TIPS ON HOW TO AVOID OR TRANSCEND

FOUNDER'S SYNDROME

Founders of successful nonprofit organizations have a unique combination of skills — the drive and passion to start an organization from scratch, as well as the persistence and talent to grow the business. Additionally, by founding an organization and guiding it through its early years, founders build up an incredible amount of political capital among the first board and staff members.

While the importance of a strong founder cannot be overstated, more often than not, it becomes clear that founders cannot do everything. As an organization evolves, the skills that were so valuable in starting the business become overshadowed by the operational skills now required to sustain and expand the organization.

Nonprofits experience leadership problems when the founder does not recognize that "business as usual" no longer fills the needs of the organizations. Given the immense goodwill and trust conferred by the board, it can be difficult for a founder — as well as his or her most staunch supporters — to recognize the organization's changing needs. However, to successfully guide the organization to the next stage in its lifecycle, both the board and the founder must be aware of common pitfalls and adapt to a new set of leadership demands.

GENERAL PRINCIPLES FOR ADDRESSING CHALLENGES INVOLVING THE FOUNDER
While exact situations vary depending on the organization and the individual personalities involved, the following tips can help both the founder and the board fulfill their leadership roles and put the organization's success first.

Board
- Recognize the goodwill and respect the founder has built up among board and staff — but don't be intimidated by his or her standing
- Don't abdicate the board's responsibility to govern the organization
- Don't shut out the founder; keep him or her involved throughout the process

Founder
- Be open to change
- Work with the board
- Ask for help when needed

TRANSLATING VISION INTO STRATEGY

All nonprofits start with a vision — an idea that provides a source of passion and energy for the founder. Vision and strategy may seem similar, but a vision is a visceral, individualized experience, while a strategy is based on a shared understanding of the organization's future environment.

Founders who cannot translate their vision into a strategy become unpredictable leaders, making organizational operations difficult. With no unifying strategy for the board and staff to focus on, there is a lack of collaboration and direction. Everyone is acting according to the whims of the founder.

What to do:

1. *Differentiate strategy and vision.* Founders must take it upon themselves to critically analyze their strategy for the organization. Sometimes, founders do have a clear strategy, but it is only in their heads and has not been effectively communicated with the board and staff. Other times, founders will discover that their initial vision is still guiding the organization. If that is the case, it's time to strategize.

2. *Involve everyone.* It can be tempting for a founder to respond to a lack of strategy by unilaterally creating one. However, this only worsens the preexisting problems of solo leadership and a lack of accountability. The founder must include the board and staff when creating an organizational strategy as both parties can provide valuable input from an oversight perspective and in evaluating daily operations. In helping shape the organization's path forward, the board and staff will also develop a sense of ownership over their work and a clear understanding of upcoming priorities and goals.

3. *Start the strategic planning process.* If the founder is reluctant to accept that the organization needs a guiding strategy, the board should take the lead in beginning the strategic planning process, engaging the founder as much as possible. Both sides should attempt to come to a place of mutual understanding and respect before formalizing a plan. Hiring an outside facilitator may make the process run more smoothly and help eliminate confusion about roles.

RESISTING GROWTH

There are legitimate reasons for keeping an organization small, but if the market demands it, growth can be a sign of success for small nonprofits. For founders, however, growth may not always be their primary goal. Staying small and local is akin to remaining within a comfort zone. Instead of focusing on expansion, they turn their attention inward.

Without growth, however, an organization's culture becomes stunted. Eager staff members leave (sometimes to found organizations to compete with the original nonprofit), funders donate to other organizations with a wider reach, and, eventually, the organization can no longer sustain itself. Continuing to do things the way they've always been done just doesn't cut it anymore.

What to do:

1. *Identify where the path diverged — and involve the founder.* The board should critically examine the organization's actions and locate the point at which the founder's choices took the organization on a different path than what the environment seemed to be demanding. Comparing the organization to successful nonprofits with similar missions can help illustrate differences in operations and reach.

   The board should not undertake this analysis alone, however. Once it has recognized the founder's aversion to growth, it must work with him or her, presenting the problem and attempting to find a solution together. Keeping the founder involved, despite any initial difficulty, is essential to fostering a strong organization.

2. *Allow the founder to practice self-examination.* Whether the founder recognized his or her aversion to growth first or was gently informed by the board, it is important to set aside some time for self-reflection. Strong founders are able to admit that they may not be keeping up with competitors. This realization can lay the foundation for change, pushing founders to work with a trusted board member, staff member, or consultant to analyze the organization's trajectory and begin considering changes.

PURSUING GROWTH AT ALL COSTS

It's possible to move too fast and too far, however. Some founders may attempt to grow the organization at any cost, overbuilding in comparison to the mission and the logical size of the service area. They misread or ignore the signals from their environment and use the unique social and political capital gained during the founding of the organization to cement their strategy.

Such a mindset can result in mission-creep — founders who accept an organization's mission, but broaden its strategy, chasing money without giving much thought to how it all fits together. Mission creep gradually results in more control by the founder and leads the board and staff to begin questioning their roles and the overall goals of the organization.

Another side effect of pursuing growth at all costs is that the quality of programs starts to decline. The founder has taken on more than he or she can handle and can no longer manage the many different services and initiatives within the organization.

What to do:

1. *Question decisions and confront the founder*
   First, the board should begin questioning the founder's growth strategy. What is gained from it? How do staff members feel? Based on the answers to these questions, the board can decide whether there is a disconnect between the founder and the rest of the organization as it relates to its strategy and programs.

   The board should also reflect on the circumstances that led the organization to this situation. Did it miss early signs of a problem? Was it involved in forming the initial strategy and assessing new programs? The board has an important role in planning and evaluation, and should take care not to become disengaged in these important matters.

2. *Analyze mission and strategy*
   The founder should also think carefully about the organization's mission and the steps taken toward its achievement. Do recently introduced programs strongly relate to the mission? If not, it is time to go through each program and initiative to identify which ones are essential to the founding mission and which may be weakening the organization by being too far afield.

All future growth should be as logical and seamless as possible. Start with the mission and make sure the strategy supports it, bringing on new programs and services only if they are in line with the strategy.

HIRING AND MANAGING STAFF

When starting a new nonprofit, the founder needs to inspire interest and loyalty in potential staff members. In the early years, the founder will have a strong influence on personnel matters and will likely form close bonds with the first staff.

While the initial period of inspiration and relationship-building is beneficial, the founder and the board must allow for the staff to grow along with the organization. Professional relationships should be formed, and the founder should no longer exert autonomous power over personnel decisions.

What to do:

1. *Create culture of employee growth and development*
   A culture of growth and development must start from the very beginning of an organization's founding. Especially in its infancy, a nonprofit's staff must be adept at taking on multiple roles and learning new professional skills to keep pace with a growing organization.

   Founders should encourage the staff to supplement its internal education with external trainings. Over time, staff members should take individual ownership of their work and play a larger role in developing organizational strategies. Gradually forming a confident and self-sufficient workforce outside of the founder's influence is vital in promoting healthy organizational growth.

2. *Orient staff to mission and don't be intimidated by founder-staff bonds*
   The bonds formed between founders and staff when a nonprofit is first created are strong. However, these bonds should not govern the organization's operations indefinitely. Eventually, the organization will start to grow, individual roles will evolve, and new staff members will be hired.

These new staff members should be introduced to the organization's mission, not its founder. If the cycle of influence does not gradually wane, the founder will amass too much power and will hinder the future growth of the organization. By focusing on the mission and the community served, founders minimize the risk of the organization being unable to function in their absence. New staff will undoubtedly respect the founder's position, but should put the mission and initiatives first.

FOUNDER SUCCESSION

Almost certainly, the time will come when founders must leave the organization they began. While their departure should not be different from any other chief executive's transition, their role within the organization mandates that it be handled deftly.

Whether the founder chooses to leave or the board is forced to make the difficult decision to fire the founder, important steps must be completed to support the organization and its staff during the transition.

FOUNDER DECIDES TO LEAVE

All nonprofits should have a chief executive succession plan in place so that if the founder does decide it is time to move on, the board is prepared for the next steps. In addition to a succession plan, founders themselves play an important role in ensuring a smooth transition.

What to do:

1. *Discuss the founder's role after leaving.* The founder should strongly consider severing all ties with the organization, including board membership. Given the influence the founder carries throughout the organization, it is much more difficult for a new chief executive to make his or her mark if the founder is still involved. Moving from the chief executive role to the board simply transfers the location of the founder's influence and complicates the successor's task considerably.

   The board should discuss how to acknowledge the founder — through a severance package, retirement plan, or simply with an event or gift upon his or her departure — while also making plans for the next stage in the organization's lifecycle.

2. *Confirm organizational strategy.* It is vital to have a strategic plan to guide the organization's programs after the founding visionary leaves the organization. Ideally, an organizational strategy will already be in place, or the board and departing founder can craft one together. The staff and board will feel more secure in the organization's future with a written framework, especially one that the founder had a hand in creating.

   A strategic plan or framework can also help guide the board in appointing a new chief executive. It should begin discussing the skills and characteristics a new leader should have, paying special attention to the organization's future goals.

FIRING THE FOUNDING CHIEF EXECUTIVE

Letting the founder go is one of the toughest situations a board will face. If it has to be done, the board can take comfort in the realization that its loyalty is to the organization, not any one individual.

While the same principles of human resource management apply to founder terminations, the board should be aware that the process will likely be more intense. Focusing on communication — with the founder, staff, funders, and community served — can help unify the organization and guide it through a difficult time.

What to do:

1. *Build the case and get a legal review.* Save for rare instances such as documented criminal behavior, founder terminations should never be suggested and accepted at the same time, such as in a board meeting. Instead, details can be discussed in an executive session during which all board members can express their points of view or personal feelings about the situation in a safe and open environment. The founder should be provided with a chance to hear the board's concerns and improve or correct the situation.

   If necessary, the board should arrange for a legal review and ensure it is following any established processes and procedures for termination.

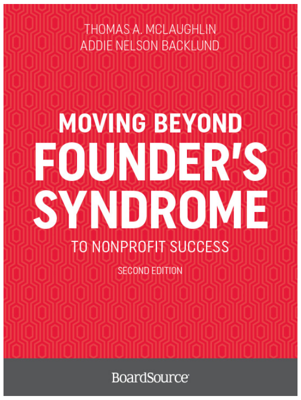
2. *Allow for resignation.* Given the founder's standing in the community and among the staff, it is respectful to provide him or her with the chance to resign.

3. *Communicate proactively with staff and the external community.* The board must be considerate of the staff's feelings and respect their individual relationships with the founder. Additionally, the board should not delay in informing funders and the community served by the organization. Having the news get out before the board has time to craft a response puts unnecessary pressure on the organization.

If possible, the board should inform the founder of how the decision will be communicated to staff and other constituents. The board chair assumes responsibility for internal and external communication.

Resources:

Building the Governance Partnership



Moving Beyond Nonprofit Founder's Syndrome to Nonprofit Success