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Changing Leaders

A non-profit group's search for a new executive director yields succession lessons for any firm

The Organization: Santropol Roulant is an innovative non-profit organization in Montreal focused on youth training, food security and community-building among different age groups. Since its inception, the "Roulant" has delivered over 300,000 meals to isolated seniors and trained over 2,000 young volunteers.

The Situation: Five senior staff members are leaving at the same time, most notably the organization's dedicated and charismatic executive director. The leadership turnover will be a high-stakes test for the Roulant's transition team: Can they turn a period of vulnerability into an opportunity for growth and rejuvenation?

WHEN VANESSA REID announced her resignation as executive director of Santropol Roulant in June 2005, she was leaving on a high note. The organization was financially stable. Its staff of 15 was engaged and cohesive. And even as volunteerism was in sharp decline nationally, the "Roulant" benefited from the contributions of more than 100 volunteers per week.

An observer entering the building just then would have difficulty distinguishing staff from volunteers or new members from veterans. Some volunteers arrived for "shifts" booked long in advance; others simply walked in to help for an hour or two. The offices and kitchen, next door to each other in Montreal's Plateau neighbourhood, were filled with banter that alternated readily between English and French.

Many volunteers would leave the Roulant with insulated red backpacks slung over their shoulders. The packs were filled with home-cooked meals for

isolated seniors dealing with a loss of autonomy. This meal-on-wheels service was the Roulant's first program. By 2005 the organization's activities had expanded to include a broad range of programs focused on food security, youth engagement and community building between young and old.

But while Reid's departure came at the organization's healthiest point since inception, it would be

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complicated by a number of other organic changes and leadership-team turnover. In all, five senior staff would be departing within the same three-month window. "They were happy departures," one Roulant staffer recalls. "Everyone was leaving on really good terms. But it still added to the urgency. We needed to get the transition right just because there was so much uncertainty."

TURNOVER WAS NOTHING NEW for the Roulant, whose staff and volunteers are drawn from Montreal's itinerant youth and student populations. It was founded by two young men facing Montreal's depressed mid-'90s economy. "There were no real job prospects for me in Montreal," co-founder Chris Godsell writes in a history of the organization published on the Roulant's website. "The economy was in the tank, and my 75-word French vocabulary was not bound to open doors of great opportunity."

Imbued with social conscience and dedicated to finding meaningful work in the city, Godsell and his friend Keith Kirkpatrick launched Santropd Roulant. Their concept was a meals-on-wheels service providing isolated seniors with companionship and hot meals while helping young people develop skills, confidence and job experience. It would be, as Godsell writes, "a constant community structure thriving within the transient youth culture." They financed the project with a sponsorship from the café where they worked part-time and a multi-year \$160,000 grant from Youth Service Canada.

The Roulant's volunteers delivered thousands of hot, homemade \$3 meals to seniors in eight neighbourhoods, from its own backyard in the Plateau Mont-Royal to Côte-des-Neiges. In time, it expanded its activities beyond basic food delivery. Its young volunteers and elderly clients met for trips to the botanical gardens, shared celebrations and other events.

Vanessa Reid joined the Roulant as executive director in 2001, at one of its most vulnerable points. Its initial federal grant was finished and had been replaced by an insufficient patchwork of grants, corporate donations and project-based government contracts. The two founders exhausted had resigned. Two successful executive directors left due to health problems. The Roulant still had its vibrant culture, but desperately needed stability.

Reid had arrived in Montreal as a student, later serving as a parliamentary assistant and working overseas on fair trade issues with Indian and Guatemalan non-profits. Over coffee, she happened to describe her work in community building and organizational development to Stephanie Garrow, a friend from university. Garrow, it turned out, was on the Roulant board and had been charged with finding a new executive director with the communication and organizational skills Reid had in spades.

Reid quickly became an enthusiastic and charismatic spokesperson. She developed healthy two-way channels of communication with the organization's supporters, engaging funding agencies and showing how their contributions delivered results. In parallel, the organization expanded fundraising efforts, from a fundraising friperie (thrift shop) in the basement to the sale of hand-screened T-shirts and calendar featuring art and photography by the Roulant's staff and volunteers.

Reid also took steps to help foster a culture of participation and innovation. Within her first year, the volunteer base and staff grew significantly, initiating many new projects. Within several years, the Roulant had not only been stabilized financially, but also re-energized.

REID WORKED TIRELESSLY for the Roulant. But in the winter of 2005, she took a five-week vacation without so much as e-mail access. Her

holiday was a significant test for the organization – and served as a springboard for a full re-appraisal. "Her vacation helped us to think about how we work and how we make decisions," says board member Tana Padlock. "We realized we wanted to move towards a more collective model of decision-making."

In the wake of Reid's trip, a small committee was convened to consider "strategic futures" for the Roulant. Their mandate was to imagine the shape of the Roulant in the years to come, and to manage the organizational changes that would help them get there. There was an understanding that Reid was entering the final stage of her leadership at the Roulant, and a shared desire to diffuse authority and decision-making throughout the organization.

In February 2005, members of the strategic futures committee first learned about Reid's coming departure. By May, she made it official. "One of my goals when I started in 2001 was to leave well," Reid wrote in her departing letter. "[I] would be healthy, the organization would have a sense of well-being, and my departure, the transition and subsequent succession would be done with the characteristic Santropd Roulant style, grace and collective creativity."

Reid's announcement came at an unusually chaotic moment for the organization. Its director of operations, who had served for over five years, was returning to school. The kitchen manager was moving on, and its volunteer and special projects co-ordinators were both at the end of non-renewable contracts. At the same time, there was momentum behind a proposal to reorganize the governance structure into a membership model. Adding further to the complexity was the timing of the changes: Planning the transition would need to take place in the summer, a time when many staff and volunteers were away and the organization would be dealing with an already high workload.

INNOVATIVE IDEAS.
RELEVANT EXPERTISE.

The strategic futures committee quickly evolved into a transition team. Its mandate would be to co-ordinate organizational redesign with team development, hiring, training and orientation, acting as a conduit through which all members of the Roulant could help to shape the organization's future.

The team membership deliberately included a number of freshly appointed directors and staff – those who would be working closely with the new executive director. The rationale was that those who were shaping the organization should be deeply invested in the Roulant, rather than on the cusp of their departure. The team was rounded off by the appointment of a Roulant veteran to the role of transition team

volunteers and members it represented. They mailed out timelines and updates on a regular basis, encouraging feedback and responses. They ran a brainstorming day with staff and volunteers, met with members informally and had staff map out their roles, skills and responsibilities.

The upshot of their consultations was a focus on building the capacity for leadership at all levels of the Roulant, and the dispersal of leadership and responsibility throughout the organization. Hiring for each position would be the responsibility of a small committee, but the work of the transition team would guide hiring, describing each role and how the positions would relate to the organization's mission and

role, she began to think it might be for her.

In September, just after the Roulant posted its job advertisement, Rabinowicz withdrew from the transition team and applied for the position. Competing in interviews against six external candidates, Rabinowicz showed the committee her potential and her close understanding of the organization's needs. "The transition team was designed to empower all members and give them a role in shaping the Roulant's future," Rabinowicz says. "That was a driving factor in my interest in the position."

After two rounds of interviewing and debate, the hiring committee made its decision. "We worked together over two very intense days of interviews," one team member says. "But the

The transition team's first decision was to view personnel changes as a chance to remodel and rejuvenate the organization. Says one team member: "We decided to think of it as a transformative process"

co-ordinator, and informed by briefing from those who had been involved in the original executive director hiring process in 2000.

THE TRANSITION TEAM'S first decision was to embrace the uncertainty and consider the far-reaching personnel changes as an opportunity to remodel and rejuvenate the organization. "We decided to think of it as a transformative process, an opportunity to move to a new era of leadership," says one team member.

The team's priority was to allow all of the Roulant's members and stakeholders to be involved with the shaping and strategy of the organization. To connect the team with the

aims. For the executive director, the team would move away from the "hero leader" that the Roulant previously needed for stability and renewal. Instead, they sought someone who could act more as a mentor: "We needed someone who could really listen to the organization, rather than someone who wanted to put their stamp on it," explains Paddock.

Jane Rabinowicz, one of the five transition team members, had never considered herself a potential executive director. She had joined the organization as a volunteer and later became manager of the Roulant's Rooftop Garden Project. But as the members, board and transition team described the new executive director's

decision-making process and the discussions that followed the interviews were a high point." Though their original inclination had been to go with an external candidate, the committee decided that Rabinowicz was the best choice to succeed their departing executive director.

The Outcome

The leadership change at Santropol Roulant started with Reid's vacation – and ended with Rabinowicz's. On strict orders from the board, the new executive director was assigned a week of vacation between her departure from the leadership of the Rooftop Garden Project and

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her first day as executive director. "It was a cooling-of-period," describes Rabinowicz, allowing for a distinct point of demarcation between her old role and her new position.

Because many staff had been actively involved in the transition team or hiring committee, Rabinowicz was able to start in her new role with warm working relationships already in place. Her drollness, shared office was separated from the staff by only a single step. And Rabinowicz's introductions to her new roles relationships and duties were smoothed by a lengthy hand-off period, where she and Reid collaborated on key projects. They spent four days, for example, at a conference with the McConnell Foundation, one of the organization's key supporters. This approach allowed Reid to pass the torch directly and ensure that key relationships were passed on to the new leader.

To facilitate ongoing leadership development and succession planning, the organization has developed mandated, recurring mechanisms for reflection. Visitors to the Roulant on a Thursday may see a cluster of staff and volunteers grouped on couches, sharing news, setting strategy, brainstorming and exchanging insights. Similarly, the staff and board convene at retreats focussed on strategy and planning for the organization. These initiatives have helped to make the transition team's vision of decentralized, democratized leadership a reality.

When Paddek joined the Roulant's board of directors, she had one aim: "I knew how special the Roulant was," she says. "I wanted to make sure that we preserved that." Months after Rabinowicz took the helm, that special character looks to be intact. The Roulant's offices hum with the activity of new volunteers. In the basement, a corner has been deared to house their new vermicomposting project. The kitchen is busier than ever, playing host to a new series of inexpensive cooking workshops. In short, the Roulant's distinctive culture and energetic environment has endured even as the leadership has been passed to new hands.

"The transition period can be a vulnerable time," one transition team member reflects. "But we turned it into an opportunity. We entered into another phase of development through the transition process. We came out strengthened and better-developed."

The Expert View

By Bruce McConnell

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Santropol Roulant had an advantage over the tens of thousands of small businesses in Canada whose founders are anticipating retirement. Its departing leader didn't need to consider the question of ownership. Vanessa Reid didn't have to worry about selling her firm or extracting a retirement nest egg from her sweat equity.

There's an important lesson for small business leaders here: The process of succession planning takes inestimable time, energy and focus – even when ownership is not at play.

Planning and managing the transition of senior leadership is a vitally important process for any small business or organization. When a new leader arrives unprepared, the consequences can be grim. For businesses, these can include lost clients, diminished productivity and reduced profits. For non-profits, they can include lost donors, diminished volunteerism and reduced effectiveness in achieving their mission.

Santropol Roulant has done an admirable job of managing this tough process. I attribute its success to three factors. It built a strong transition team, it had a talented and competent internal candidate and it aligned hiring with a broader strategy for the organization.

The transition team was strengthened by the fact that it included both staff and directors. This mix of stakeholders helped lend credibility to the selection process and facilitated acceptance of the new leader. Santropol Roulant also made planning a priority, and this contributed to its success. Finally, the team solicited input from those who had been involved in previous succession planning efforts. The value of exper-

ience in succession planning – whether from internal or outside sources – can't be overstated.

Secondly, Santropol Roulant happened to have an ideal internal candidate. This wasn't just luck: The organization made a point of encouraging its staff to try new roles, developing their leadership skills and deepening their understanding of the organization. Not every outfit will choose an internal successor, but there are almost no drawbacks to fostering a rich pool of leadership talent within the organization.

The final success factor for Santropol Roulant was the match between the organization's strategic situation and the qualities it sought in its new executive director. Reid was hired when the organization was in a period of crisis. As a result, she acted as a strong, central voice for the organization – a hero leader. This was entirely appropriate at the time. By 2005, it needed a different person in a different role and sought a leader who could help to delegate authority and decentralize decision-making.

Succession planning should force company founders and leaders to ask themselves: Five years after the transition, what will this company look like? The answer to that will shape every succession decision an enterprise makes. The earlier that question can be asked, the better. With the luxury of time, leaders can ensure the operation they build is left in good hands.

Santropol Roulant had a strong internal successor and no ownership issues, yet it still needed well over six months to manage its leadership succession. Other organizations may need even more time. Three to five years is not unreasonable for many firms, and it is best to make succession planning an ongoing process.

As waves of organizational leaders (CEOs and executive directors alike) begin to consider their own retirement, this case shows the salience and urgency of proper succession planning. It also reinforces the fact that an early start is the manager's best defence against failure in the process of leadership succession.

Note: The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The views represented here are solely those of the case authors and are based on their own professional judgment. Certain names, scenarios or identifying information may have been disguised to protect confidentiality. The contents of the full teaching case are available to educators in the Journal of Small Business and Entrepreneurship.