

# The Executive Director's GUIDE

TO THRIVING AS A NONPROFIT LEADER

SECOND EDITION



**MIM CARLSON**  
**MARGARET DONOHOE**



# The Executive Director's Guide to Thriving as a Nonprofit Leader

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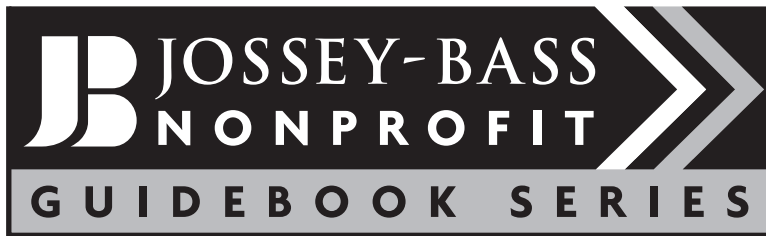
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## **P R E F A C E**

**O**ur society is blessed with hundreds of thousands of nonprofit, public benefit, and nongovernmental organizations, led by an incredible cadre of paid or unpaid leaders known by such varied titles as Executive Director, Chief Executive Officer, or President, depending on the size and culture of the organization.

No matter what title they assume, these individuals are passionate, committed, resourceful, and creative people. They believe that the work their organization performs makes a significant difference in the lives of those they serve. And they are right. The contributions these organizations make to society provide solid evidence that clearly supports this belief.

The reality that we and many of our nonprofit colleagues see among this inspirational group of men and women is that, despite their enviable role and their tremendous contribution to society, nonprofit leaders tend to struggle with the complexity of the job. The paradox is that Executive Directors can make life better for others while their own lives become increasingly difficult. Why does this happen?

### **UNCOVERING THE PARADOX**

What we have seen in our work as Executive Directors, and what many others have shared in their stories, is that nonprofit leaders are exposed to and must juggle countless external and internal pressures. They wrestle with the competing internal priorities of staff and volunteer development, financial management, program effectiveness, resource development, and Board relations. At the same time, they look

beyond the organization's walls to monitor the changing nonprofit environment, form strategic partnerships, and be responsive to stakeholders' demands for accountability. With these pressures, work-life balance is difficult. Rarely has anyone the time or energy to focus effectively on all these priorities. Long days are the norm, and quite often there is no such thing as a weekend. Burnout and fatigue are common.

Many Executive Directors don't know where to turn for support to prevent burnout or to get their most basic questions answered. Over time some begin to feel overwhelmed and distracted by yearnings for a better quality of life.

Recent studies of Executive Directors have revealed some alarming statistics. The average tenure has declined to less than six years. The majority of current Executive Directors indicate that they do not want to be an Executive Director in their next job. This data underscores the significant retention issues in holding onto leadership talent in nonprofits.

Some experts in the field suggest that new Executive Directors require at least three to five years before they can make significant achievements in an organization. If this is so, then almost half of Executive Directors leave their position prior to reaching their full potential. Not only is organizational capacity being severely compromised, the entire nonprofit sector is wasting a major resource of talent.

Additionally, the new generations of leaders say they expect a life that is balanced. Work is important but so are family, friends, and fun. These twenty- and thirty-year-olds have the same passion, commitment, values, and motivation that their older Executive Director colleagues have, but they are equally committed to a balanced life. We say, "Good for you!"

We hope that if you are an Executive Director, or are thinking about becoming one, you will see the challenges that Executive Directors face as a call to reform and to rally around the need for anyone in this profession to have a healthy, balanced life. For the nonprofit sector to thrive and continue to provide important and necessary programs, we all must acknowledge the paradox. We must look for ways to help Executive Directors survive longer in their positions and ultimately thrive as leaders.

## **FINDING YOUR OWN PATH TO SUCCESS AS EXECUTIVE DIRECTOR**

The nonprofit sector is awash in Web sites, blogs, literature, support organizations, and academic research expounding a variety of theories about what it takes for nonprofits to succeed. They all agree that the Executive Director,

whether paid or volunteer, is one of the most critical factors to an organization's success. Our premise is that an effective Executive Director is the primary factor in nonprofit success. Without the right leader, few organizations ever truly achieve their stated mission or potential.

We also believe that a nonprofit must have strong systems (finance, HR, technology, communication, and governance, for example) in place for a nonprofit leader to succeed. All too often, we have seen Executive Directors struggle valiantly to move their organizations forward, only to fail because the systems infrastructure of the nonprofit was not there to support the effort.

Thus the nonprofit depends on a highly effective Executive Director to be successful, and the ED depends on a well-functioning nonprofit to succeed.

This book was written to encourage the heart and passion that brought Executive Directors to their leadership roles in the first place. The focus is on helping them strengthen and further develop personal, interpersonal, and organizational effectiveness while keeping shifting societal changes within their peripheral vision. We called the first edition *The Executive Director's Survival Guide* to highlight the complex cultural and relationship-based environment that EDs must navigate. This second edition has been renamed *The Executive Director's Guide to Thriving as a Nonprofit Leader* because this book will do more than help you survive. The practical advice, the encouragement, and real-world examples will increase your resilience, help you explore new ways of managing and leading your unique organization, develop strong systems in your nonprofit, find your own path to personal and organizational balance, and thrive fully as a nonprofit leader.

This book differs from most other books on the market. It doesn't try to compete with the many excellent publications for Executive Directors on managing staff, working with the Board, raising money, and the like, or the insightful books that discuss the unique nature of the nonprofit sector and key benchmarks for success. As we listen to both new and seasoned Executive Directors, we hear them say again and again that simply learning specific skills and academic theory is not enough. Their main struggle isn't really with how to do all the tasks that must be done by an Executive Director. Instead, they are challenged daily with how to put all the pieces together to create a well-functioning organization, be an effective leader, and still have time for themselves.

We understand this to mean that Executive Directors have a need to more fully comprehend and integrate multiple roles, relationships, and resources

so that their specific work can take root in their organizations and their communities.

So we see this guidebook as a companion to the many excellent how-to books in the marketplace; instead of how-to, it offers practical insight, motivating quotes, tips for success, stories from the field, and answers to some of the real-life issues EDs face. It provides insight into emerging trends in the nonprofit sector and the important role that organizational culture plays. It is about understanding and balancing internal and external roles and relationships so as to lead more inclusively. It is about developing strong organizations to support the ED. It is about building community and managing resources. It is about encouraging and managing organizational and personal change. It is about helping Executive Directors find their own way as nonprofit leaders.

## **WHO THIS BOOK IS FOR—WAYS TO USE THIS BOOK**

First and foremost, the guidebook is for Executive Directors. We wrote for all the remarkable individuals who lead their organizations.

- If you are new to the field, you can use this book as
  1. An introduction to the exciting and challenging position of Executive Director
  2. A reference for you, your Board of Directors, and others who may want to know more about your job
  3. A guide to turn to when you need answers, practical tips, or other help for everything from developing better communication systems to setting a visionary course for the future for your organization, and to find time for yourself
- If you are already familiar with the questions and answers raised on these pages, you can use this book as
  1. Encouragement or new tools to bring to your role
  2. Talking points and cases to demonstrate your role as leader, manager, and supporter
  3. A guide when you are evaluating the decision to stay or move on to a new organization or career

Many others will also find valuable information to help them:

- Executive coaches, consultants, and technical assistance providers can use this book as information to share with nonprofit leaders at all levels and others who may wish to become an ED.
- Funders can use this book as
  1. A guide to help explore the role of the Executive Director as the leader in an organization
  2. An evaluation tool to measure whether an organization has the staff leadership and Board-ED partnership to make effective use of its funds
- Board members who work with Executive Directors can use this book as
  1. A resource to support and rejuvenate the Executive Director they work with
  2. A tool to help them work as a partner with their ED and to evaluate that individual's progress
- Anyone who has ever contemplated becoming an Executive Director can use this book as
  1. An aid to help determine what skills they already have for the position, and those they need to develop
  2. A reference to decide if an ED position is the job for them

For everyone, the *Executive Director's Guide to Thriving as a Nonprofit Leader* was written to serve as an inspiration, and as encouragement along the path of creating a better society. As you will see, the Executive Director's role is an extraordinary job for extraordinary people.

## HOW TO GET THE MOST FROM THIS BOOK

Throughout the book we use the terms *nonprofits* or *organizations* and *Executive Directors (EDs)* or *nonprofit leaders* as inclusive terms for the sector and its leadership.

We use a question-and-answer format for each chapter. The questions are practical ones that have been raised by new as well as experienced Executive Directors. The answers are designed to be quickly assimilated into the day-to-day work of an ED.

Stories are scattered through most chapters to illustrate a variety of responses to complex issues. While some of the stories are based on our own experience,

others reflect the journeys of colleagues and clients. To respect their confidentiality and candor, we have allowed the organizations and the people to remain anonymous.

Some chapters have practical materials that Executive Directors can use for themselves and for others in their organizations, including exercises designed to promote discussion and reflection. You will find useful tips for success at the end of the chapters, to emphasize key messages. At the end of the book, a set of resources for each chapter will help you explore the various topics further if you so desire.

The book is divided into parts to make it easy for readers to move to the topic that most interests them. Since most Executive Directors have little time for contemplative reading, this book encourages you to go quickly to the chapter or topic where you need assistance and find the specific help you want.

Part One provides a foundation to help EDs address the ultimate question: How to succeed and thrive on the job. Included is information about the essential roles and responsibilities, the characteristics required to be successful, the ways to broaden your skills, and last but not least, the way to maintain some semblance of personal and professional balance. If you skip over this section initially, please come back.

Part Two starts by examining the importance that culture plays in creating the roles and relationships that define each organization. The next chapters emphasize the ED's leadership role in creating shared values, a powerful vision, a solid plan, and ways to determine organizational effectiveness. If your organization is seeking to understand the underlying impact of its culture or defining its vision, or in need of tools to measure its success and accountability, you will find helpful information here.

Part Three explores the emerging trends facing the nonprofit sector, the changing nature of organizations as they move through their life cycle, and the ED's role in embracing changes necessary to keep an organization responsive and viable. Turn to this section if you find yourself leading an organization with systems, roles, and programs that are no longer in sync with the community or broader nonprofit sector.

Part Four focuses on the importance of building and maintaining a vast array of internal partnerships. Go to this section if you are working to build, understand, or repair relationships. For an Executive Director, nothing is more important than being well connected with Board, staff, and volunteers. And since the

influence of the person who started or defined an organization is often so strong and prevalent in nonprofits, we have devoted a chapter to Founders alone. Many of the topics in this chapter can be shared with staff and Board as a way to strengthen these partnerships, which are critical to the success of Executive Directors.

Part Five discusses the role of external stakeholders, partnerships, and broad representation as the foundation for creating community to achieve the organization's mission. In these chapters you will find insight into the benefits and barriers inherent in acquiring and nurturing stakeholders and building strategic partnerships.

In Part Six we move into the practical demands for resource wizardry. Turn to these pages if you want some quick ideas on building systems for the business or financial side of the organization, and if you want to develop a team-based approach to fundraising.

Finally, Part Seven raises the emotional yet often-overlooked subject of your own career transition. Although many nonprofits would like their Executive Director to stay forever, long tenures (fifteen years or more) are rarely healthy for the organization. If you are feeling the urge for new opportunities, this last section will prove timely.

Whatever section you turn to for support in your job, enjoy it, learn from it, and remember that, as an Executive Director, you have chosen one of the world's most rewarding and challenging careers.

## **SHARE YOUR STORIES**

We recognize that a significant percentage of an Executive Director's job is listening to others in order to understand their needs and expectations. This book is our gift to you. We are committed to listening to your needs and experiences. We hope you will continue to share your stories, your insights, your successes, your questions, and your challenges with us. You can reach us at [mimcarlson@comcast.net](mailto:mimcarlson@comcast.net), and we look forward to hearing from you!

February 2010

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It takes a village to raise a child, lead a nonprofit organization, and compose a book worthy of the nonprofit sector. Many people made this book possible, and all deserve special recognition.

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The second edition has benefited enormously from the guidance of Vince Hyman, who did a brilliant review of the first edition and added his suggestions to make this one a strong tool for Executive Directors.

Cindy Loveland's breadth of experience in the nonprofit sector was invaluable in identifying and screening many of the valuable resources you will find at the end of the book.

The first and second editions received an incredibly thorough and thoughtful copyedit from Hilary Powers, ably directed by Rachel Anderson. Nothing is more important to a successful book than having a high-quality production crew, and we are grateful that we had the best.

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## THE AUTHORS

**M**im Carlson and Margaret Donohoe have focused their experience, insight, and energy on helping the new generation of nonprofit leaders navigate the many opportunities and challenges of this career choice. The insight they provide is not just academic or theoretical—it comes from their own careers in the sector. They each draw on over twenty-five years of hands-on experience as Executive Directors, interim Executive Directors, and Board members, as well as in a variety of other leadership positions, to inform the content of this guidebook.

Mim Carlson consults and coaches in the area of organizational leadership with nonprofit organizations. She has worked for small community-based groups as well as large national nonprofits. In these organizations, she has served as an Executive Director and in other leadership positions. As a consultant, Mim specializes in Board and Executive Director development, staff leadership transitions, strategic planning, and restructures. She also works as an Interim Executive Director in nonprofits that are without a person in this critical position on a permanent basis. She is the author of two books, *Winning Grants Step by Step* and *Team-Based Fundraising Step by Step*, both published by Jossey-Bass.

Margaret Donohoe guides nonprofit organizations through the opportunities and challenges of leadership, Board, and organizational transitions. Her experience as an Executive Director and her active participation on a variety

of nonprofit Boards and task forces, along with her MBA from Santa Clara University and ongoing professional development in areas of critical importance to the sector, have provided her with a broad foundation of skills and insight to help Executive Directors, Boards, and their organizations not just survive but thrive in these changing times.