

# GHI Board & Transition Task Force Work Session, June 7, 2021



# Welcome and congratulations!

- Thanks for stepping up in this pivotal time for GHI!
- We appreciate your willingness to lead.
- We're here to help

# Transition Task Force members

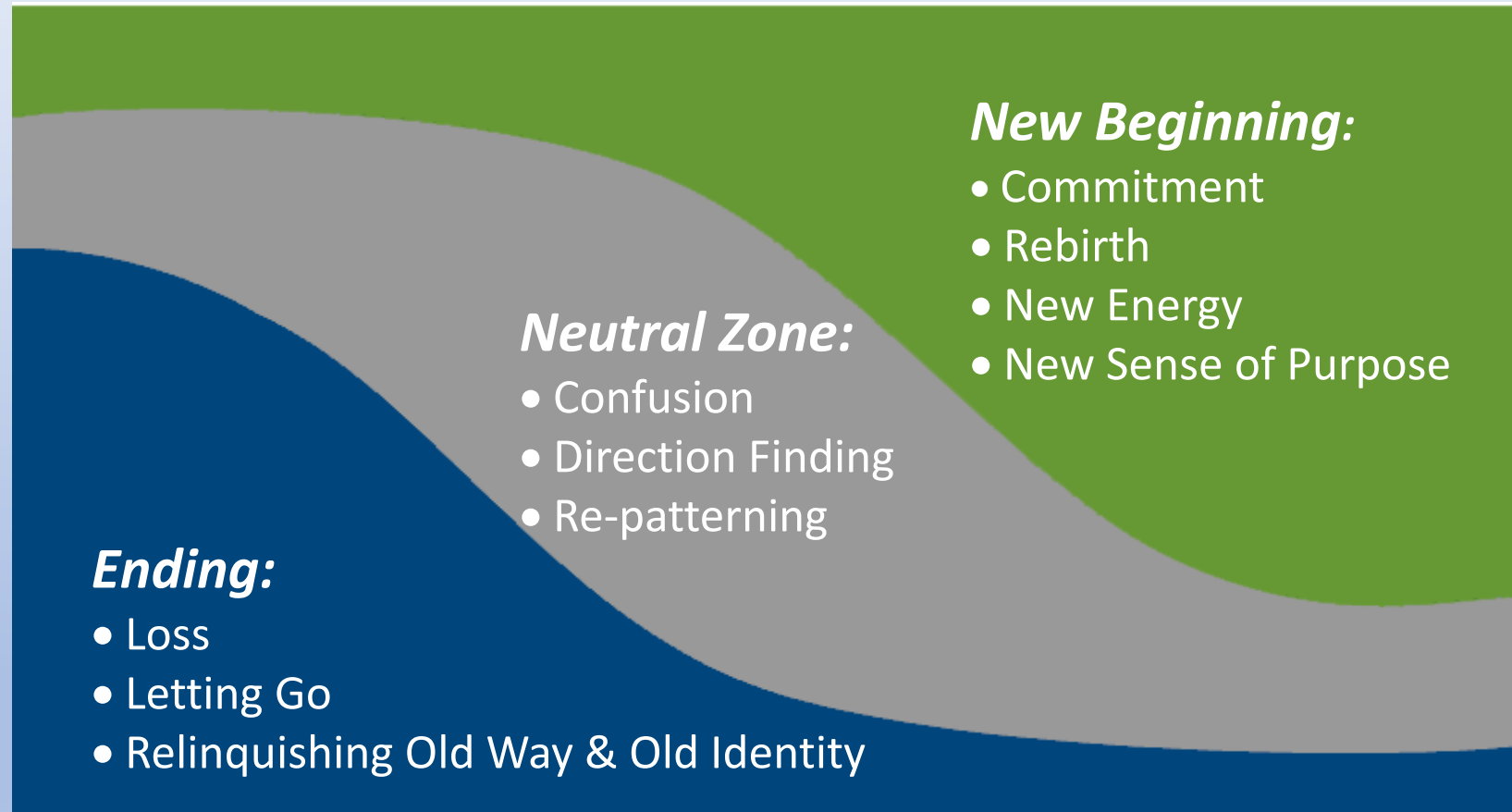
- Tom Adams
- Maya Barnes
- Stefan Brodd
- Frank DeBernardo
- Bill Duncan (deceased)
- Stephen Holland
- William Jones
- Amy Odegaard
- Stephanie Rizk
- Staff: Maesha McNeil, Joseph Perry
- Consultants: Peggy Sand, William Batko
- 2019 Task Force members: Montrese Hamilton, Chuck Hess, Tim Murray

# Leadership transition research findings

- Lessons from research in nonprofit organizations on executive transitions
- Lessons from denominations of churches who use interim ministers
- Lessons from other coops
- Lessons from private sector

# TRANSITION

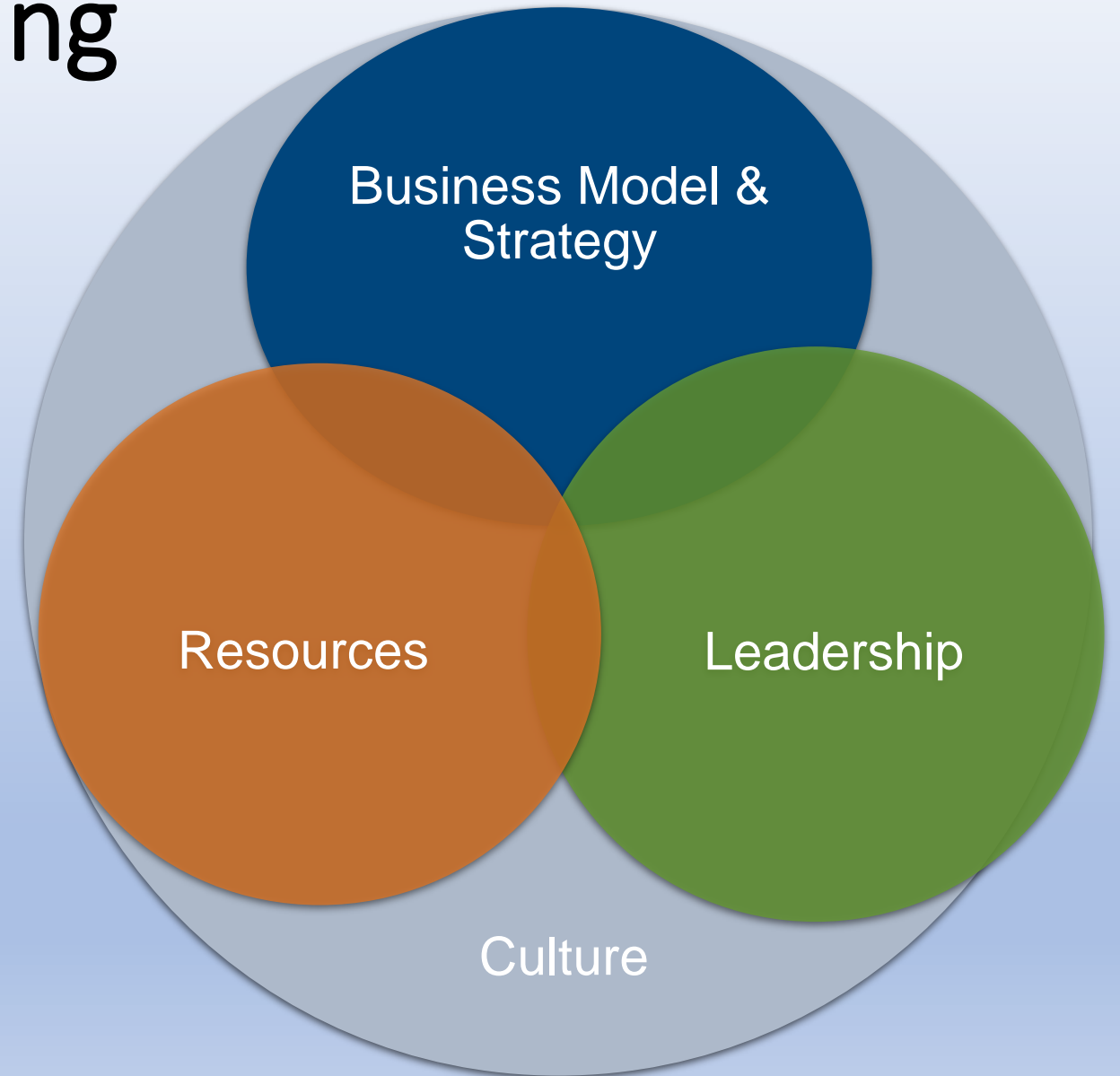
## *Coming to Terms with Change*



Source: Bridges, William. *Managing Transitions: Making the Most of Change*  
2<sup>nd</sup> ed. Cambridge, MA: Perseus Pub., 2003.

# SUSTAINABILITY planning

## THE FOUR ELEMENTS



# PROCESS OVERVIEW

## *Executive Search and Transition*



**OUTCOME: Increased capacity to deliver organization’s mission under new leadership.**

# WHY PLAN FOR SUCCESSION?

- Gets Us Beyond the Simple Truth that We Avoid...



*All careers lead to a transition,  
eventually...  
it's just a matter of when and how well  
managed*

- Helps Ensure Organizational Sustainability
- Increases Likelihood of Successful Transitions
- Helps Mitigate Risk
- Best Practice for High Performing Nonprofits



# THE SUCCESSION POLICY

- Board-Adopted Policy
- Outlines Process to Handle a Planned Departure
- Explains Important Commitments:
  - Prepare For An Inevitable Leadership Change
  - Assess Leadership Needs Before Beginning A Search
- Plan to Appoint Interim Leadership - Ensure Continuity/Stability
- Clarifies Who's Authorized to Implement the Plan



# What's Unique about GHI Transition?

- Size and type of homes as compared to other coops or nonprofit housing corporations
- The way the General Manager-Board-member relationship has evolved and the current GHI culture
- GHI's history and legacy
- Simultaneous transitions of Board, general manager and key senior staff positions
- Other?

# Background & History of GHI GM Transitions

- Eldon Ralph – GM since 2012; previously held senior management positions since 1995
- Gretchen Overdurff – 1994-2012
- Period of leadership stability – GM, Sr Staff and Board – 1994-2021
- Prior tenures of GM and periods of instability
  - 1980-1984 – four GM's in four years
  - 1958-1962 – three GM's in four years
- Eldon's assurance to Board: provide one year notice when he is ready to retire

# Phase 1: Succession Task Force: November 2019 to September 2020

- Developed best practice documents to guide GHI succession: A Succession Policy and an Emergency Back-up Plan.
- Interviews of other cooperative leaders
- Developed draft transition timeline (next slide)
- Organizational sustainability review and identification of five GHI sustainability issues

# Critical Transition Issues – Sustainability Review Results

Identification of five GHI sustainability issues:

- Governance
- Financial challenges for members
- Member participation, communication and leader development
- Senior staff turnover
- Information Technology & Infrastructure

# Phase 2: Transition Task Force – January 2021 to Present

- Prioritized governance and financial concerns of members as most important to prepare for leadership transition
- Formed two work groups: Governance and Fees and Revenue Generation which have completed interim reports and recommendations
- Slowed work because of prior Board's perceived resistance to change
- Developed options for new Board to consider

# Recommended Approach to Transition

Determine and build consensus among Board, members and staff about:

- Priority changes to be taken before Eldon Ralph retires because they improve readiness for transition or odds for successful hiring or both
- Additional changes to be considered by members and Board before Eldon Ralph retires
- Changes to be considered after new general manager is hired and successfully onboarded
- Changes or ideas that are delayed, rejected or put on indefinite hold to ensure a manageable work load for board, staff and members

# 1) Priority changes before GM retires

## Governance

- Shift from paper to electronic docs for Board meetings
- Empower Board President to experiment with more efficient ways to manage Board agenda and meetings
- Increase GM signature authority from \$7500 to \$15,000 and eliminate the second reading of contracts unless requested at first reading

## Member Fees and Revenue Opportunities

- Solicit input from members to guide next actions
- Revisit Board decision about investment policy relative to “prudent person” requirements to increase return on replacement reserves and lower fees



# Priority changes before GM retires (cont.)

## Member Communication, Engagement and Education

- Establish a work group to advance agreed upon goals (see below)
- Get outside consulting help to assist in review of website and IT changes and additional changes to improve member communication and engagement
- Educate members about how fees are calculated

## Senior Staffing and Human Resources

- Review current organizational and management chart and budget and include results of management review in 2022 budget planning

## 2) Changes for member review before Leadership Transition

### Governance

- Consider changing Board's ability to delegate some decision-making to Committees and/or GM
- Review GHI organizational culture and history including lack of trust

### Member Fees and Revenue Opportunities

- Review and prioritize for action TTF work to date on stabilizing member fees, including fee deferral program, and generating revenue
- Consult with staff and Long Range Planning Committee to identify other possible future financial challenges

## 2) Changes for member review now before Leadership Transition – cont.

### Member Communication, Engagement and Education (cont.)

- Decide on timing for review of the number and roles of GHI Committees and Task Forces and the costs in terms of staff and Board time

### Senior Staffing and Human Resources

- Review with members current allocation of management and staff time and solicit member input on priority services and any new directions to inform GM requirements, senior staffing and budgeting for 2022-2023.

### 3) Changes to be considered after Leadership Transition

- Comprehensive review of By-laws to reflect desired organizational culture and elimination of specific and restrictive guidelines
- Review options for revenue generation to minimize fee increases if new GM sees opportunities for success
- Ensure GHI planning proactively addresses the long-term needs associated with the age of GHI homes

# Discussion Wrap-up

- GHI is experiencing multiple transitions now and over next few years
- This is a time of great opportunity and risk
- Proactive planning and thoughtful Board and member engagement will help shape and guide these transitions and the hiring of next GM
- Setting priorities is crucial for immediate changes, changes to be explored with members and changes that should be considered after the new GM is hired
- As a mature organization, GHI has a lot of history and evolved culture. To be successful, these transitions require coming to grips with history and deciding on what we value and what our culture will be.

# Proposed Next Actions

- Board act on short-term priority recommendations
- Board decide how it wants to move forward with member engagement and role of Transition Task Force
- Explore timing of follow-up discussions/meetings with Board as whole or one-on-one on particular issues
- Review Board adopted succession policy and Board become clear on search and hiring process when Eldon gives his one year notice.

# GHI Succession, Transition, Search and Onboarding Sample Timeline

## Phase 1

- Early Succession Planning
- late 2019 to mid-2020

## Phase 2

- Preparation for General Manager Transition
- July, 2020 until GM Retirement is announced

## Phase 3

- Transition announcement and preparation
- One year before departure (typically 2-3 months)

## Phase 4

- General Manager search
- ~ 9 mos prior to retirement then 5 to 7 months

## Phase 5

- Onboarding of new General Manager
- Hire date plus 1 year