CEO ORIENTATION KIT

BoardSource®

PLANNING AHEAD

Identifying and welcoming a new chief executive to your organization is one of the board's most important responsibilities. The incoming CEO will need to become familiar with the current operating position (both mission/outcomes and financial), staffing structure, funding, and public image as soon as possible, making a thorough orientation vital.

Preparations for the executive's orientation should begin in earnest even before the new executive has been identified and provided with a general start date. Think about unique ways to introduce a new executive to the work your nonprofit does.

If the organization covers an extended geographic area or has dispersed facilities, the orientation process might include a tour of those facilities and a meeting with key staff. If it's a membership organization, the orientation might include the incoming executive going on a listening tour to hear what's on the minds of members.

The information below includes general guidelines that all nonprofits can use when onboarding a new CEO, but aspects of the orientation process will vary widely depending on the organization's size and its position in the organizational lifecycle. For more information about how to assess your organization's stage of leadership, try our organizational lifecycle assessment tool and other resources found in *Navigating the Organizational Lifecycle*.

CHECKLIST: REVIEW OF ORGANIZATIONAL DOCUMENTS

A comprehensive collection of key organizational documents provides the information base that the incoming CEO will use to familiarize him/herself with the organization. Once on board, the new chief executive should — and will likely want to — review many of the following items to become more comfortable with the organization and its programs.

Exemption/Nonprofit Status

- ❑ Articles of incorporation
- ❑ Form 1023 (Application for Exempt Status) and the exempt status determination letter from the IRS

Public Profile, Strategic Documents, and Operating Outcomes

- ❑ Annual reports from previous two years (if published)
- ❑ Strategic and/or business plan

Tax and regulatory filings

- ❑ Form 990 file
- ❑ State income report filings (if relevant)
- ❑ Proof of payment of federal and state employee withholding
- ❑ Proof of payment of Unrelated Business Income Taxes
- ❑ State charitable solicitation registration and report filings
- ❑ Other tax or regulatory filings
- ❑ Organization's status regarding property and sales taxes
- ❑ Audit file as well as the contract with the current auditor and history of the relationship with auditor

BoardSource®

TEXT MAY NOT BE REPRODUCED WITHOUT WRITTEN PERMISSION.
© 2016 BOARDSOURCE.ORG

Financial

Note: Your organization should decide which financial documents the incoming CEO needs and when. For larger or more complex organizations, staggering financial documents into tiers may help the CEO better absorb the information and increase his/her understanding of the organization's operating system.

- ❑ Information about accounting method (cash or accrual), systems(s), and methods used
- ❑ Responsibilities of employees involved in accounting/finances
- ❑ Current balance sheet and statement of activities
- ❑ Year-to-date (YTD) budget versus actual
- ❑ YTD comparison to last year
- ❑ Recent cash position and cash flow projection
- ❑ Receivable and payable aging schedules
- ❑ Reserve fund statements
- ❑ List of assets and depreciation schedule
- ❑ Proof of account reconciliations
- ❑ List of key suppliers, products/services provided, and history

Proof of insurance or actual insurance policies

- ❑ Umbrella liability
- ❑ Directors & Officers liability insurance
- ❑ Professional liability/errors and omissions, if relevant
- ❑ Product liability, if relevant
- ❑ Contracts or memoranda of understanding with any subsidiary or umbrella organizations

Governance

- ❑ Board list (with bios if available)
- ❑ Board and committee minute files
- ❑ Bylaws
- ❑ Committee list
- ❑ Committee charges or charters, if applicable

Personnel/Operations

- ❑ Job descriptions and resumes for all key employees and direct reports
- ❑ Staff and board organization charts (if available)
- ❑ Information about staff turnover
- ❑ Employee handbook or policy
- ❑ Disclosure about any ongoing or proposed contracts (or other relationships) with the previous chief executive(s) or any current or past officers
- ❑ Purchase and expense policy
- ❑ Policy on travel expense reimbursements for both staff and board plus related forms

BoardSource®

TEXT MAY NOT BE REPRODUCED WITHOUT WRITTEN PERMISSION.
© 2016 BOARDSOURCE.ORG

ORIENTATION SCHEDULE

To help the chief executive get better acquainted with the organization's staff, board members, operating structure, and programs, it is beneficial for the orientation to include a series of briefings or discussions rather than a brain dump by one individual. Ideally, these conversations should be scheduled within the first two weeks of the new CEO's start date, but depending on the size of the organization, complexity of programs, and other variables, they may not be fully completed until two to three months after the CEO is hired.

The orientation will likely cover the following key topics and can include the participants listed below.

Strategic direction and key external issues. Discuss the organization's strategic direction and long-range plan. Ideally, the strategic or long-range plan was shared with the candidates during the interview phase. Often, the discussion of strategic direction can be combined with a dialog about current external issues facing the organization as well as those on the horizon.
Participants: board chair, planning committee chair (if present), executive committee, key staff

Financial and legal review. Review the organization's current financial status, as well as any legal issues facing the organization.
Participants: key financial staff, treasurer, accountant or bookkeeper, and legal counsel (if appropriate)

Funding outlook. Review current fund development plans, activities, projected net revenues, etc.
Participants: key development and financial staff, development or fundraising committee chair (if present)

Program status and outcomes. An in-depth discussion about the status of programs and any outcome or evaluation data. Briefings might include visits to off-site facilities and meetings with leaders of constituent groups, if applicable.
Participants: program directors

Board. Start a dialog about board issues and the status of board development.
Participants: executive committee or board development chair and board chair

Staffing. Discuss any key staff vacancies, human resource issues, status of personnel reviews, etc.
Participants: director of human resources and/or other staff member who has handled employment files (if applicable).

Other. Depending on the organization's situation, other topics that might be important to cover in briefings include marketing, volunteers, systems, facilities, and information technology.

Again, the size of the organization and the dynamics of the situation will affect the structure of the orientation process. In small organizations, these discussions might be combined into one or two conversations. In large organizations, the briefing process will likely be more extensive. The departing executive might also be a participant in these discussions, depending on the departure circumstances and timing.

BoardSource®
TEXT MAY NOT BE REPRODUCED WITHOUT WRITTEN PERMISSION.
© 2016 BOARDSOURCE.ORG

SAMPLE CHIEF EXECUTIVE 90-DAY ENTRY PLAN

RB Relationship building

UP Understanding of organizational programs

FR Finances/fundraising responsibilities

MC Marketing/ organizational communications

Within first two weeks

RB Meet with each staff member (individually or in teams)
- Assess their perspectives and evaluation of the organization.
- Impart management, mission philosophy, and key expectations.

First month

RB Hold face-to-face or phone conversations with each member of the board.
- Ask about specific expectations for first 12 to 18 months.
- Inquire about concerns.
- Discuss their sense of the vision for the organization's future.

UP Receive briefings from key staff regarding the programs they direct.

UP Review key grant agreements.

FR Review current financial statements (profit and loss, balance sheet, and cash flow projections). Continue to review at least monthly thereafter.

FR Ensure signatories on all accounts are up to date.

First 45 days

RB Plan visits to key donors. If former CEO is assisting in the transition and orientation, attend these visits jointly.

FR Meet with the finance committee. Continue meetings at least monthly thereafter.

UP If any staff positions are vacant, assess skill requirements and develop plan for filling the vacant position.

MC Develop media plan to include news articles and coverage of major events.

First two months

FR Provide updated budgetary information to key staff on a weekly basis.

FR Assess overall development resources.

MC Review current marketing materials.

First three months

RB Complete visits with key donors.

RB Visit each program sponsor.

RB Introduce self to leaders of collaboration partners.

BoardSource®

TEXT MAY NOT BE REPRODUCED WITHOUT WRITTEN PERMISSION.
© 2016 BOARDSOURCE.ORG



CHALLENGES FOR THE NEW CEO vs CHALLENGES FOR THE BOARD

Every executive moving into a new position faces a similar set of challenges regardless of prior experience. The executive's challenges include

- gaining an understanding of the organization and acquiring knowledge — quickly
- figuring out who's who and establishing solid working relationships
- setting good priorities
- meeting pent-up demands for change
- making decisions that may have been deferred during the interim period
- managing expectations and negotiating competing demands
- building a support coalition to back needed changes
- balancing both organizational and personal transitions

Similarly, the board faces its own set of post-hire challenges. These include

- shifting gears after the search and finding the energy to address important relationship-building work
- effectively launching and supporting the new executive
- adjusting to the new executive's leadership style, as well as the executive's expectations and needs in relation to the board
- building trust with the new executive
- avoiding the dangerous polarities of micromanagement and excessive confidence



SUPPORTING THE NEW CHIEF EXECUTIVE: KEY STEPS FOR THE BOARD

Organizational operations

To effectively execute the role of chief executive, an incoming CEO must have a strong understanding of the organization's programs and operations. The board is responsible for ensuring the CEO has all of the pertinent information necessary to begin leading the organization.

- Design and implement a thorough orientation.
- Ensure that the new executive has essential information and materials about the organization's finances, policies, and more.
- Work with the new executive to develop a leadership agenda for the organization identifying short-term strategic priorities.

Relationship building

Recently hired CEOs sometimes (or may often) rely on the board to get them up to speed on not just organizational processes, but also on the community the organization serves. The CEO should start building relationships and making connections as soon as possible after being hired, but cannot do so without the help of the board. To do so, the board can:

- Arrange for introductions of the new executive at community forums, confidential sessions with other nonprofit leaders, and other events.
- Join the new executive in personal visits and phone calls with key donors and organizational partners.
- Seek out invitations for the new executive to important social events, opening opportunities for the chief executive to speak at significant or high-profile community functions

BoardSource®

TEXT MAY NOT BE REPRODUCED WITHOUT WRITTEN PERMISSION.
© 2016 BOARDSOURCE.ORG

Feedback and professional development
The relationship between the board and incoming CEO is vitally important to the overall health of the organization. The board, especially the board chair, should look to build and strengthen their partnership with the CEO through open communication, mutual trust-building, and clear expectations.

- Offer training, coaching, or other professional development opportunities for the new executive, as needed.
- Provide frequent, substantive, and constructive feedback (not just at the time of the annual performance review).
- Develop a 90-day entry plan for the new executive identifying key short-term challenges and opportunities, along with orientation and learning priorities.
- Develop a plan for monitoring the new executive's performance.

The chief executive's relationship with the board must be one of mutual trust and respect. To that end, the board should ensure that the new chief executive

- has confidence that the board chair will intervene with any board members who may misunderstand or abuse their positions
- feels that on-the-job performance is being assessed fairly and appropriately, without resorting to oversimplified checklists, or rating scales
- receives compliments for exceptional initiatives; every chief executive appreciates the occasional "job well done" from board members, especially the board's leaders
- is encouraged to use professional and personal leave time for renewal
- feels that at least the board chair is aware of and sensitive to any personal situations or needs and respects the confidentiality of their private conversations about personal issues



WHAT DOES SUCCESS LOOK LIKE?

The new executive will bring a different leadership style that will likely not be received the same way by all board members. As board members monitor the climate during the chief executive's first few months, they should try to keep in perspective the many speed bumps likely to be encountered as a result of a change on this scale.

The selection of the new chief executive is often viewed as a transformative act that will result in a multiyear term of office, but without a clear understanding on both sides of expectations, the partnership will not be able to flourish.

Many nonprofit boards and chief executives mistakenly assume that existing documents such as the mission statement, the chief executive's job description, the chief executive profile, or the strategic plan adequately define collective expectations.

Characteristics of an Effective Written Statement of Mutual Expectations

- Developed because both the board and the chief executive believe it adds value
- Reflects agreement by the chief executive and the board collectively on the organizational issues that will most demand the chief executive's time and attention
- Specific on issues and actions and realistic in its time frame.
- Carefully defines ambiguous leadership and management language such as "vision" or "expanding markets" to ensure that the board and chief executive interpret such terms in the same way
- Deployed as a means of enhancing communication between the board and the chief executive
- While either the chief executive or a board officer might prepare the initial draft, the final statement should be reviewed and approved by the board and the chief executive.
- Regularly reviewed along with other relevant documents at the time of the chief executive's performance assessment, the board self-assessment, and related occasions, and updated as necessary

BoardSource®
TEXT MAY NOT BE REPRODUCED WITHOUT WRITTEN PERMISSION.
© 2016 BOARDSOURCE.ORG

While new executives deserve some time to understand the terrain before committing to a plan of action, the board and the executive should work together as early as possible and as often as needed to agree on goals for the organization, define their respective roles, and decide which tasks require immediate, short-term, or long-term action. These early months are an important time for board members and executives to share their perceptions about how things are going, to celebrate achievements, and to work on problems before they fester.

This is not a one-way street. During these early months, the chief executive should be proactively seeking the board's – and importantly the chair's – advice and feedback while working to familiarize him/herself with the organization. The board, on the other hand, needs to determine the best way to help assimilate its new chief executive, embrace his or her strengths, and provide support in critical areas where he or she may lack experience or interest.

WHAT'S NEXT?

An effective chief executive orientation lasts longer than the first 90 days. Oftentimes it can take a year or more for a new CEO to become fully comfortable with the staff, board, and programs of an organization.

The following chart explains the stages of an incoming CEO's education and assimilation as well as the changes an organization may be undergoing as the CEO settles into the role.

Stage and Duration	Action	Organizational Change
Entry — The first three to six months of the new executive's tenure.	New executive's introduction and orientation — early-stage learning and beginning to take the reins of the organization. Critical relationships are established. Executive assesses the organization, staff and board, etc.	Organizational changes can be numerous but are typically limited in scope, such as small, corrective actions and solving problems left over from the transition.
Immersion — An additional three to six months.	The executive is over the initial learning hump. Learning continues, but it's more "fine grained" and at a less hectic pace than during Entry. The executive begins to manage the organization in a more informed fashion.	Changes tend to be few during this stage. Later in this stage, executives often begin planning the actions that will take place in the Reshaping phase, either by revisiting the current strategic plan or instituting a new planning process.
Reshaping — Generally encompasses another three to six months.	Learning continues but at a slower pace. Implement the planning work begun during the Immersion phase.	Implementation of changes outlined in the planning work. Often this phase results in the most significant and strategic organizational changes to date.
Consolidation — variable.	Follow-through on the planning work.	Further implementation of the planning work and addressing the unintended consequences of some changes initiated during the Reshaping stage.
Refinement — ongoing.	The final phase in the taking-charge process. The executive is no longer considered new, and the job is no longer new to the executive.	The pace of change often slows down and involves ongoing refinement of operations and exploration of new opportunities.

BoardSource®

TEXT MAY NOT BE REPRODUCED WITHOUT WRITTEN PERMISSION.
© 2016 BOARDSOURCE.ORG

LEADING THE ORGANIZATION

Strong leadership is crucial to the success of an organization, and effectively welcoming a new chief executive is one of the most important responsibilities of a nonprofit board. In order to focus on hiring, retaining, and supporting a CEO, it is important for a board to have a detailed orientation plan in place.

Providing the CEO with a list of important documents, building relationships with key stakeholders and the community served, and strengthening the partnership between the chief executive and the board all set the stage for strong leadership and a successful organization.

Resources

Chief Executive Succession Planning
Chief Executive Transitions
Ten Basic Responsibilities of Nonprofit Boards
Trouble at the Top

BoardSource®

TEXT MAY NOT BE REPRODUCED WITHOUT WRITTEN PERMISSION.
© 2016 BOARDSOURCE.ORG