New Chief Executive

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Structure

What have I taken on?

- List and discuss

  - Key documents

  - Key information

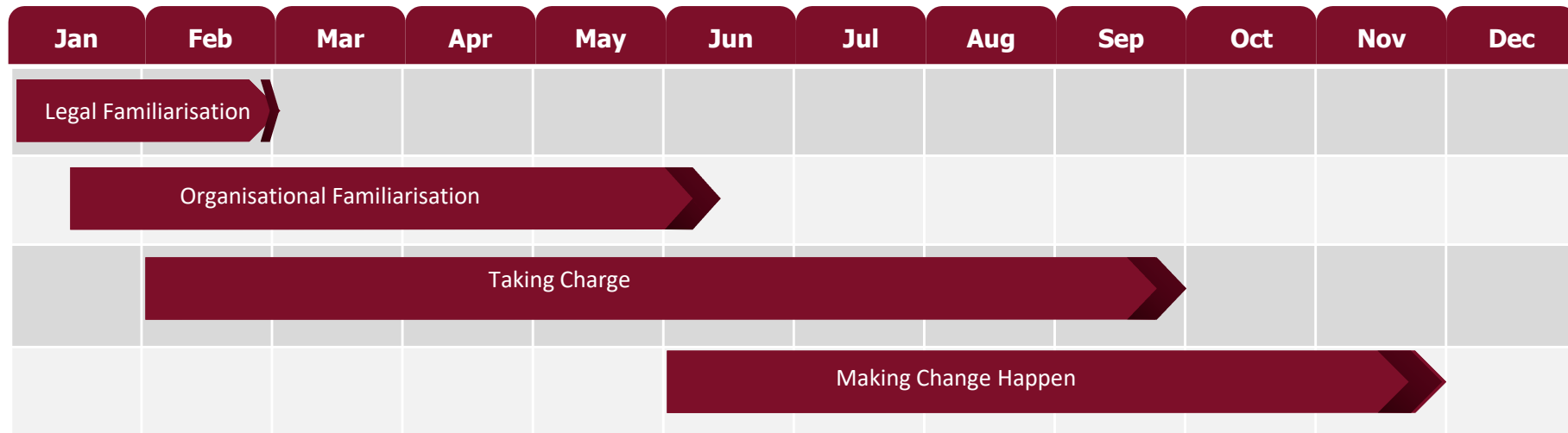- That you need to be aware of before & immediately after you become the Chief Executive

Knowing myself

- What are the skills required for my new position?

  - Discuss

- Consider list and pick the 12 you consider the most important to your new role

  - Where do you rate yourself against each required skill between 0-100%?

  - Map the response onto the spider graph

CEO Journey

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

Legal Familiarisation

Organisational Familiarisation

Taking Charge

Making Change Happen

COURTSHIP

What have I taken on
What is going on
Will I ever understand
"Imposter Syndrome"

AUTHORITY

I know where we need to get to
I know what needs to change
I know who and what I need
I need to get the resources

Making the Leap

Momentum	Implication
Ascend Acclimatise & shed the past	Assume nothing - Assess new realities Take your time Take a new approach (don't repeat past successes) Don't view the world through your former role
Adjust Create an intentional transitional plan	Gather data – even painful data Use insights into a shared set of "vital few" priorities Expect conflicting demands – be prepared to disappoint – Do not try & be popular
Assert	Use position & information positively & consistently Be careful of your "darker side" Many will want you to fail
Affect	Focus on sustainable positive change Create and enforce positive culture & governance Support manager development

How do I need to change

- The way you are perceived, and you perceive yourself will change fundamentally

  - Are you prepared for the change?

  - What do you need to consider?

- Complete the table

Emotional development

- Fake it till you make it

- Exude confidence

- Remain positive

- Keep yourself motivated

Supportive leadership culture

CONCERN FOR SELF

	HIGH	LOW
HIGH (CONCERN FOR ORGANISATION)	I'M OK YOU'RE OK	I'M NOT OK YOU'RE OK
LOW	I'M OK YOU'RE NOT OK	I'M NOT OK YOU'RE NOT OK

Board

- Directors = Trustees

- Legally responsible

- Non executive

- Responsibilities

  - Charitable objects/ Vision

  - Good governance/ culture/ values

  - Strategy

  - Managing CEO

  - Financial and outcomes reporting (Trustees Annual Report)

Relationship with Chair

- Pivotal to success of charity
  - Create a framework for the relationship
  - Clarify and document degree of delegated authority
  - Agree how and how regularly you will communicate
  - Agree on how to make communications "safe" – i.e. how to deal with bad news

Set the agenda

- Shared goals
  - Schedule meetings to agree objectives & review progress
  - Agree how progress assessed
- Feedback, appraisal & reward
  - Schedule meetings for this
  - Agree remuneration policy
  - Schedule annual appraisal
  - Agree training & development goals & budget
- Succession planning

Approaches to managing the relationship

- Executive – Directs or forbids actions

- Partner – Sharing management

- Mentor – influences to positive effect

- Consultant – waits to be approached for advice

ideal

- Distant – Chairing meetings & attending obligatory meetings

Relationship will change with time and your own confidence

Types of interpersonal dynamics

- Facts sharing – one way giving

- Ideas sharing – brainstorming & problem solving

- Knowledge sharing – learning/ coaching interaction

- Feelings sharing – support & appreciation

- Give & Take – Acceptance/ adoption to other persons style

The more the interaction the greater the level of trust

Modes of operating

- Distant v close involvement

- Leading v standing behind

- Friend v formal

- Challenging v supportive

- Convergent views v divergent views

- United front v airing differences

- Who speaks for charity

Discuss pros and cons and how this may impact or be perceived by the board, the charity by stakeholders

Why things go wrong

- Unpleasant surprises
- Chair not giving enough time
- Explanations doubted
- Employees and/or Board mutterings of discontent
- High staff turnover
- Appraisal does not take place
- Relationship out of balance

Board

- Balance of skills and expertise

- Create a partnership – socials/ away day etc.

- Smaller supportive board

- Create individual relationships

- Build trust

- Keep looking for new trustees

Employees

- You will be judged by your results
- You are in charge
  - Remember that your charity exists for the beneficiaries not employees
  - Employee performance will reflect on you
  - Everyone is replaceable, including you
- What is it that employees want from their managers?

Key requirements from employees

- You make decisions

- You know what you want

- You are consistent

- You are seen to be doing the right thing

- You are fair

- You recognise and acknowledge acheivement

- You listen

- You don't show favouritism

- You comply with values, behaviour and work ethic

Starting

- Do not rely on what you have been told
- Or what people tell you
- Observe
- Listen
- People will resent you, lie to you, be political
- They will test you – do not fall into the trap
  - Does this need to be answered?
  - Does this need to be answered by you?
  - Does this need to be answered now?

4 critical behaviours

- Get to know your people

- Communicate about performance

- Ask for more

- Push work down

Motivation

- Your behaviour has major impact on team

- Sublimal signals/ body language

- You have to act all the time

- You have to be engaging

- Have to be positive

- You can train yourself to do this

- BUT be authentic!

Meetings

- Regular one on one meetings with managers who report to you

- What is appropriate? – weekly/ bi weekly?

- Same time for each person

- Respect appointment

- Somewhere safe and secure

- 30 minutes (take notes)
    - 10 minutes for employee
    - 10 minutes for you
    - 10 minutes for way forward – if required

Empathic, effective listening 1

- Be attentive and curious
    - Eye contact/ body language – be open
    - Be fully present give full attention – nod/ smile
    - Acknowledge their thoughts & views
- Clarify and feed back
    - Ask questions to clarify certain points "What do you mean when you say…", "Is this what you mean?"
    - Reflect back and summarise what you've heard

Empathic, effective listening 2

- Defer judgement
  - Let the other person finish their sentences and make their point
  - Don't interrupt with counter arguments
- Respond appropriately
  - Be candid, open and honest
  - Assert your opinions respectfully
  - Treat the other person as he/she would want to be treated

Questions not to ask

- Closed questions: Can be answered by a yes or no
    - "Would you like to better at delegating?"
- Leading questions: leading the other person to the "right" answer
    - "You do realise that your lack of attention to detail is why your work is always late?"
- Limiting assumptions
    - "Being the new manager in the department makes it difficult to introduce new ideas"

Questions to ask

- Open questions: Allow to reflect and think
  - "Tell me what you expect from your team?"

- Reflective questions: Opens up conversation and allows you to understand the other persons thinking
  - "You say that you are having problems with detail – why is that?"

- Presupposition questions: Allows you to *slide past* anything that is blocking the other person from seeing something from a different perspective
  - "How could being the new manager make it easier to introduce new ideas in the department"

Employee Development

|	EMPLOYEE DEVELOPMENT			
	START	NEWISH	DISGRUNTLED	MANAGER
COMPETENCY	LOW	SOME TO LOW	MODERATE TO HIGH	HIGH
COMMITMENT	HIGH	LOW	VARIABLE	HIGH
MANAGEMENT STYLE	DIRECTING	COACHING	SUPPORTING	DELEGATING
ACTIVITY	STRUCTURE ORGANISE TEACH + SUPERVISE	DIRECT + SUPPORT	PRAISE LISTEN + FACILITATE	HANDOVER RESPONSIBILITY FOR DAY TO DAY DECISION MAKING

Rapid Operational Overview

OPERATIONAL ACTIVITIES	DELIVERY ACTIVITIES	VALUE DELIVERED	KEY METRICS	BENEFICIARIES
OPERATIONAL RESOURCES	DELIVERY RESOURCES		DEPLOYMENT	FUNDERS

Strategy Process
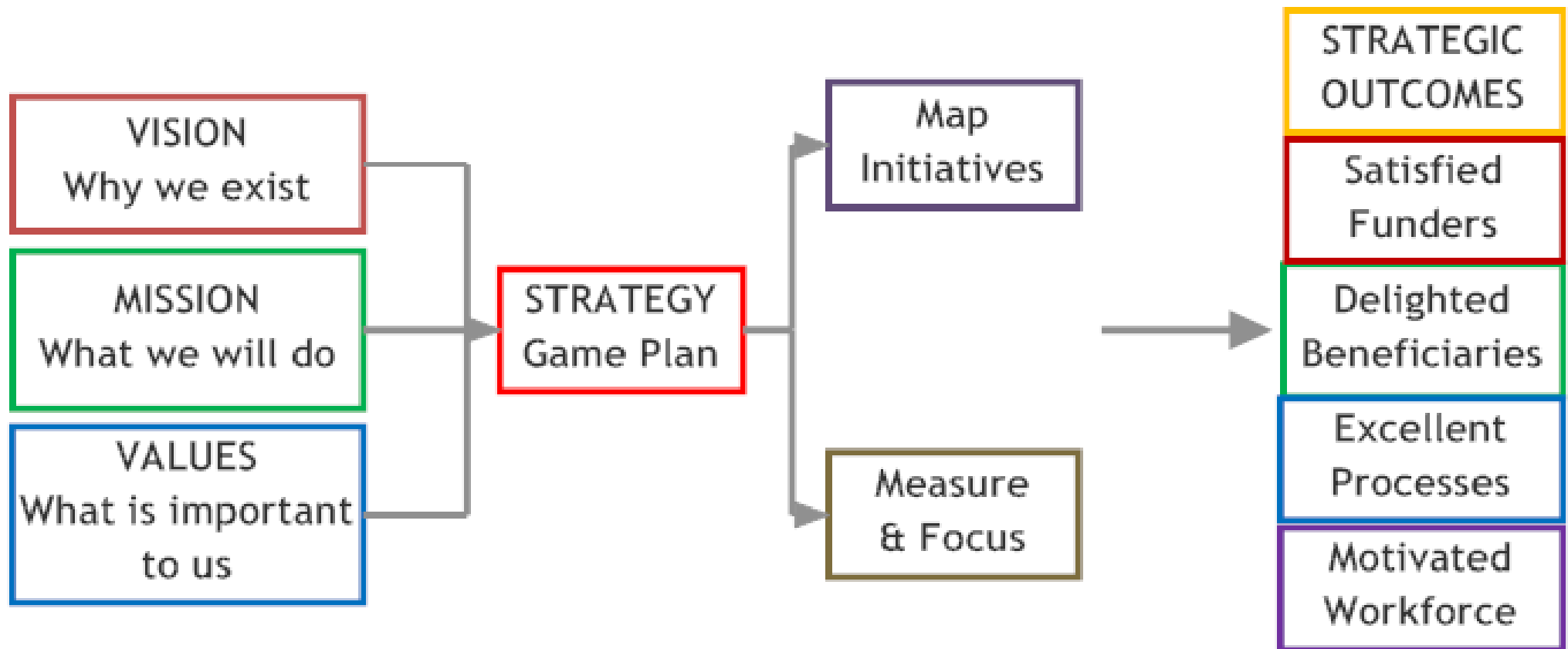
Steps to success
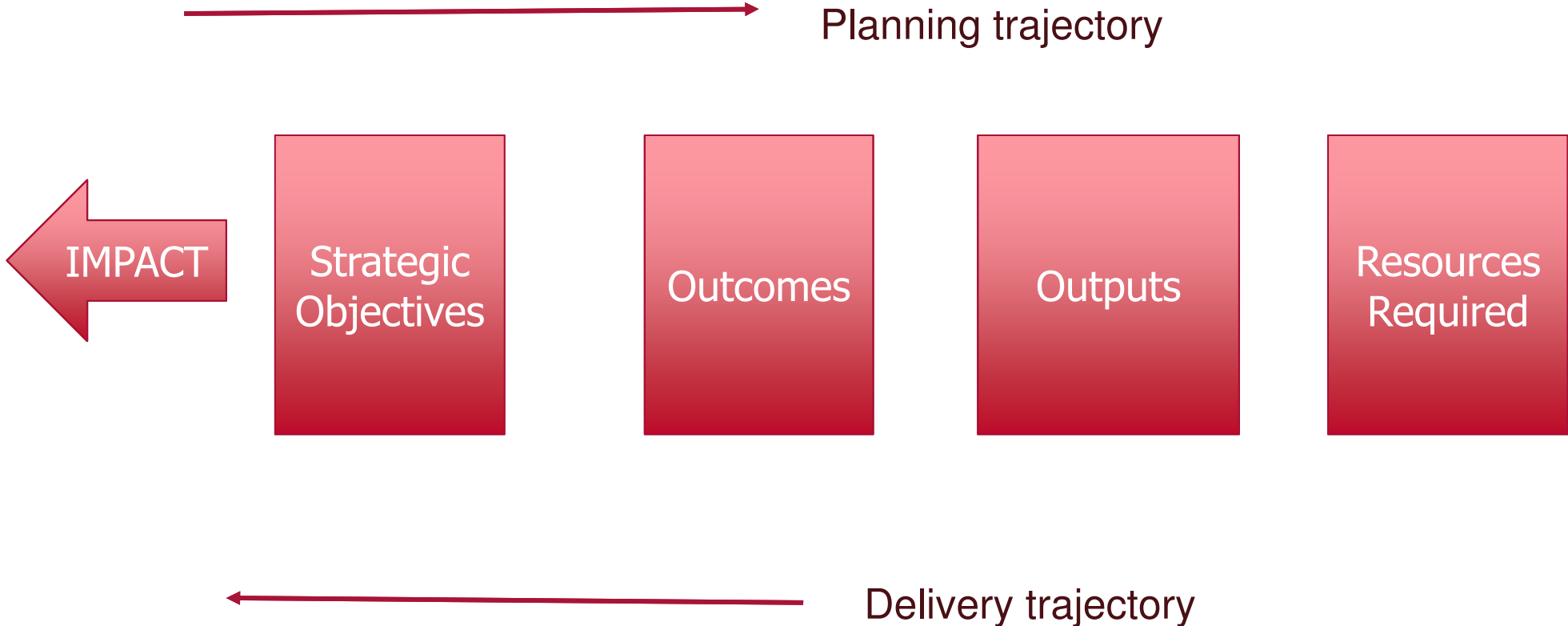
Framework	Implication
Aspire Where do we want to go	Vision Strategic objectives/ targets
Assess How ready are we to go there	What are our capabilities Identify/diagnose ability to achieve vision
Architect What do we need to do to get there	Portfolio of initiatives Beneficiary deliverables & performance improvers
Act How do we manage the journey	Delivery model Execution and correct approach
Advance How do we keep moving forward	Continuous improvement infrastructure

Impact Process

Theory of Change

Planning trajectory →

IMPACT ← | Strategic Objectives | Outcomes | Outputs | Resources Required

← Delivery trajectory
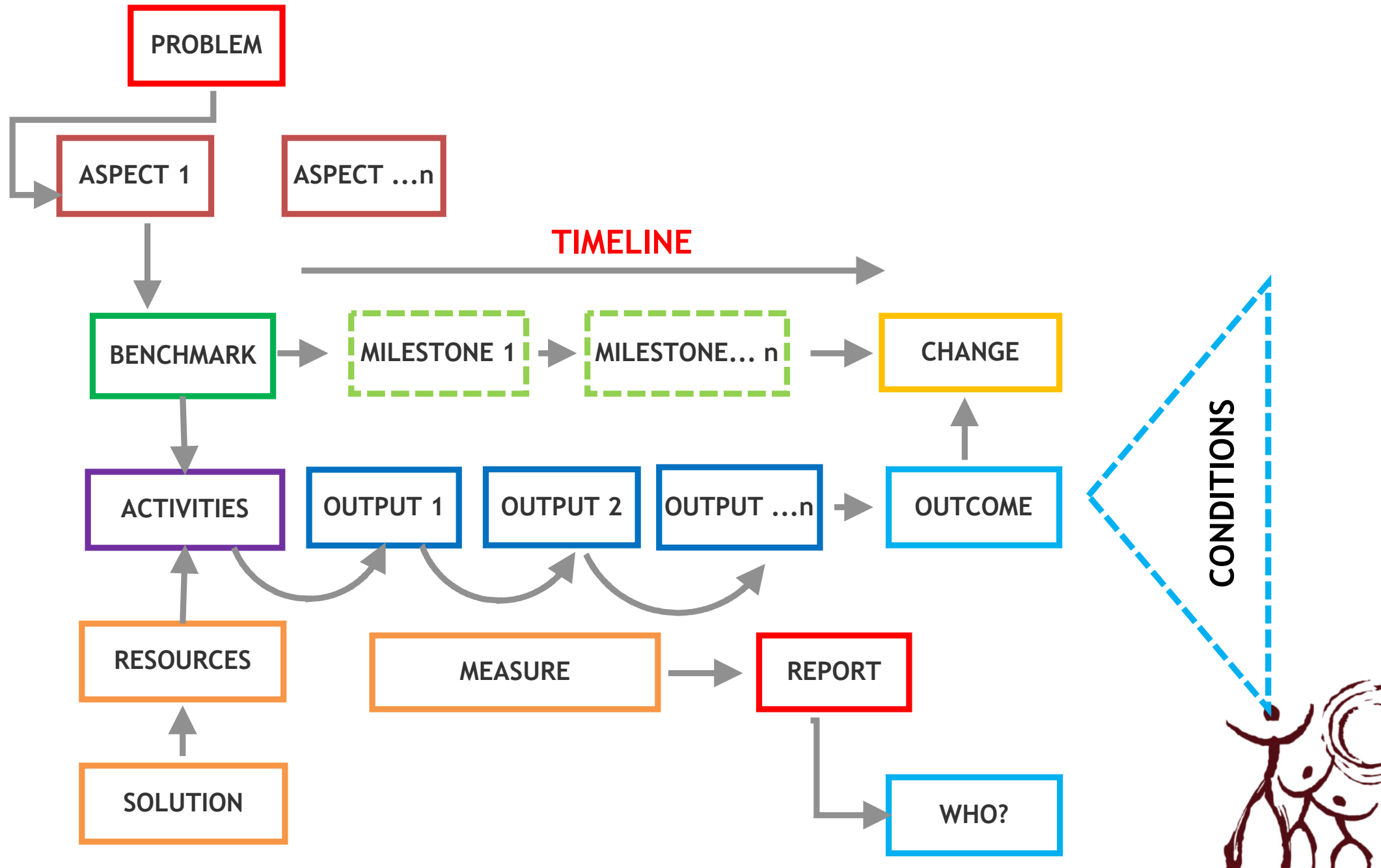
As a charity – want to deliver social benefit

Value Proposition

- Where do you create value/ benefits?
- What differentiates you?
    - Knowledge/ experience
    - Cultural knowledge
    - Position/ location
    - Networks/ partnerships
    - Delivery capability/ speed/ ease of use
    - Cost

    } Features

    - What would happen if you did not exist?
- The value proposition is different for each of your stakeholders and the solution you are delivering
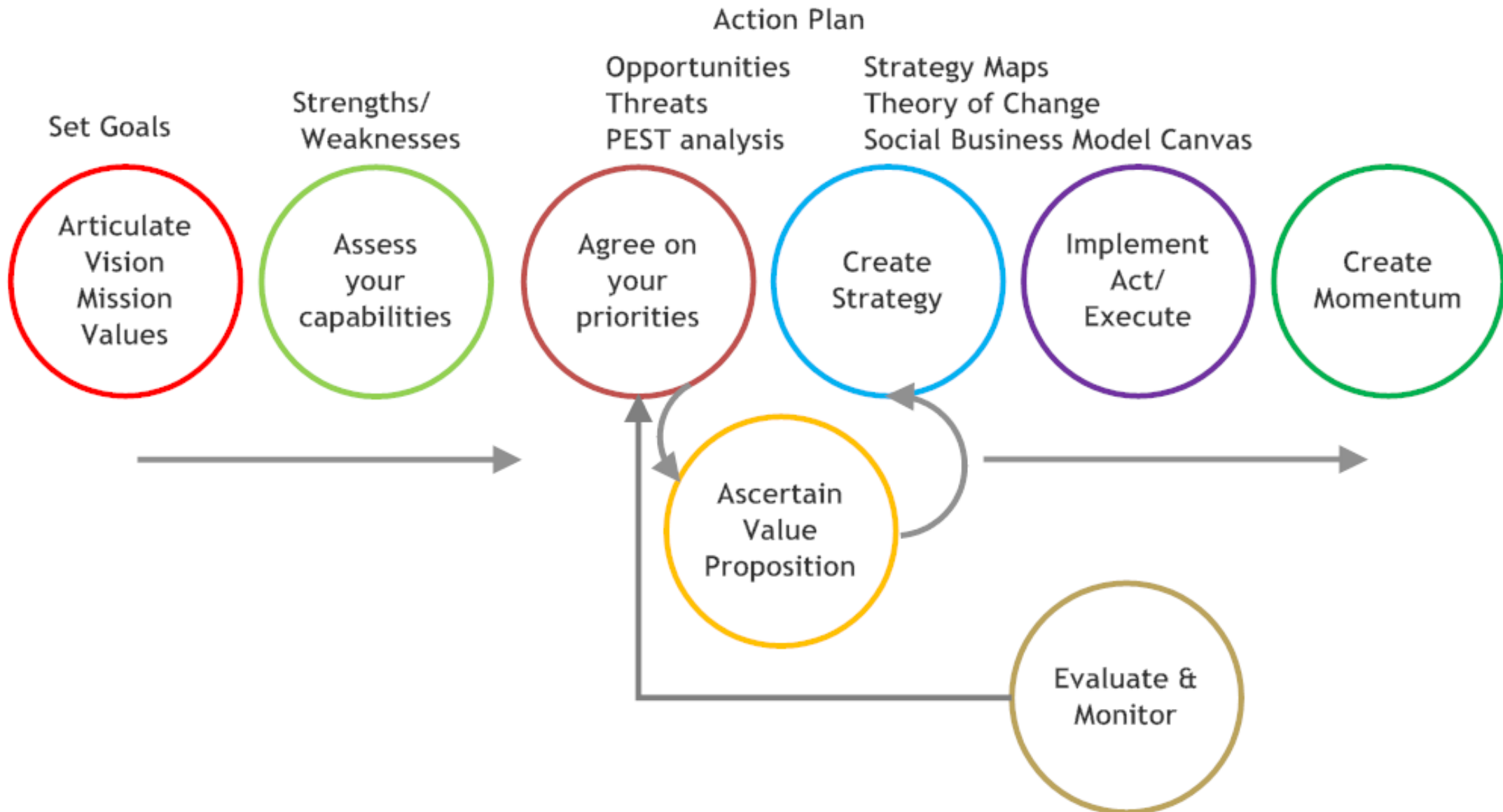
How to identify VP

- What is making their life/ jobs difficult?
    - Unhappiness
- What will make their lives/ jobs better/ easier?
- Does your solution
    - Create happiness
    - Take away problems (current or future)
    - Make life easier
    - Make job easier
    - Reduce costs/ save money

Strategy Process

Setting objectives

VISION
OUTCOMES WITH A DEADLINE

KEY WAY

KEY WAY

KEY WAY

ACTION & MILESTONE

ACTION & MILESTONE

ACTION & MILESTONE

SUPPORTING BEHAVIOURS
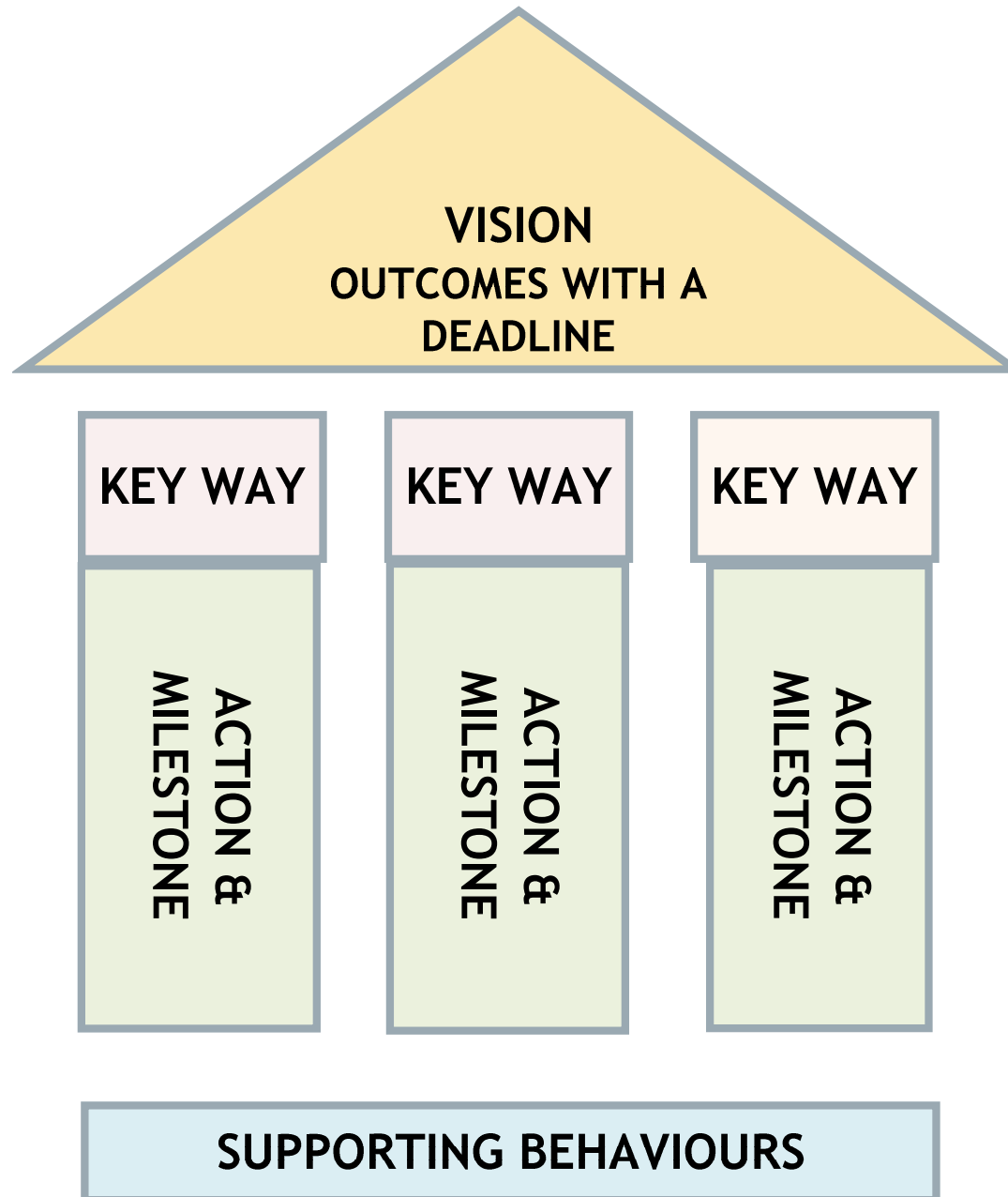
Setting Objectives

Must Meet 3 Criteria

1. **Necessary: Represents a critical difference in expected performance**
2. **Realistic: Is subjectively attainable agreed by Manager + Doer**
3. **Agreed: Has been agreed by Manager + Doer**

Must Have 3 Components

1. **Results to be achieved?**
2. **Deadline: By when specifically?**
3. **Limits: Constraints within which objective must be achieved i.e. subject to….provided that….**

Key Learning

- Cash is King
  - Control cash and you will survive
- Predictable cash flow is best
- Keep fixed costs low

Predictable income flows

	Best Position	Look at income
Flexible cost base	Best Position	Look at income
	Create cash buffer	very vulnerable

Unreliable income

Budget Cycle

STRATEGY → BOARD APPROVAL

STRATEGY → OUTCOMES → OUTPUTS → RESOURCES → FINANCIAL FORECAST → FUNDING APPLICATION → GRANT RECEIVABLE → BUDGET → ACTIVITIES → MONITOR & MEASURE → REPORT → COMPARE → CHANGE?

Income expectation

Absolutely need	Require	Nice to have

Have in hand	Need to get

Funder	What for	Have capability/ resources	A How much	B Likelihood %	C = A x B Expectation
A					
B					
C					
Total					Value

Costs

- Easier to predict
- Lot of information available
- Predictions dependent on:
  - *Market conditions*
  - *Understanding of resource requirements*
  - *Allocation and categorisation*

Other considerations

- What is controllable
- What is uncontrollable
- Phasing of costs e.g. utilities
- Spikes in resources
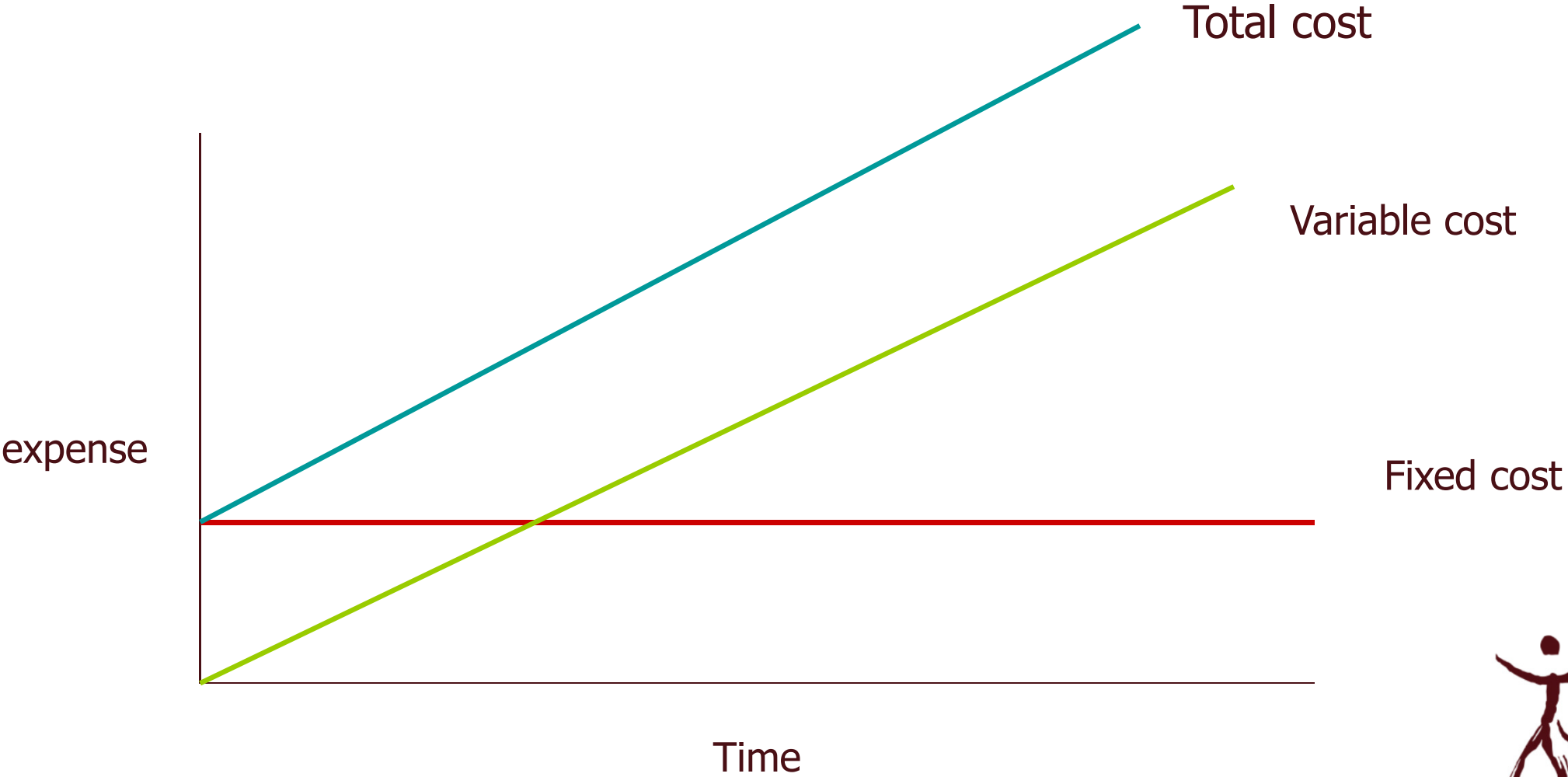- Understanding how to cut back if predictions slow, late or wrong

Types of Cost

- Variable costs
  - *These are costs that change with activity, so that each time something is done there is a cost associated with it*
- Fixed costs
  - *These are costs that are incurred even where there is no activity*

Types of Cost

Total cost

Variable cost

Fixed cost

expense

Time

Types of Cost

- Project costs
  - ***Can these be regarded as being variable? They are activity related but also include an element of fixed costs***
- Core costs
  - ***These could be seen to be fixed, yet also include some variable element***

Variance

- Difference between prediction (Budget)
- What really happens (Actual)
- Difference (Variance)
- Explain Variance monthly

?	ACTUAL	BUDGET	+/-VE	%	EXPLAIN?
Sales	98	100	-ve	2	X
Sales	115	100	+ve	15	✓
Purchases	103	100	-ve	3	X
Utilities	125	100	-ve	25	✓

Administration

What	Who
Accounts preparation	All charities
File within 10 months	Unless non company charity & income <£25K All limited companies to Companies House & Charity Commission otherwise CC only
Receipts & Payments	Non company charities & CIOs with income <£250K
Accruals	All company charities Non company charities & CIOs with income >£250K
Independent examination	All non company charities with income <£250K CIOs with income >£25K
Audit	All charities with income <£1 million (or <£250k + assets before liabilities of £3.26 million)

Income & endowments

Categories	Types	What?
1. Income from Donations & Legacies	Income from donations & legacies	grants/legacies/donations (no expectation of a service in return)
	Other trading activities	Non charitable trading activities/ fundraising activities
	Income from investments	interest/divis/rent
2. Income from charitable activities	Fees or grants rec'd specifically to deliver services & activities	Grants/fees (Contractual to further charitable objects)
3. Other income	Whatever does not fit above	Unusual items e.g. sale of fixed assets

SoFA Recommended Format

Explanation	Endowment £	Restricted £	Unrestricted £	Total £	Last Year £
Sources of Income	+	+	+	+	+
Matched Expenditure		-	-	-	-
Surplus/Deficit	=	=	=	=	=
Reserves B/Fw'd	+	+	+	+	+
Reserves C/F'wd	+	=	=	=	=

Expenditure

| Match type of incoming Resource	What is included
1. Expenditure on raising funds	Costs of generating donations and legacies (fundraising / publicity). Cost of goods sold. Investment management costs
2. Expenditure on charitable activities	Includes governance costs which will be a separate component of support costs
3. Other expenditure	Anything else
4. Support costs	Costs that allow other activities to be undertaken shown in the notes to the accounts for those reporting on an activity basis Governance costs now to be included within this note

Balance sheet

		£	£
Fixed Asset			+
	Current assets		
	Cash/Debtors	+	
	Current Liabilities		
	Creditors	-	
	Net Assets		+
Long Term Liabilities			-
Net Worth			+

Reserves
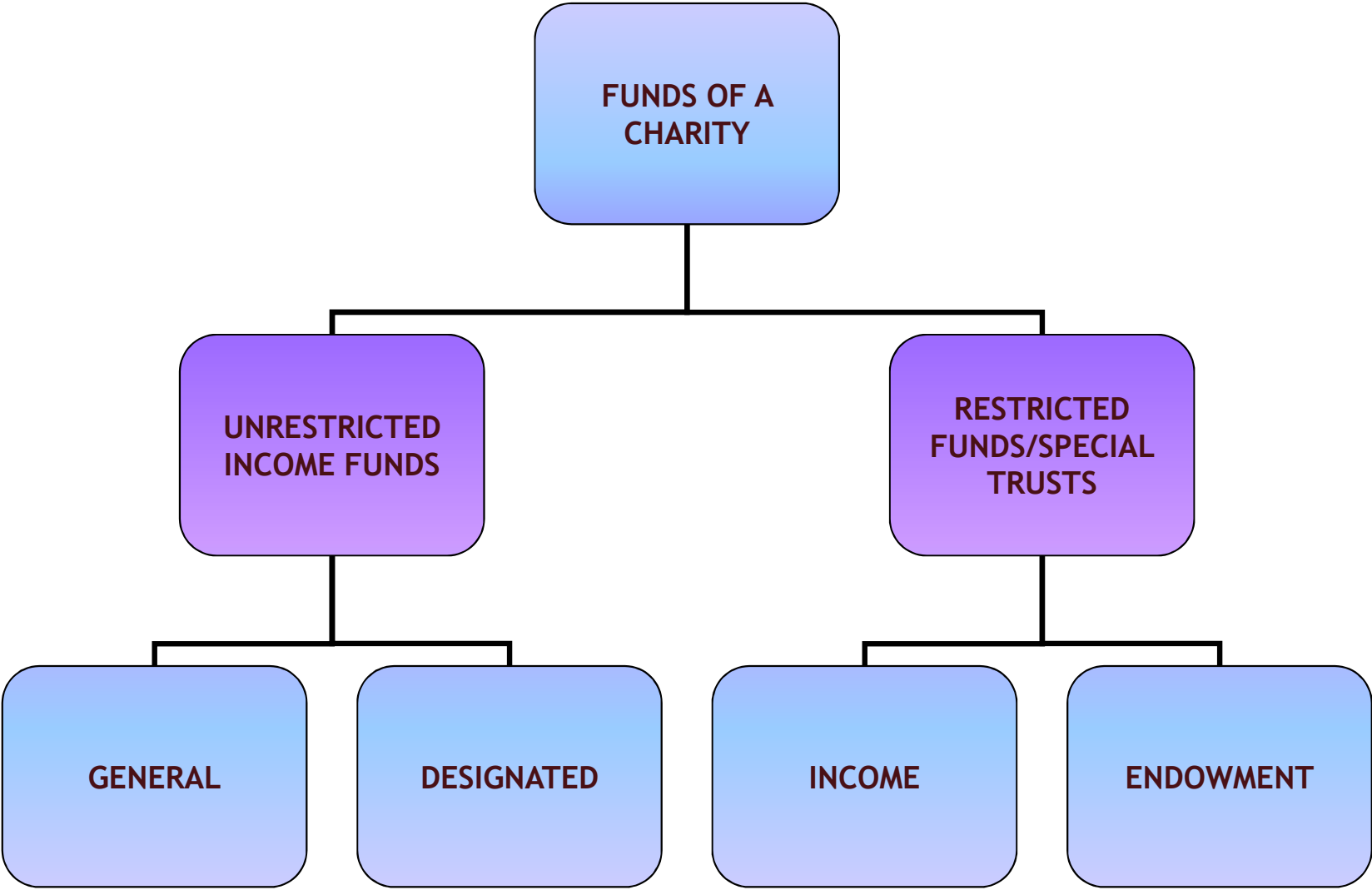
Trustee's Annual Report

- Responsibility of the trustees

- Essential marketing document but has to be audit compliant

- What most stakeholders will read

- The trustee report expands on what the charity has done and what it will do in future (strategy/ public benefit)

- Risk policy

- Reserves policy

- It is "colouring" in the bits that the figures cannot tell

TAR Framework

Who are we?	Reference and administration
How do we work?	Structure, governance and management
What are we doing?	Objectives and activities
What did we do and how well did we do it?	Achievements and performance, use of KPIs
How did we afford it?	Financial review
What are we planning?	Plans for future periods
Managing risk	Risk assessment
What else do we look after	Custodianship

Areas of Risk (cross reference to SWOT to identify these)

People	Information
Operational	Property
Financial	Reputation
Funding	Regulatory
Social	Technological
Competition	Political
Management	Governance
Strategic	Natural

Risk – PI Matrix

IMPACT

High Impact/ Low Probability **TRANSFER**	**High Impact/ High Probability** **TERMINATE**
Low Impact/ Low Probability **TAKE**	**Low Impact/ High Probability** **TREAT**

PROBABILITY