

## **THE CHANGING FACES OF INTERIM EXECUTIVE MANAGEMENT: *Strategic Capacity-Building for the Nonprofit Sector through Expert On-Demand Leadership***

**By Jeffrey R. Wilcox, CFRE**  
*President and Chief Executive Officer*  
*The Third Sector Company, Inc.*

The practice of skillful short-term executive leadership for nonprofit organizations is in the midst of a significant landscape change from its traditional beginnings.

Today, the marketplace offers interim management to nonprofit organizations through private practitioners, practitioner cooperatives, nonprofit management support organizations, single-focused proprietary organizations, and multi-faceted private firms that include interim management as a component of a larger suite of services.

The result of these different points of view and business models is that the idea of, “interim executive management,” has evolved into a general label used to describe a diverse set of services. The recruitment, training, vetting and support for on-demand leaders has broadened into a number of schools of thought; and, consequently strategic short-term executive leadership is now wearing a variety of “faces” in the marketplace.

What was once a well-defined service offering, generally regarded as a component of executive transition management, interim executive management has evolved into its own science. It is a dynamic organizational capacity-building intervention offered by general practitioners as well as a growing number of specialists who are providing services that have no relationship to executive transition whatsoever.

Despite the differences, in both perspective and practice, the men and women who engage in interim executive management for nonprofit organizations represent a highly specialized workforce that:

- offers human resource solutions and organizational development opportunities to any nonprofit;
- a potential new career option to many successful and seasoned nonprofit professionals; and
- a pioneering capacity-building intervention uniquely positioned to advance the sector.

Today, the “faces” of interim executive management for nonprofit organizations are known to have assumed at least seven distinct roles in providing specialized leadership continuity. Each role warrants validation by interim executive practitioners for their unique contributions for demonstrating the capacity-building expertise and valuable commodity that trained and experienced on-demand leaders offer to sustain dynamic nonprofit organizations and advance their respective missions.

### **THE EXECUTIVE TRANSITION INTERIM:**

Considered by many as the traditional and most common practice of interim executive management, the executive transition interim provides organizational leadership and on-site capacity-building services following the vacating of a leadership position. In most cases, the successor is unknown and the interim is afforded opportunities to assist an organization with both a human resource solution and an organizational transformation process directed at enterprise sustainability, thoughtful succession, and mission advancement.

**THE LEAVE OF ABSENCE INTERIM:**

The leave of absence interim executive is preceded and succeeded by the same professional with usually a defined length of service as well as perimeters for influencing organizational change. The leave of absence interim provides a temporary human resource solution to maternity leaves, short- or long-term disability, sabbatical, and extended absences. These professionals offer capacity-building opportunities that provide assessments, design and implement enhanced systems, and assure management continuity aimed at increasing effectiveness and efficiencies to benefit both the organization and the returning professional. This interim position is especially popular with practitioners seeking a defined work/life balance in their professional careers.

**THE INAUGURAL EXECUTIVE POSITION INTERIM:**

As an organization evolves from all-volunteer to having a first-time paid executive, this type of interim executive plays a strategic and independent role in establishing a new and untested infrastructure. Not having a personal long-term vested interest in the permanent position, the new position interim creates systems, builds the capacities for measured growth with an added human resource, forms organizational alignment behind a new infrastructure, and experiments with first-time processes that will be later inherited by a permanent executive to further evolve as his or her own. This interim position is especially popular with professionals who are at their best in independent work environments.

**THE ORGANIZATIONAL DISSOLUTION INTERIM:**

When an organization has concluded that the sustainability of its mission has been permanently compromised, the dissolution interim is charged with appropriately and legally sun-setting the nonprofit. There will be no successor. There is the potential for higher than average involvement with the predecessor. The dissolution interim specializes in creating befitting legacies, appropriately eliminating the workforce, document destruction, and fulfilling all obligations to a host of stakeholders to close the business.

**THE MERGER & ACQUISITION INTERIM:**

In today's environment, the number of nonprofits choosing to merge with other nonprofits or to acquire services that augment their mission statements is growing. M&A Interims offer special talents that help nonprofit boards to navigate the politically-charged and legally-complicated processes of forming new organizations or radically-modified structures to serve the community. This type of interim, generally speaking, does not have a predecessor and requires substantial skills beyond traditional executive transition.

**THE COURT-APPOINTED INTERIM:**

Whenever a nonprofit organization files for bankruptcy, the courts may elect to contract for an independent third-party assessment and will issue a contract for independent temporary management of the bankrupt enterprise. The outcome is to render an expert opinion about the perceived ability of the organization to emerge from its bankruptcy proceedings. These types of interims have specialized skills at running nonprofits while in bankruptcy and rendering opinions considered "expert witness to the courts" regarding the future of the nonprofit. This interim works for the courts and not for the board of the directors.

**THE CHIEF OPERATING INTERIM:**

Larger, complex nonprofit organizations, like their corporate cousins, are introducing the concept of a chief operating officer as a potential leadership solution to their infrastructural needs. Experienced nonprofit executives, who have taken traditional interim executive positions, are being offered opportunities to develop chief operating positions based on their years of nonprofit management working in tandem with a colleague to design a new leadership infrastructure. The interim, not having a vested interest in the position, provides chief executive leadership in tandem with a colleague to build capacity without disturbing the current senior positions and those individuals that hold those positions until the position is clearly defined, developed and demonstrated.

Private practitioners, management support organizations, and private firms, today, are responding to requests for and offering interim services and interim professionals experienced and trained in each of these unique leadership interventions and capacity-building opportunities. Interim programs are recruiting specialists in each of these fields and developing curricula to support the broadening demands placed on all interim professionals.

The deciding factors that create these different “faces” of interim nonprofit management include:

- Whether the executive has a pre-determined successor (transition or leave of absence)
- Whether the executive is part of an executive transition or an organizational transition (merger/acquisition)
- Whether the executive had a predecessor (new position)
- Whether the executive has a definitive role in the nonprofit structure or a dynamic role in redefining the structure (chief operating officer)
- Whether the executive has been hired by the organization or by an outside party (court-appointed)
- Whether the executive has been charged to advance or to dissolve (dissolution)

No professional interim executive could or should use the same approaches to create the capacity-building outcomes needed by nonprofit organizations facing the leadership challenges posed by each “face” of an interim executive leadership need.

Regardless of the reason for engagement, however, the men and women who provide interim executive management, whether generalist or specialist, are each dedicated to creating excellence for their client organizations. Each is committed to developing and using proven interim executive management models, tools, and methodologies to create optimal efficiencies and effectiveness. And, their common goal, regardless of reason for engagement, is to offer unique on-demand leadership that can advance great causes to serve a worthwhile mission to better communities and society.

#### **FACT:**

**The “faces” of interim executive management detailed in this article required no additional research by Third Sector Company. Each of these interim executive leadership opportunities represents the breadth of marketplace needs requested by our clients and met by the trained and experienced professionals at The Third Sector Company.**



The Third Sector Company, Inc. is dedicated to fostering a continuity of professional and voluntary leadership for the nonprofit sectors of the United States and Canada through succession planning training and consultation, interim executive management, executive retention support, executive performance planning and review, search committee training and support, and next generation board and executive leadership training.

*In Southern California – (562) 484-8281  
In The Pacific Northwest – (206) 799-1942*