

## **CASE STUDIES**

# **SUCCESSION PLANNING IN CHARTER MANAGEMENT ORGANIZATIONS**

*Profiles of three high-performing  
CMOs that have been through  
leadership changes*

## SUCCESSION PLANNING in Charter Management Organizations

The Bill & Melinda Gates Foundation contracted with Plattner Communications for research, writing and interactive tool development on succession planning in charter management organizations.

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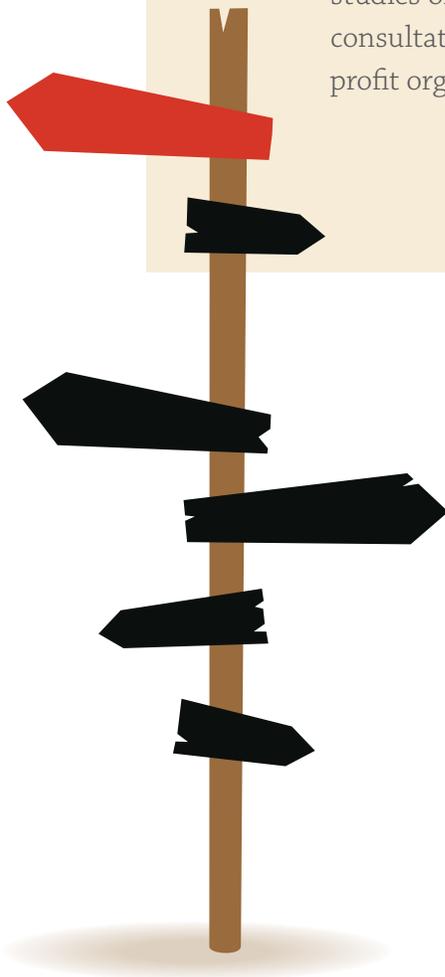
*We were fortunate to receive guidance in our work from two national experts in non-profit succession planning – Tom Adams of Transition Guides and Tim Wolfred of Wolfred Consulting. Noah Wepman at the Gates Foundation provided thoughtful advice and continual support. We very much valued the feedback we received from the Center for Reinventing Public Education and from WestEd.*

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The Bill & Melinda Gates Foundation funded research to understand the reality of succession planning for high-performing CMOs, and to provide assistance to make such planning routine practice.

The research included a quantitative survey of CMO leaders and board members; qualitative interviews with individual leaders; case studies of organizations that have been through leadership changes; consultation with leading experts in succession planning within non-profit organizations and with academics who have studied the issue.



## New Visions for Public Schools

New Visions for Public Schools (NVPS) in New York City has evolved from an organization focused on parent, student, and community engagement to a Partner Support Operator supporting 76 schools with more than 34,000 students. Its teacher certification programs are recognized as beacons in the field of and have been replicated nationally. But what makes the organization really unique, said President Bob Hughes, “is its deep relationship with schools day-to-day and the ability to draw on that to inform policy and advocacy.”

Richard Beattie founded New Visions Public Schools over twenty years ago and is the current chairman of the board. His no-nonsense approach to succession planning—“It’s not rocket science”—is based on years of experience in leading organizations and identifying talent, and he knows what he will look for in someone to succeed him on the NVPS board: “Someone who can be a leader, run the organization, cares about it, has the same interests, the same concerns, but might do things very differently. Otherwise, I might as well stay around.”

When Beth Lief transitioned after 10 years as the first president of New Visions to a member of the board, the board’s first choice of a successor decided after three days that she did not want the job. Next up was Robert Hughes, an attorney with an office down the hall in Beattie’s law firm, Simpson Thacher & Bartlett LLP. Hughes took on the job assuming he would be there for two years as an interim. “The person following the founder traditionally doesn’t survive. Your job is to transition so the next person can come in and be successful. I’d made my peace with that, and thought the organization important enough to give it a try.”

Beattie and the NVPS board gave Hughes free rein to put his own stamp on the organization. “You have to step out of the way,” said Beattie. “I did the same thing in the law firm. I ran the law firm for 15 years, I turned it over to somebody else and I stepped out of the way.”

Hughes credits his work in education law for development of the analytical skills needed to be successful in his current position, but had to unlearn the lone wolf mentality of a lawyer to be successful as president. He employed a coach for five years to help him develop management skills and strategies to be more collaborative, and increase his knowledge in education and education organizations.

Now with 10 years at the helm, Hughes described succession planning at NVPS as an on-going effort to develop the skills of two-three potential successors: “Like many plans, ours has changed overtime as the organization and its leadership pool has evolved.”

Currently, two internal candidates have been identified who could move into Hughes’ position in the event of a leadership transition. Hughes characterizes both candidates as systems thinkers, great managers, and experts in their field, but supports coaching to help his team augment their skills.

Beattie and Hughes have been “very focused” on succession planning, said Stacy Martin, COO/CFO, taking such tactical steps as tapping a co-chair for the board who might eventually succeed Beattie and building the bench at NVPS. “The idea is to have someone who understands the breadth of the organization as well as the day-to-day detail.” Members of the leadership team have the same orientation to succession, ensuring that their direct reports are being groomed to move up. Now that Martin has been persuaded to assume the COO role, she is working on developing her CFO replacement.

At the Partnership Support Organization, such grooming includes an immersion in the complicated politics of New York. “It’s something you need exposure to and mistakes with in order to get it,” Martin said.

NVPS leaders have been transparent in their conversations about succession, Martin continued, but discussion as a full management team has been more limited. “It’s not been hidden, but it’s not formalized either. I don’t know if we’ve been as strategic across the organization as we might want to be.”

Given both the strength and stability of the bench, Hughes is comfortable that the organization could survive a short or long-term transition. “The leadership is distributed enough that the organization it is not dependent on me.”

This orientation to skill development pervades the organization, notably through the Urban Teacher Residency Program and the Principal Mentoring Program; coaching on operations, practices, and procedures on-site and remotely for school staff, teachers, and administration; and workshops on current district policy as well as updates on procedures and how they may affect day-to-day operations or compliance for their site.

Under the leadership of Hughes, NVPS is heavily invested in systems thinking and streamlining its own system. Systems thinking is a key skill for a CEO, he said. “If you know the organization and understand the systems, you will know how to manage them.”

This focus on systems and processes stands in contrast to the relationship-orientation that Beattie depended on to find the second president of NVPS, and reflects the maturation of the organization itself. “I hope we all end up with a deeper appreciation from our management team down to our front line of how systems work,” said Hughes, “and how we need to move away from relationship-based reform efforts that are characteristic in education to a more non-personal assessment of the work and what’s required of it.”

## YES Prep Public Schools

Youth Engaged in Service (YES) Project was founded in 1995 by Chris Barbic as a district charter school. Today, YES Prep serves over 5,000 students in grades six through twelve throughout ten campuses in Houston, Texas.

In spring of 2011, Barbic was recruited to lead education reform efforts in Tennessee as the Superintendent of Achievement School District. The founder's announcement that he was leaving the organization was not wholly a surprise, said Jennifer Hines, Senior Vice President of People and Programs, "but no one in the organization had raised the issue of planning for succession prior to the announcement.

"We should have thought about it more formally than we did. I think that it was something that the board probably felt like they knew they should do, but didn't want to think about too much."

According to Board Chair Joe Greenberg, the schools were defined by the founder for the first ten years, and the strong identification between the founder, the board, and the schools created "a comfort factor" that limited conversation about a successor. "(Barbic's departure) was the first time we were faced with a major succession question. We weren't as prepared for it as we could have been," Greenberg said.

Prior to announcing his departure to the organization, Barbic had approached two internal candidates who he thought would be successful as president: Senior Vice President Hines, and Jason Bernal, Chief Operating Officer.

After some deliberation, Hines turned down the opportunity for three reasons: She had young children at home and wanted to enjoy them, she thought it would be challenging to follow a charismatic founder, and she did not enjoy board management and the political side of the organization. Hines was also really happy, she said, with the role she had in developing talent and overseeing the quality of educational programming.

For its part, the board contemplated three options: Announcing a successor, announcing a nationwide search, or announcing an interim President. The board sought outside advice from national education leaders about Yes Prep's prospects for a national search, and was told it was difficult to find a leader who could step in and do the job to everyone's satisfaction. "We decided to go with an internal candidate," Greenberg said, honoring a tradition at the CMO. "All of our school directors, minus one, have grown within the system. People who are on the senior leadership team also have grown with the organization."

The transition from founder to successor occurred within a week: On a Sunday Barbic told Bernal he was leaving, and announced his departure to the leadership team on the following Tuesday. On Saturday at a board retreat, it was announced that Bernal would become president.

Greenberg said the board felt strongly Jason could step into the job because he had the right skill set: knowledge of the organization's mission and goals, the ability to manage the organization to achieve those goals, to articulate them, and just lead. "He has the respect of the organization right on up to the board level, and the vision to move the organization forward," Greenberg said.

For Bernal, the decision was a surprise, and the transition was rapid. “It wasn’t even in my ten year plan,” said Bernal. “We never talked about this even being a possibility.” After Barbic announced he was leaving, he became very involved in the work he was leaving to do in Tennessee. Barbic and Bernal had a few meetings where Barbic provided a debrief on his projects, went over his external job description, and talked about how he managed internally. “We knocked it out in two or three hour long meetings and that was pretty much it,” Bernal said. Bernal accompanied Barbic to a few meetings where he was introduced to external stakeholders, but for the most part, Bernal has had to forge relationships with key external stakeholders on his own. “I have a list of people I just cold call for meetings, he said.”

Since assuming his new position, Bernal said he has not had the opportunity to think about succession planning. “I’ve been drinking from the fire hose. Chris decided to leave in May, and in May you’re planning for the next school year. So it’s really just jumping in.”

The leadership transition was a new experience for the organization, Hines recalled, and “our internal wires were really taut.” YES Prep utilized a Houston communications firm to assist with the announcement, and at the end of the day, it was all fine.

For Hines, the transition was both “sudden and long,” with a quick announcement and decision followed by slightly more than a two-month overlap for Barbic and Bernal. “That became a time of uncertainty in terms of who is actually leading and who has the decision-making authority.”

Hines expressed personal satisfaction with the process because she had the opportunity to consider whether she wanted to assume the role, but noted that some people in the organization who did not have the same opportunity felt “very passed over.”

Mark DiBella, who Bernal quickly promoted to Vice President of Operations, confirmed Hines conclusion. Unless there is a clear explanation of the process and the basis for the successor’s selection, everyone on the leadership team will ask, “Why not me? I wasn’t the person for the job, but it still caused me to ask why not me.”

Hines attributes the lack of communication as one reason the transition felt long. There was a lot of tension and confusion during that time. Hines now feels like, “it’s important to have explicit conversations with the board,” about potential senior and executive management leadership potential.

Four lessons surfaced from the leadership transition at YES Prep: First, it’s important to have a process, and second, communication about the process is essential. Third, sufficient time and sufficient budget are essential for a healthy process. Finally, transferring knowledge from predecessor to successor requires an orientation toward collaboration and suppression of ego.

**It’s Important to Have a Process.** A process to guide the organization can set up the incoming leader for success and provide clarity for the organization. Conversely, the lack of process can have negative repercussions for the organization. “There wasn’t a process here, and that caused some problems internally. It was just Jason, you will be president,” Bernal said.

Succession planning for the executive leadership of the organization will be an essential practice going forward. The organization has some succession practices in place at the school level that may

become more formalized processes as the organization develops succession plans for senior and executive leadership. DiBella initiated the practices during two leadership moves he made. Many of the practices derived, he said, from “thinking about what I’d wished I had known”- the logistical components like hiring and recruitment along with the strategy.

**Communication Is Essential.** YES Prep learned the importance of communication the hard way. It’s important to communicate what the selection process looks like: the skills required for the position, and how potential executive leadership candidates will be identified. Providing a clear understanding of the selection process will alleviate tension and confusion when a successor is chosen. Once a new leader is identified, the board chair or departing leader can explain why the particular candidate was selected to lead the organization. An action plan should define the roles of the departing leader and his/her successor during transition as well as who should be consulted for key decision-making.

**The Right Time and Right Budget Improve the Prospects.** Organizations go through work cycles in the course of a year, with periods of time devoted to planning and periods dedicated to making the plan work. Jennifer Hines said the timing of the transition made it more difficult to plan for the school year ahead. “If the transition had happened in November, it might have worked for Chris to be around, because you’ve made the major decisions and you’re coaching someone through the decision. When you make that kind of decision in May, you’re thinking about the strategic planning and key hiring. What’s the role of the old leader vs. the new leader?”

The right budget can allow for overlap of salaries for a designated time—and that gives the predecessor and successor more opportunity to work together. There was a little redundancy in salary, but that allows you to free up time. Time is a critical component, said DiBella.

### **Working in the Margins**

In a strong organization like YES Prep that has demonstrated growth and sustainability over time, a new leader does not have to come in and change everything. DiBella described an incoming leader as someone who is “working in the margins to make things better.”

The role of the exiting leader is to share with the successor what he/she sees is working, areas to focus on immediately, and initiatives to implement in the future. The departing leader has to be willing to have the successor introduce the initiatives as if they were his/her own. “You just have to take a big chunk of humble pie. Your natural inclination is to want the organization (or school) to take a little dip, but from an organizational standpoint, you have to set up the next leader to make the organization incrementally better.”

### **Conclusion**

**Succession planning is important.** Thinking ahead to the future, the organization will have succession planning processes in place, clearly communicate the process to the organization, consider the timing of the transition and allow for time, and transition an incoming successor with the philosophy that leaders coming into healthy organizations are “working in the margins” and moving organizations from “good to great.”

## Chicago International Charter Schools

Chicago International Charter Schools (CICS), the largest charter school operator in Illinois, manages a network of 16 campuses serving 9200 K-12 students in Chicago and Rockford. If Chief Executive Officer Beth Purvis were to be hit by a bus crossing Chicago's busy streets, the state's largest charter management organization would survive during the six months Purvis has allotted for her recovery.

"My definition of a good leader is a leader who can be absent and no one knows," Purvis says. "I have no doubt that if I had to take a six-month hiatus, this place would be fine. This team will keep it moving."

For Purvis, leadership transition is not just about replacing a CEO—it's about all the key positions and roles. "There are 12 people here running an \$80 million organization. One bad one and it really all goes down."

Learning from the experience of a steep learning curve for hiring, she has engaged in practices to build a dynamic, highly functioning team that has kept the organization moving forward through multiple staff maternity leaves, illness, departures, and the creation of new positions.

"Our succession plan is not formal," explains board chair David Chizewer, "but we have the players in place and practices that sustain the organization....I think we've done everything we could have done. I'm not saying I'm comfortable with the level of succession planning we've done. But I'm still comfortable that it won't hurt us."

According to Purvis, "There are at least four people here who, over the next ten years could take over, be it tomorrow or seven or eight years from now." And she has begun to gently introduce the idea that she will leave eventually. "My board, like all boards, get nervous when you start talking about succession because they think you are getting ready to leave. So they're starting to hear that more and I think they're starting to hear that I will not accept for this place to slip if I leave."

CICS did submit a one-page succession plan as part of its application to secure continuation as a CMO, and says Purvis, "has had the fire drill" for the day when key members of the team take leave.

This case study describes the current level of succession planning and examines five strategies Chicago International employs to ensure smooth transitions.

### The current level of succession planning

Chizewer has served on the board since 1997, when the organization was founded, and has observed the evolution from "a focus on growth and getting to a particular size" to a "focus on academic achievement, accountability, and assessment." The role of the board has evolved as well, from directing the CEO to do its bidding, to employing "a stronger individual who can put his/her imprint on the organization," says Chizewer.

Chicago's strategic plan includes an organization chart, but not a succession plan. "I don't believe our strategic plan has a component of succession planning in it," Chizewer says. "It does have a component of an organization chart and who will do what. But not who will do it next."

The board evaluates Purvis using a set of criteria reviewed annually to determine “which ones we think are important, and which less important, given what’s happening in the organization and what our needs are.” To some extent, those criteria would be used to select the next CEO.

“You have to really think about the skill set that is critical to the organization,” Chiwizer says. “Is it the academics, or is it organization and management? It’s hard to find someone who has everything. It’s easy to say you want everything, but you’re not going to find it, so you really have to focus your priorities.”

### **The elements of sustainability**

In the absence of a formal succession plan, Chicago International uses five management practices that, in combination, lead to two results beneficial for succession: the development of a cohesive team with limited turnover, and the creation of a national reputation that attracts talent.

The practices are linked, with one leading to another: (1) A confident, knowledgeable leader (2) focused on organizational priorities (3) builds a strong bench by hiring people who are both “independent and collaborative, (4) stands back and lets them do their jobs as well as learn hers, and (5) encourages them to maximize their potential, even if it means leaving the team.

**Start with a capable leader.** Sustaining the organization is part and parcel of Purvis’ understanding of her role. “One of the things that concerns me sometimes in charter schools is that we focus way too much on the dynamic leader,” she said. “I’m looking for a sustainable network that, even though we have different school management organizations running the day-to-day operations, that we look to provide opportunities for people to move up.”

The leader has to be a good communicator, says CFO Thomas McGrath, to deal with all the layers inherent in the environment for charter management organizations. “Beth does a great job of that. That’s part of the reason why that characteristic of a CEO comes to the fore immediately. And then, part of any leader’s work is to build a team and delegate. You can’t do all of it. A leader knows when to delegate.”

**Keep the focus on the organization’s priorities.** When she assumed the CEO position, Purvis focused the first three-four years on “getting the ship moving in the right direction.” Now that she has a capable leadership team, her role has shifted from day-to-day operations to strategy related to politics and policy.

**Build the bench.** Purvis is the first to admit that her training as a pre-school teacher and college professor did not prepare her for hiring executives. Now her team and board chair comment on her skill in identifying talent and putting a team together. “One of the great things Beth has done is hire great people and create an organization not wholly dependent on one person,” says Chiwizer.

When hiring, Purvis looks first for intelligence—people who are brilliant in their areas—and people who think differently than she does. CAO Andrea Brown-Thirston has observed a deliberate effort to hire people who not only think differently, but have different work and communication styles.

At this juncture, Purvis is concentrating her grooming efforts on developing generalists. “I think that’s where an ED or CEO needs to be. And if you’re not, if you’re a specialist, you have to let go of the ego and make sure your Number Two is the complement.”

**Resist micromanaging.** Purvis' management style is to hire well, ensure that new hires have an "early win" to show what they can do and earn respect from the team, and then give people free rein. "I let my team do their work, and they know to come to me when there's a problem," Purvis says. "I think that also helps in the succession plan. You cannot survive here if you need to be micromanaged. You have to be both independent and collaborative, so you can't be someone who needs group projects all the time. But you have to play well in the sandbox."

**Maximize potential.** Purvis' intent to maximize employees' growth is clear to those who work with her. Team members describe multiple opportunities to develop their skills as a day-to-day expectation as well as when someone is on short-term leave. CFO McGrath says Purvis "does a great job, perhaps in the succession mindset or intent of connecting us with relevant important players above our level."

Not only does Purvis discuss the prospect of a succession within the organization, she is open and above board—and wants her staff to be as well—about the reality that someone may come looking for them, or that they will find it necessary to leave in order to grow.

Some employees may not see themselves as prepared to replace her, Purvis says, and she has to be careful of not scaring people when she's grooming them for something they think they're not ready for yet. Others may need to be pushed to think beyond their current position. "At some point," she says, "if I'm not ready to leave, you're going to have to go run your own shop. It's not right for me to keep you here because it's good for me."

This level of support is new to Brown-Thirston, who says, "I have never ever had a boss who said at some point you may outgrow this and that's okay... She felt like all of us were professional enough to get that support from her and for her to give that support."

### **Paving the way for transition**

Chicago International is building a national reputation as a high-performing CMO, and one consequence is that success breeds success: both Chizewer and Purvis expect the organization can attract a talented CEO if the board chooses to look outside the organization. "CICS is doing a tremendous number of things well," Purvis says. "You could come back in five years and every one of our schools will be in the top 25% in this city... And then this place is really ready for a superstar to come in, someone with national significance that can bring this organization to the next level."

On the one hand, Chizewer says it "would be very difficult to replace Beth." On the other, "We know the organizations to go to, we have a national reputation and I know we'd get a lot of interest right away."

There's more that can be done, Purvis says, including putting more processes in writing, and being more explicit about what's working and what isn't.

Chizewer would say there's always more that can be done—until you start thinking about all the other things that require attention. "It's not that we're not strategic and forward looking," he explains, "but we're strategic and forward looking about the things that are occurring that are more directly related to improving academic outcomes and instruction."

