

Tips for Ensuring Good Family Foundation Transition Management

- Take time to focus on what the presence of family adds to the giving process. Too often we think of family in terms of the challenges of related personalities in close quarters. Understanding what you as a family add to the giving process raises the level of discussion and the bar that you set for your shared performance.
- Establish a culture where family serves the philanthropy not vice versa.
- Recognize that conflict is always present in a growing, changing organization. Conflict is neither inherently good nor bad but is often a sign of change. Good conflict management determines if the effects are productive or regrettable.
- Appreciate that conflicts escalate with avoidance.
- Ensure that the structures and strategies you employ serve the interests of the foundation as a whole and not any particular faction, interest, or program.
- Recognize that it is critical to have a board chair able and willing to take on the hard and sometimes unpleasant work of leadership.
- Maintain a strong partnership between the board chair and the chief staff person. Ensure the CEO is not expected (either by intention or default) to navigate what are primarily family disagreements.
- Remember that young people usually appreciate being valued for what they offer vs. birth right as well as being accountable vs. tolerated.
- Consider options for board assessment and pick the one that works for you. It can give you advance indication of an impending transition and give you the opportunity to work through issues before they become problems.
- Establish expectations and ground rules (policies, practices, etc.) before a situation becomes personal. Making policy based on one person rarely does the job.
- Founders: Clearly articulate your reasons and hopes for involving your family. Similarly, share any hopes you have for the foundation going forward.
- Successors: Be sure you have the time and commitment to serve the needs of the foundation before you volunteer or take on a formal role.
- CEOs: Keep in mind that no transition can be managed unilaterally. You can provide much needed leadership in guiding but not driving your foundation through transition. Stay close to your board; it's hard to have a positive and appropriate influence if you're too far out in front or too far behind.
- Finally, some observers posit that family foundations are prone to spend unnecessary dollars on administrative expenses. Our Generations of Giving study - and any study of comparative spending - reveal the opposite is true. Family foundations are more likely to be reluctant to spend money on organizational needs and development. They see such expenditure as taking money from the grants budget rather than what can ultimately be an important investment in good grantmaking.