

Dwelling Place Succession Committee

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Recommendation: Hire the executive search firm Third Sector Company, Inc.

How did we get here?

1. Committee Meetings in April, May, June, and July
2. Discussion as to whether we should handle the search in house vs. hiring a search firm.
 - a. Based on the scale of the organization and the profile of the position we felt it in the best interest of the organization to hire a professional search firm.
3. We developed a potential list of 8 search firms. We spoke with 6 of the firms. We decided that we would invite 5 firms to participate in the search process via a Request for Proposal. (Please let us know if you would like a copy of it sent to you.)
 - a. There were two local firms, one regional firm out of Chicago that has filled several Grand Rapids positions and two national firms that have experience with community development organizations; and, work only with non-profit organizations. The two national firms were referred to us by Andre Butler, NeighborWorks.
 - b. Each firm was pleased to participate. Each firm submitted a proposal to us. Third Sector Company's presentation is attached.
 - c. We scheduled a one-hour virtual interview with each firm.
 - d. On July 23rd, our committee met and shared our thoughts about each firm. We were clear about the firm that we collectively thought was the best fit for Dwelling Place; Third Sector Company of Seattle, WA/Los Angeles, CA.

- i. Because Third Sector Company is not a local firm, we discussed what was more important. A local company, or a company with the breadth of experience to match the needs of Dwelling Place.

- 1. Why Third Sector Company

- a. They work exclusively with non-profit organizations
- b. Technical Expertise
 - i. Their leaders have served as CEO's of non-profit organizations; and some with housing experience
 - ii. They have filled CEO positions at other CDC organizations.
- c. Cultural Fit:
 - i. They spoke about the importance of culture
 - ii. They spoke of the need for staff to have input early, and late and to be kept up to date on the process.
- d. Proposal:
 - i. Their proposal was outstanding (see attached)
 - ii. Their process is outstanding
 - 1. Board Involvement
 - 2. Staff Involvement
 - 3. Candidates prepare a Case Study about Dwelling Place
- e. Presentation:
 - i. Their personal presence was good.
 - ii. They hit their points well.
 - iii. Very prepared
- f. They understand Diversity, Equity, and Inclusion
- g. Onboarding is part of their proposal – which the committee feels is critical to the success of the new CEO.
- h. Locally:
 - i. Once the position is “open” if there are local candidates, they will find their way to Dwelling Place through advertising.

What will this cost Dwelling Place?

1. We have budgeted **\$70,000**
 - a. Local Consulting Services \$ 7,000
 - b. National Consulting Services \$54,000
 - c. Consultant Travel Expenses \$ 3,000
 - d. Candidate Travel Expenses \$ 5,000
 - e. Meeting Supplies/New CEO Orientation Costs \$ 1,000

2. Third Sector Company
 - a. They were not the lowest cost, nor were they the highest cost.

 - b. Their professional fee is 28% of the 2021/22 annual salary of the new CEO, which we believe will be between \$50,000 and \$56,000

 - c. Additional expenses will be
 - i. Advertising/Job Posting \$1,200
 - ii. Third Sector Travel \$4,000
 - iii. Candidate Background Checks \$ 200
 - iv. Candidate Travel \$4,000
 - v. Estimated Total **\$60,000 to \$65,000 (COVID ??)**

 - d. What has not been budgeted to date?
 - i. Relocation Expenses -? - \$20,000 depends on where the person comes from.
 - ii. Onboarding New CEO Training/Travel \$10,000

 - e. Executive Search Guarantee – Provided by Third Sector Company
 - i. Third Sector Company agrees that, should the selected candidate’s tenure in the position be 12 months or less from the date of hire, and, for reasons other than personal death or disability of self or immediate family member, and not the result of gross negligence or gross misconduct on the part of either the candidate or the employer, Third Sector Company will conduct a new search free of any professional fees, other than out-of-pocket expenses for our efforts. At no time, however, will a refund be given.

 - f. **Attached you will find the Third Sector Company proposal/agreement. We are asking the Board of Directors of Dwelling Place to authorize us to enter into a contract with Third Sector Company, Inc.**

(Please note that (1) we have sent this agreement to our attorney, and (2) we are in the process of checking references).

What are the next steps – after signing a contract with Third Sector?

1. Phase One
 - a. Organizational Assessment
 - i. Board Orientation / Project Planning Session
 - ii. Interview Stakeholders: Board of Directors, Senior Staff, Others-?
 - iii. Position Profile developed
 - iv. Salary Study
 - b. Communication Plan
 - i. We will develop a plan to keep the Board of Directors and Staff informed during the process
2. Phase Two – Candidate Search Process begins
3. Phase Three – Interview, Selections and Hiring Process
 - a. One of the strengths of Third Sector’s approach is they require all candidates entering Round two interviews to prepare a case study of Dwelling Place and present it during the interview process.
4. Phase Four – Executive Onboarding
 - a. The Committee feels that Onboarding of the new CEO is very important.
 - i. We will develop an onboarding plan that includes training and education
 - ii. From the organizational assessment, we will develop the strategic goals for the new CEO and prepare performance evaluation criteria for the first year. This information will be shared, approved by the full Board of Directors.

For more information about Third Sector Company, please visit the following sites.

<https://thirdsectorcompany.com/>

<https://www.janglick.com/> (Note: Jan Glick is our lead consultant. In addition to his Third Sector Company work, he also owns his own organization development firm, so I am providing this as background information about him)

Attachments:

Third Sector Company Proposal/Agreement
Third Sector Company Presentation