organizational crossroads; they are opportunities for resiliency and growth. By supporting transitions boldly and proactively, funders can help nonprofits emerge stronger, ready to sustain and expand their impact.

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## TRANSITION AS CAPACITY BUILDING

In May 2020, Allison Hurst, founder of Safe Place for Youth (SPY), announced her transition plans to the board. While spinning off from its fiscal sponsor and navigating related organizational changes, SPY was in a strong financial position to invest in growth. Hurst sought a leader with skills to meet the moment and reflect the organization's values, particularly a leader of color.

SPY's transition plan and corresponding transition budget included an organizational assessment and hiring a recruitment firm with a DEI focus. Funds were also allocated for coaching Hurst and SPY's board chair, with some funds preserved for the incoming leader to address organizational needs and receive executive coaching.

Reflecting on the process, SPY emphasized resolving organizational issues before transitions, staggering change management activities, and prioritizing staff support to help them navigate changes in their role or in the organizational culture (through staff retreats, staff coaching, culture-building activities, etc.). They also highlighted the importance of preserving institutional knowledge and allowing more time for preparation; in hindsight their 12-month timeline felt too short compared to peers' 15 months.

**“One of the big challenges in taking on this role and following in the footsteps of a founder is that the organization had grown dramatically under her leadership, so it was taking it from more of an organic, grassroots feel to embedding systems and creating structures to support the size of the organization. Coming in, there was a lot of bringing folks along with those changes.**



**Some of the areas I prioritized were bringing someone in to do an infrastructure assessment. We also worked with someone who provided consultation on our fundraising strategies, and we had an external evaluation of our finances and internal controls. Having folks with specific expertise come in and make recommendations has given me tools that it would have taken me much longer to access had I been doing it independently.” - Erika Hartman, CEO of Safe Place for Youth**

Two years after hiring CEO Erika Hartman, SPY has an executive leader aligned with its values and has achieved significant growth. The organization reports a stronger infrastructure (HR, finance, operations), increased financial health, and a 70% expansion in impact, serving more youth while fostering a culture of continuous improvement and staff development.

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## TRANSITION AS TRANSFORMATIONAL

Regina Birdsell, longtime executive director of the Center for Nonprofit Management (CNM), discussed a three-year transition timeline with her board chair before presenting her plans to the full board a year later. Over 18 months, they developed and implemented a transition plan aligned with their strategic planning process. While financially stable, CNM relied on fee-for-service consulting rather than fundraising, prompting the need for a visionary leader to redefine the organization's role to meet changing sector needs, adapt services, and engage funders more effectively.

The initial planning phase included two consulting engagements: an organizational assessment to optimize structure and staffing and a collaboration with the Equity, Diversity, Inclusion, and Access (EDIA) Committee to create a two-year action plan and provide board training on systemic oppression and implicit bias.

Unanticipated staff departures and Birdsell's leadership in the Equitable County Contracting effort delayed the timeline. After a yearlong search, the board hired Efrain Escobedo, who brought a clear vision and strong philanthropic relationships from his role at the California Community Foundation.

Escobedo spent his first six months establishing a board partnership and refining CNM's strategy. Twenty months into his tenure, the budget has grown from \$2.3M to \$10M, and the restructuring has ultimately expanded the staff from 15 to 24 as funding allows for new hires. CNM also implemented compensation policies to reflect its values and improve retention.

While acknowledging the cultural impact of these changes, Escobedo emphasized authenticity, prioritizing transparent communication about CNM's direction and giving staff agency to align with it; **“you can't just architect culture; it's about norms and practices and you can't engineer those because they're not going to be authentic.”** He remains focused on organic growth and securing resources to support CNM's new revenue model and focus on “building a thriving social impact sector through research, convening, engagement, technical assistance, training, and advocacy.”



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## TRANSITION AS VALUES-ALIGNMENT

After nearly 20 years in the role, co-founder of CADRE Maisie Chin sought out coaching in 2017 to address the burnout she was experiencing. In Spring 2018 she informed the board of a 3-year transition plan and enrolled in the TSNE What's Next program to begin the organizational development work that she recognized needed to precede her departure. She joined the first NSI Executive Transition Cohort and set a departure date for April 2022, envisioning a dual-leadership structure for CADRE whereby longtime Deputy Director Carlos Valle could be promoted into a co-director role, and the board would recruit an external leader to co-lead alongside him.

With NSI funding, CADRE focused on board governance training, revising bylaws, onboarding practices, and fundraising responsibilities. A consultant supported efforts to decentralize leadership, strengthen fundraising capacity, and codify programs—all to facilitate the shift to a co-directorship model. This approach reflected CADRE's history of participatory decision-making and centering Black and Brown parent leaders as culture-keepers of the organization.

A small organization with a budget under \$1.5M and five staff, CADRE opted for a consultant-supported internal search to save on recruitment costs. The process successfully brought Élice Hennessee onboard as co-executive director. Hennessee remarked, **“I saw the transition from the founder model into the co-executive director model, between a black and brown leader, very much an intentional transition to bring that alignment of the organization’s mission and vision and the center of our work into the leadership roles.”**

Co-director Carlos Valle shared the weight of responsibility felt daunting, but became sustainable through the partnership. **“How do you lead after a co-founder who established an ecosystem for parents to impact systems change? When we strip down what CADRE does to one word, CADRE is a liberatory organization. I had to ask myself, ‘am I ready to lead an organization that’s about liberation?’ That feels like a huge weight. The answer is yes because I have a partner. The answer is my 10 years of learning at CADRE put me in this position.”**



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## TRANSITION AS SUSTAINABILITY

Susan Burton, founder of A New Way of Life Reentry Project, faced a challenging prospect in stepping away from an organization deeply tied to her identity and leadership. Recognizing the importance of sustainability, Burton began preparing for the eventual transition in 2007 by pursuing a Durfee Sabbatical and participating in the TSNE What's Next program. In the years that followed, she attempted to name a successor twice without lasting results. It wasn't until 2020 when she promoted two internal leaders as co-executive directors under her mentorship - Michael Towler to oversee finance/HR/compliance, and Pamela Marshall to oversee programs - that stepping away began to feel possible.

To support the transition, the organization made key changes, including onboarding several new board members, investing in board education, restructuring staff, and building HR and program management capacity. With NSI funding, they held an educational board retreat to improve board cohesion and foster a greater sense of stewardship of the mission. Burton, Towler, and Marshall also received coaching to establish healthy boundaries and a supportive partnership.

When Burton had to step down a month early in late 2021 due to medical leave, she reflected, **“Don't be deterred when things don't line up like you think they should; it's okay to re-evaluate and attempt again. Practice letting go and allow the agency to have a life of its own. Sometimes you need to do your part by not being a part.”**



More than two years after formally stepping down from her role, Burton continues to mentor her successors and focus her attention on developing an alliance of organizations seeking to replicate A New Way of Life's model. The organization continues to thrive, having received a Mackenzie Scott grant, and added a twelfth safe house, while investing in ongoing internal capacity building.

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# IMPACT

## DEFINITION OF SUCCESS FOR NSI

Our primary goal is to ensure that nonprofit organizations navigating leadership transitions have the resources they need to achieve a successful transition, allowing them to sustain or even expand their impact.

Recognizing the significant demand for this type of support, we also work to educate the philanthropic community on the critical value of executive transition funding, inspiring peers to adopt similar approaches.

We define success through five key goals:

1. Provide resources to organizations.
2. Promote new and diverse leadership.
3. Educate funders on effective transition partnerships with organizations.
4. Create and share transition tools for the sector.
5. Influence funder practices.

## 1. RESOURCING ORGANIZATIONS

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The ET Fund measures success by how effectively it equips organizations to execute comprehensive transition plans that align with and operationalize their core values. Beyond supporting leadership transitions, the Fund enables organizations to focus on strategic priorities such as team building, culture stewardship, and inclusive planning processes that incorporate input from staff and stakeholders.

On average, NSI funding has **covered 50%** of total transition costs for participating organizations, providing critical support to navigate these pivotal moments with confidence and stability.

### **Activities that helped operationalize values included:**

- Team-building and culture stewardship activities aimed at strengthening organizational cohesion during the transition and promoting values alignment.
- Comprehensive transition planning that involved creating processes with input from staff and external stakeholders to ensure a seamless leadership handoff.



### The most frequent activities included:

- Executive Search/Recruitment
- Coaching (Executive, Staff, Board)
- Transition Planning & Consulting
- Outgoing Executive Director Compensation
- Team Building (including Board/Staff Retreats, staff activities)

## 2. NEW AND DIVERSE LEADERSHIP

A key measure of success for the ET Fund has been enabling diverse leadership within nonprofits. Of the 15 new Executive Directors (EDs) hired, 14 identify as Black, Indigenous, or People of Color (BIPOC), and 13 are first-time EDs. This shift reflects the fund's goal of promoting equity in executive transitions. Grantee organizations incorporated equity goals into their transition plans, and ET funds supported the onboarding and development of these new leaders.

Recognizing the challenges BIPOC leaders, especially first-time EDs, often face—such as isolation, heightened scrutiny, less access to social networks of wealth, less access to peer support and mentorship—the ET Fund provided crucial support beyond recruitment. This included leadership coaching and strategic onboarding to ensure these leaders are positioned for long-term success. Near the end of the incoming leaders' first year, NSI hosts an intimate event to help them establish relationships with funders.

For more on this, see Building Movement Project's 2022 report, [“Trading Glass Ceilings for Glass Cliffs”](#).



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### 3. EDUCATE FUNDERS ON HOW TO BEST PARTNER WITH ORGANIZATIONS THROUGH TRANSITIONS

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A key focus of the ET Fund has been educating funders on how to effectively partner with organizations during executive transitions. At our triannual Funder Convenings, we highlight an ET participant who shares their transition experience, emphasizing the importance of receiving meaningful support from funders. This firsthand perspective helps funders understand the challenges organizations face during transitions and the critical role they play in ensuring success.

Additionally, we have compiled a set of funder recommendations (included in this report) to guide funders in providing more impactful, strategic support during these pivotal moments. By sharing these insights, we aim to foster stronger partnerships between funders and nonprofits, ensuring transitions lead to long-term stability and growth.

### 4. CREATE AND SHARE TRANSITION TOOLS FOR THE SECTOR

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The ET Fund has prioritized creating and sharing valuable executive transition tools for the broader nonprofit sector, extending beyond the direct grant support. Drawing from interviews, surveys, conversations, and observations with participants, we developed resources such as the transition roadmap, an executive compensation tool, and a video library that captures the real-life experiences of nonprofit leaders during transitions.

Additionally, we offer webinars and learning experiences for nonprofit leaders to further equip them for successful transitions. To support organizations in finding expert guidance, we've also created a public list of transition consultants, coaches and recruiters. These tools are designed to help nonprofits navigate leadership transitions more effectively, fostering stronger, more resilient organizations.

## 5. PROVIDE PEER SUPPORT AND TOOLS TO OUTGOING LEADERS, BOARD CHAIRS, AND INCOMING LEADERS AS THEY NAVIGATE EXECUTIVE TRANSITIONS

### Cohort Impact

Executive transitions are often deeply personal and challenging for all parties involved—outgoing executives, incoming executives, and board chairs. For long-tenured leaders, stepping down, especially in the case of retirement, often marks a significant life change. Navigating this transition can be isolating, as there are few people who truly understand the complexity of the situation.

The cohort model has proven to be one of the most impactful components of the Executive Transition Fund. It offers outgoing executives a valuable network of peers who are preparing for similar transitions. This sense of community allows leaders to share insights and lessons learned, helping them manage crucial conversations with their boards, plan the next steps in their careers, and effectively guide their staff through the transition with greater confidence and clarity.

**“It’s time to lift the veil and dissolve the stigma and secrecy around nonprofit leaders and organizations evolving to new chapters, and instead celebrate and support transparent processes that will sustain organizations’ ongoing missions under new leadership, and the NSI initiative is making a great start.”**



JONATHAN ZEICHNER  
FORMER CEO, A PLACE  
CALLED HOME



**“Working with the NSI has provided such an important resource for nonprofit leaders and board members to connect with peers during a critical organizational shift. We have been able to approach our executive transition in a comprehensive and strategic manner, learn from others, and share our experiences along the way. We are so appreciative of the support and guidance to help build a sustainable future for the Center for the Pacific Asian Family.”**

MAMIE FUNAHASHI  
BOARD CHAIR, CENTER  
FOR THE PACIFIC  
ASIAN FAMILY



BARBARA ST. THOMAS  
FORMER BOARD CHAIR,  
SAFE PLACE FOR YOUTH

**"Participation in NSI's Executive Transition Cohort was invaluable to the success of our board's mission-critical responsibility of selecting and onboarding our new ED. Their funding and support aligned with our need for a professional executive search firm, a consultant to strategize a smooth transition plan, and access to confidential alliances within the non-profit community."**

**"The NSI executive transition cohort was absolutely priceless to me as an outgoing founder and to our organization as a whole. As a smaller social justice nonprofit, and beyond the grants, we gained an unexpected community of trusted peers facing transition in real time. Gone were the usual feelings of isolation and secrecy, and we were able to operate with a level of transparency with each other, with ourselves, between board chair and executive director, that our transition became a catalyst for incredible organizational growth. It became healing and transformative instead of the opposite."**



MAISIE CHIN  
CO-FOUNDER,  
CADRE

## 6. INFLUENCE FUNDER PRACTICES

The demand for executive transition support far exceeds NSI's capacity to assist directly, making the influence on broader funder behavior a key priority. Since the ET Fund's launch in 2021, advocacy efforts, peer collaboration, and nonprofit feedback have spurred greater interest among funders in addressing this critical need.

Six of NSI's twenty-five funders joined after the ET Fund was established, many inspired by convenings where grantees shared their transition experiences. This has led funders to incorporate executive transition funding into their independent grantmaking strategies, marking a pivotal shift toward greater sector-wide support.

Our most recent annual survey of NSI contributing and aligned funders underscores NSI's impact on funder practices:

- **11 foundations** reported that NSI has influenced their funding, communications, or strategy in response to nonprofit executive transitions
- **12 foundations** have referred their grantees to NSI's ET Fund

“HISTORICALLY, WE DID NOT FUND ORGANIZATIONS THAT WERE UNDERGOING AN EXECUTIVE TRANSITION BUT THROUGH NSI'S RESEARCH AND EFFORTS, WE NOW RECOGNIZE THAT THIS IS THE TIME THAT WE SHOULD CONTINUE TO INVEST IN OUR NONPROFIT PARTNERS TO STRENGTHEN THEIR CAPACITY.”

- NSI FUNDER

## DEFINITION OF SUCCESS FOR GRANTEEES

A successful leadership transition involves far more than simply hiring a new executive director. For many grantees, the process has presented opportunities to restructure leadership, refine roles and responsibilities, re-engage the board, and address long-standing organizational challenges. Through the ET Fund, grantees have come to define success in nuanced and evolving ways, shifting from initial expectations to a more comprehensive view of organizational growth and resilience.

### COHORT-DRIVEN DEFINITIONS OF SUCCESS

From the first cohort, we worked collaboratively with grantees to co-create definitions of success. Over time, these definitions were tested and refined based on their real-world experiences during the transition process. With input from the first cohort, further feedback from subsequent cohorts, and guidance from the ET Committee, we identified nine key success measures. These measures were then ranked pre-transition and post-transition through the question: "One year post-transition, how are you defining success?"

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## KEY SUCCESS MEASURES IDENTIFIED BY GRANTEES

The grantees were surveyed pre-transition and one-year post-transition as to what extent they view the below criteria as measures of success.

- **Organizational mission and values remain consistent.**
- **Positive staff morale**, indicating the organization has successfully weathered the transition.
- **Stable or increased funding and fundraising** compared to pre-transition levels.
- **A shared vision between board and staff** for the future of the organization.
- **Successful transition of key internal and external relationships.**
- **Strong operational performance.**
- **New leader engaging confidently at a strategic level.**
- **Progress on diversity, equity, and inclusion (DEI) goals.**
- **Minimal staff turnover**, though turnover could also be seen as a sign of alignment in certain cases.

## ANTICIPATED VS. ACTUAL

Through our work with multiple cohorts, we identified an interesting shift in the way organizations came to define success:

- **Anticipation:** Before the transition, grantees primarily expected success to hinge on the new leader's confidence, staff morale, and alignment between board and staff.
- **Reality:** After implementation, these metrics grew in importance, particularly in how organizations saw success not just in stability but in strategic growth, DEI advancements, and organizational evolution.
- **Staff Turnover:** Initially viewed as a negative indicator, some organizations came to recognize that turnover could signal progress, particularly if it resulted in realignment with organizational goals and culture.



## EVOLVING DEFINITIONS OF SUCCESS

Success in nonprofit leadership transitions is not a simple yes-or-no outcome. In many cases, success is mixed and can be influenced by external factors, such as shifts in fundraising landscapes or changes in key partnerships. For example, one organization did not retain their newly hired executive director but still considered their transition a success. Rather than simply replacing the outgoing ED, they used the transition as an opportunity to reimagine their leadership structure, creating a new managing director role and reshaping and right-sizing the ED’s responsibilities. This structural change, though unanticipated, positioned the organization for greater long-term success.

TOP 5 SUCCESS MEASURES PRE-TRANSITION	TOP 5 SUCCESS MEASURES POST-TRANSITION
1. Organizational mission and values are consistent	1. Organizational mission and values are consistent (increased in significance)
2. Positive staff morale (i.e., staff have weathered transition)	2. Strong operational performance
3. Funding/fundraising is consistent or has increased compared to pre-transition levels	3. Organization has advanced on its equity goals
4. Board and staff have a shared vision for the future of the organization (e.g., everyone’s on the same page)	4. Key relationships (Internal and external) have been successfully transitioned
5. Key relationships (Internal and external) have been successfully transitioned	5. Positive staff morale (i.e., staff have weathered transition)

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# COHORT 1 OUTCOMES & DISCOVERIES

NSI's Cohort 1 included seven organizations that were awarded transition planning grants in 2021 and transition implementation grants in 2022. All seven organizations onboarded new leaders by March 2023 and have now had more than 18 months to onboard their new leadership and sufficient time to reflect on the outcome of their transitions. The seven organizations include:

**AFRICAN AMERICAN BOARD LEADERSHIP INSTITUTE**  
**A NEW WAY OF LIFE REENTRY PROJECT**  
**A PLACE CALLED HOME**  
**COMMUNITY ASSET DEVELOPMENT RE-DEFINING EDUCATION (CADRE)**  
**CENTER FOR NONPROFIT MANAGEMENT**  
**CENTER FOR THE PACIFIC ASIAN FAMILY**  
**SAFE PLACE FOR YOUTH**

At least one year past their transitions we surveyed the new executives and board chairs of participating organizations. Six of the seven organizations reflected that they felt their transition was wholly successful based on their self-defined measures of success. Of the ten respondents (five executives and five board chairs) representing all seven participating organizations:

- **80%** reported that their board is now more engaged and/or educated, and that their institutional knowledge was more organized and/or made more accessible as a result of their transition
- **70%** reported that valuable feedback was gathered from stakeholders through their transition process
- **60%** reported that their board chair was introduced to new ideas or more effective governance practices by peers, and that new technology or processes were implemented through the process
- **50%** reported that new procedures and/or internal financial controls were implemented

## DISCOVERIES

Through these transitions, several key insights emerged:

- **Transition as a Fundraising Opportunity:** Many grantees realized they could better leverage the transition period as a unique opportunity for fundraising and stakeholder engagement.
- **Onboarding Time:** Some grantees wished they had better protected the incoming ED's time for onboarding, emphasizing the importance of a thoughtful and deliberate transition process.
- **Leadership Structure Flexibility:** Transitions often led to a re-examination of leadership structures, resulting in more sustainable and right-sized roles for both directors and senior staff. This demonstrated that success could mean more than just hiring a new ED—it could also mean creating a more effective or shared leadership model.
- **Financial Runway:** Understanding the financial runway and future projections proved critical in ensuring a smooth transition and long-term success. Some organizations used the transition period to better prepare, including identifying better financial management practices, raising capital for the incoming executive.
- **Stakeholder Alignment:** Clear communication with the board and other stakeholders, particularly around the incoming leader's needs and conditions for success, was essential for setting up the new ED for a strong start.



# APPENDIX A:

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## A TRANSITION GUIDE: PHASES OF TRANSITION & KEY CONSIDERATIONS

### PHASE I, EARLY TRANSITION PLANNING

#### Likely Activities:

- Departing executive informs the board
- Transition timeline is established
- Transition committee of the board is created
- Organizational culture assessment
- Board evaluation & development
- Staff restructuring & development
- Transition plan & budget drafted

#### Key Considerations:

- **Readiness:** Is the departing executive ready personally, financially, and professionally to transition? What factors are influencing this readiness? [Link to relevant report](#) and link to relevant [self-assessment tool](#)
- **Timeline:** How proximate is the anticipated departure? What are the major factors that will dictate this timeline? Is there flexibility?
- **Strategy:** Does the organization have a current strategic plan? How might this transition be an opportunity or challenge in meeting those goals?
- **Staff Development:** Is the executive's job description reasonable, or does the role need to be right-sized in order to set the next leader up for success? How might senior staff roles evolve as a result of the transition? What support will staff need to successfully adapt to these new roles? What decision-making processes could senior staff be brought into now, to support their growth in anticipation of the transition? How much staff time will be required to navigate the transition? [Link to relevant resource](#)

- **Board Development:** Is this a founding, governing, or institutional board? How much oversight have they had over the executive? Will the board need to step up to support a new leader (what about a first-time executive director?) [Link to Nonprofit Board's Lifecycle resource](#)
- **Culture:** How does leadership characterize the organizational culture and current climate? Can the organization articulate its guiding values? Are there signs of dysfunction (staff attrition, multiple sub-cultures that don't align, etc.) What elements of culture should be protected, and what needs realigning during the transition? How centralized is the power in the organization? How attached is the organization to the departing leader? [Link to relevant podcast](#)
- **Alignment:** Are board and staff operating with the same value/within the same culture? Are the board and staff on the same page for what they are looking for in an executive? Are they looking for a change; and if so, how do they articulate the needed changes? What qualities and skill sets are of greatest importance to each group?
- **Equity & Representation:** Do the board and staff reflect the community served? Does the organization have explicit values or goals around diversity, equity, accessibility, inclusion, and belonging? If so, how should they show up in recruitment/hiring and onboarding practices? How recently has the board gone through an unconscious bias training together? What organizational culture and values alignment work needs to be done to set a new BIPOC leader up for success? [Link to relevant report](#)
- **Financial:** What is the current financial position of the organization? How dependent are the funding relationships on the departing executive? When should key funders be brought into the conversation?
- **Plan:** Is there a phased transition plan that addresses development and planning, successful exit, recruitment, onboarding and support? What are the priority transition activities, who needs to be involved, and when?
- **Fundraising:** What are the transition-related expenses that need to be budgeted for? Is the organization willing and able to contribute internal resources towards the transition budget? How might transition-related fundraising needs dictate the timeline for going public with the transition?

## PHASE II, PRE-RECRUITMENT

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### Likely Activities:

- Make decisions regarding staff restructuring, right-sizing the role, or co-leadership models
- Consider strategic benefits of interim executive engagement
- Vet transition consultants/search firms
- Identify key stakeholder groups and seek input
- Draft/update job description
- Engage coach for departing leader to facilitate the process of documenting institutional knowledge and letting go
- Ongoing Board development & unconscious bias training
- Ongoing Staff development
- Establish communications plan, design announcement collateral, contact key funders
- Plan transition-related fundraising campaign and/or farewell event
- Refine transition plan & budget

### Key Considerations:

- **Interim Executive:** How might the transition timeline, strategic goals related to the transition, and organizational culture change needs suggest the need for an interim executive? Are additional compensation expenses being budgeted for interim or acting executive during transition period? [Link to relevant resource](#)
- **Internal Candidate:** If the board is inclined to conduct an external search despite strong internal candidate(s), what are their reasons, and how might they be informed by unconscious bias? [Link to relevant NPQ Article](#)
- **Recruitment Support:** To what extent does the board desire to/have the capacity to execute outreach and recruitment activities? If a full-service search firm is not desired or financially feasible, what project management/facilitation/outreach support is needed
- **Internal Candidates:** Do you anticipate there may be internal candidates? If so, what communication strategies can the search committee use to ensure a fair process and earn staff buy-in and trust in the ultimate decision



- **Board Dynamics:** How do you run meetings? Who speaks the most during meetings? How are board leadership roles determined? Have newer members been properly onboarded? Have board members had time to build trust and thus the ability to navigate difficult conversations with one another? How might virtual meetings during the pandemic have impacted these dynamics in recent years?
- **Setting Boundaries & Expectations:** How might the process be best communicated with the outgoing executive, board members not on the search committee and with senior staff to collect necessary input, establish clear boundaries, and pave the way for buy-in on the ultimate decision?
- **Co-Leadership:** What organizational development activities should precede a co-leadership model decision to set co-directors up for success? How might the recruitment process be designed to allow for a successful partnership? What are the benefits and trade-offs to a co-leadership model, and how are they being communicated to stakeholders? How might cross-race, cross-gender, or intergenerational partnership dynamics show up? [Link to relevant article](#)
- **Communications Strategy:** How are you framing the transition for key partners as an opportunity for organizational growth and greater alignment with organizational values? What are ways that you can communicate a message of strategy and proactiveness versus vulnerability and reactivity? How might you call upon funders to protect their investments by leaning in during this moment.
- **Vetting a Search Firm:** See Figure 1, “Vetting a Search Firm”.

## PHASE III, RECRUITMENT

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### Likely Activities:

- Coaching for outgoing executive
  - Communicate transition plan with staff
  - Make public announcement
  - Launch search
  - Conduct interviews
  - Execute plan for key funder outreach/hand-offs
  - Establish a plan for staff support and change management support
  - Ongoing Board development
  - Ongoing Staff development
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## PHASE III, RECRUITMENT (CONTINUED)

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### Likely Activities:

- Finalize terms of post-transition engagement with outgoing executive and/or exit compensation agreement
- Finalize plan for a transition-related fundraising campaign and/or farewell event
- Finish documenting the outgoing executive's institutional knowledge
- (Re)Consider strategic benefits of interim executive engagement
- Refine transition plan & budget

### Key Considerations:

- **Equitable Search and Interviewing:** What are equitable search and interviewing practices? What training would be helpful for the search committee before meeting with candidates? [Link to relevant resource](#)
- **Documentation:** What institutional knowledge should be readily accessible to senior staff, board members, and the incoming executive that isn't already? (Consider relationship/knowledge of donors and partners, senior staff responsibilities, passwords, organizational memberships, decision-making framework, links to archival documents, etc.)
- **Setting a BIPOC Leader Up for Success:** When recruiting a BIPOC leader for a historically white-led organization, anticipate what ways unconscious bias may show up, and what ways the organization can operationalize and institutionalize values of inclusion and belonging in advance of onboarding? [Link to relevant report](#)
- **Exit Compensation:** What are the options for a Board interested in compensating a founder or long-tenured leader (particularly one that has been historically undercompensated)? What are the relevant legal and risk management questions? [Link to relevant article](#)
- **Selling the Job:** How is the opportunity being pitched to strong candidates and who is best apt to communicate this message? How can board members be appropriately deployed to assist recruiters in attracting applicants in such a competitive employment market?

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## PHASE IV, OFFBOARDING/ONBOARDING

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### Likely Activities:

- Coaching for board chair
- Executive farewell and/or welcome event(s)
- Set clear expectations of communications and meeting schedules between the board chair and the incoming executive
- Establish an agreed-upon onboarding plan with the incoming executive (listening/learning, assessment, alignment, etc.)
- Introduce incoming executive to staff and key external relationships
- Orient incoming executive with full board; share priorities and receptiveness to changes
- Provide candid communication with an incoming executive about any potential “landmines”
- Coaching for the incoming executive
- Coaching senior staff with new roles
- Consulting contracts to complement incoming leader’s skill sets, or conduct organizational assessments to expedite onboarding process

### Key Considerations:

- **Setting Healthy Boundaries:** If outgoing executive will remain involved in another capacity, what are ways that clear boundaries can be set so that the engagement is at the discretion of the next leader (examples: create new email address for outgoing leader, establish restrictions on who may contact outgoing leader, set a defined end date for engagement (even if open to extensions). [Link to relevant article](#))
- **Co-Leadership Facilitation:** If adopting a co-leadership model, how might the directors benefit from both individual coaching and a shared facilitator to establish the partnership (respective roles, decision-making protocol, etc.) [Link to relevant article](#)
- **Executive Resourcing:** Does the incoming executive need a leadership coach, executive mentor(s), or consultants to conduct organizational assessments to identify gaps in organizational effectiveness (such as internal financial controls)? [Link to relevant resource](#)

- **Change Management:** In what ways are staff processing the change, and what space is being given for individual/group processing and support? How might the use of ceremony/events serve the organization's need for reflection and processing. [Link to relevant resource](#)
- **Prioritization:** How might staff-championed priorities compete with board-championed priorities? How can the incoming executive set clear expectations by charting organizational capacities against needs?
- **Performance Evaluation:** How often and who from the board is meeting with the incoming leader for the first 18 months? What checkpoints and key milestones can be established from the beginning, and who will be ultimately responsible for performance evaluation? [Link to relevant article](#)

Figure 1:

## VETTING A SEARCH FIRM:

### Questions to Ask:

- What is their area of expertise? (Transition preparation and board development, recruitment, coaching and onboarding)
- What is their process? How hands-on and collaborative, or autonomously do they work? How often can you expect to hear from them throughout the process? How much staff time should your organization plan to dedicate to the process?
- If it's a firm with multiple consultants, who will be your primary contact?
- What is their perspective on the appropriate use of interim executives?
- Does the consultant have a track record in working with similar organizations? (Ask for a list of recent searches / past clients)
- Do they understand your mission sufficiently/demonstrate cultural competency?
- If your candidate pool is mostly local, does the consultant have familiarity with the region?
- Is the consultant a member of the Network of Nonprofit Search Consultants?
- What related activities does their scope of work not cover for which the organization will need to find other support?
- What is an appropriate amount for a recruitment budget? When would payments be expected?
- How do they handle a search that isn't resulting in a strong candidate pool?
- How do they define a successful transition?
- Do they offer a guarantee? Do they have an "off-limits" policy?

**Figure 1:**

## VETTING A SEARCH FIRM:

### Did They Ask You About...

- History of prior transitions at the organization
- Organizational culture
- Board/staff alignment regarding leadership needed
- Search committee and board involvement

### Does the Scope of Work Include:

- Clearly defined deliverables
- Execution timeline
- Organizational audit/assessment phase prior to recruitment
- Review/revision of job description
- Change management work

### Questions to ask References:

- Do past clients believe the scope of work was realistic?
- Do past clients feel the services were culturally competent?
- Why did the client choose to work with this consultant over others?
- Was the consultant available and communicative?
- What do they wish the consultant had done differently?