

Leadership Guide

Building and Sustaining Leader-Full Organizations!



Founder's Syndrome: A Personal and an Organizational Issue

Do YOU Have Founder's Syndrome?

If you answer "Yes" to the following questions, you may have Founder's Syndrome:

1. When you leave, will you feel skeptical that things might be managed differently?
2. Are you staying because it's "best" for the organization if you stay?
3. Do you identify with the organization as being a part of who you are?
4. Do you fear the organization will change its mission contrary to your original mission?
5. Can you separate organizational issues from your personal viewpoint of the issues?
6. Do you relate to the organization as belonging to you by saying, "My organization"?
7. Do you feel as though you are indispensable?
8. Do you want to stay involved after you depart to avoid feeling a sense of loss?

Introduction

The term Founder's Syndrome is one with varying definitions originating from two perspectives, the perspective of the organization and the personal perspective of the founder. Likewise there are two perspectives about whether the term is helpful or pejorative. The purpose of this article is to provide awareness and information on both perspectives, thereby broadening the choices and resources available to the leadership team of founder-led organizations – the founder(s), the Board and staff leaders and their resource partners. As you understand the two perspectives, you may draw your own conclusion as to the perspective you most comfortably identify with. TransitionGuides is a national leader in designing and delivering workshops and consulting services for founders and long-term executives who often carry out many of the roles of founders. This review of

recent literature on “founder syndrome” and suggestions of practical actions founders and Board leaders can take to avoid the common pitfalls associated with “founder syndrome” is intended to contribute to the success of founders and the organizations they so passionately lead.

What follows will draw primarily from two perspectives, an article by organizational development consultant Carter McNamara and the Board Source monograph by Thomas McLaughlin and Addie Backlund, *Moving Beyond Founder’s Syndrome to Nonprofit Success*. In the article by Carter McNamara, *Founder’s Syndrome: How Corporations Suffer and Can Recover*, the focus of Founder’s Syndrome is from the perspective that Founder’s Syndrome is an organizational issue rather than a personal issue of the founder. It suggests that Founder’s Syndrome occurs when the organization operates according to the personality of the most prominent person within the organization (board chair/president, founder, chief executive, president, etc.) rather than working toward the overall mission of the organization. The article suggests actions which the board, staff and founders can take during various stages of organizational life cycle to reduce dependency on the founder’s personality.

A recently transitioned founder, Bill Ewing, former Executive Director of the Maryland Food Bank concurs with this analysis. “Too often, founders get the organization into trouble when he or she struggles to run the organization according to the mission of the organization, and relies too much on their own personality and intuition.”

In the monograph by BoardSource, *Moving Beyond Founder’s Syndrome to Nonprofit Success*, Thomas McLaughlin and Addie Backlund define Founder’s Syndrome as “the imbalance of power in a nonprofit organization in favor of the founding executive that occurs because of the unique advantages of assembling the board and staff of the organization.” It suggests that the term is a negative term and one to be avoided. The monograph goes on to suggest certain actions by foundations and Boards that proactively address this imbalance of power at different periods in the life cycle and development of an organization.

Founders Relationship To The Organization

“It’s my baby.” Some founders have been known to compare their founding organizations to babies that they’ve birthed. They feel a connection to their organizations like a mother feels towards her baby. Both the founder and the mother are essential partners in the developmental stages of something precious and dear to their hearts. Just as it is with babies, once they are born, the cord is severed and they become individuals having their own personality and destiny. The parent can guide, teach and nurture them, but it is important to remember that they are independent of the parent with their own rights, beliefs, personalities and destinies. Likewise, a founder of an organization has a passion which they develop, implement and nurture financially. Once it emerges into a

nonprofit organization with a board of directors to govern over it, it is no longer the founder's organization. It becomes an organization with its own mission, vision, purpose and destiny. It belongs to the community it serves and no longer belongs to the founder.

"From me to you." Founders have a passion to create good in the world by reaching out to many different communities. When a founder transforms their passion into an amazing gift/organization to improve, enhance, support and serve the community in some way, the community responds by using and depending on this gift/organization provided by the founder. Likewise, once the community uses the gift/organization and its services, it belongs to the community and no longer to the founder. In essence, the organization is an entity with its own mission and purpose which belongs to the community, not the founder, despite the fact that it originated with the founder.

The Two Perspectives

Along with the two perspectives, organizational and personal, there are related issues which play major roles in Founder Syndrome. Some of these issues are the founder's attachment to legacy, the organizational culture, internal and external operations and the symptoms which accompany the syndrome. Some of these are a reflection of the founder's personality, idiosyncrasies and identity, while others are a reflection of those within the organization, the Board and the staff.

To consider the related issues and the symptoms of Founder Syndrome, we will first look at each perspective in detail based on the work by Hildy Gottlieb for Help4Nonprofits.com.

The Personal Perspective:

When building an organization, think about the organizations' future sustainability. It is important to build the organization as if the founder won't be around as an eyewitness to its full lifespan because the founder will not be around that long. Because of the uncertainty of life, it is irresponsible to run an organization as if the founder will be there forever. It is not fair to the organization or to those who benefit from the organization, to lead the organization in a manner that depends solely on the founder, rather than an organization that can be sustained despite the founder's presence. Therefore, it is beneficial to acknowledge that there will come a time when the founder will leave the organization. One of the best ways to ensure that a founder's legacy is an organization that serves the community long after they have left the organization is to immediately acknowledge that the founder will not be there forever, and put a plan in place for the organization's future. The plan must include the required resources so the organization can thrive even without the founder.

It may be beneficial for the founder to get assistance from a professional coach. A coach can help the founder work out the personal aspects of their separation from the organization, despite whether the separation is a mental shift in perspective or a planned departure from leadership within the near or far-reaching future. The main concern is to ensure that the organization is prepared for the founder's departure whenever the time arises.

The Organizational Perspective:

A healthy organization starts with an actively engaged board that supports the organization's vision, connects with the community, financially supports services and programs and provides the founder with resources to lead the organization. Because many boards are hand-picked by their founders, a symptom of Founder's Syndrome, the boards may not see themselves as a governing board or be prepared or able to carry out all the key functions of a healthy board. Board recruitment of persons with new skills and less connection to the founder and board development are often required to shift the Board from the founder era. In order for the organization to thrive, the board must understand its role at the top of the organizational chart and be composed of responsible people who want to do all that the job requires of them.

Another way to ensure the legacy of the founder is to clearly define the vision and values that are at the heart of the organization. The creation of core principles will guide future decisions of the board and staff. Although these principles may change over time, the essence of what is important will remain and serve as part of the founder's legacy.

Despite any apprehension and fear, a [succession plan](#) should be created. A succession plan minimally involves development of an emergency back-up plan for unplanned departures of the executive along with a succession policy adopted by the Board of Directors to inform a planned executive transition. The succession plan would proactively address all the things the founder and/or the board will have to deal with when the founder leaves. Some things to consider in this planning include the link between the founder and the community, the reputation and image of the organization, the institutional history of the organization, and how to sustain stakeholder relations and commitments. The succession plan will ensure the sustainability and viability of the organization in the future. It would also build upon the organizational infrastructure as others are trained to replace or temporarily fill the role of the founder in the event of a planned or unplanned absence of the founder.

Symptoms of Founder's Syndrome:

There are many symptoms of Founder's Syndrome. Here is a sample of some of the symptoms. To find more symptoms, reference the publications listed within the bibliography.

- The board is recruited by the founder, rather than by the board. Many of the board members recruited are friends of the founder and have remained on the board since the beginning instead of rotating off of the board. Staff may also have been chosen due to their personal loyalty to the founder.
- The board supports the founder, rather than leads the organization. Their commitment is to the founder rather than to the mission and vision often due to a lack of understanding of the work the organization does. They must check with the founder before answering basic organizational questions (budget size, funding sources, programs and services, etc.)
- The founder is the decision-maker of all issues with little consideration of input from others. Decisions are made quickly, in crisis mode, without forward planning to prevent the occurrence of potential problems. The organization becomes reactive, rather than proactive.
- A leader who takes ownership for the organization by often referring to it in a possessive manner (my staff, my organization, etc.).
- There is little organizational infrastructure in place. There is no succession plan, and it would not be unusual to hear the words, "That's not how we've always done it."

Challenges Faced by Founders:

In the monograph, [Founder Transitions: Creating Good Endings and New Beginnings](#), Tom Adams identifies several issues which founders confront when thinking about when to leave their organization. Some of these issues include:

- **Identity:** Many founders have combined their personal identity with the identity of the organization. Often times this cannot be avoided due to the relationship that stakeholders have with the founder. It is important for the founder to establish an identity separate from the organization so that the community, stakeholders and funders can have confidence that the organization is sustainable without the founder.
- **Letting Go:** By stepping down or leaving a leadership role, the founder may experience a loss of position and power leading to a feeling of less important and influential than before.
- **Break:** Taking a long vacation or a short sabbatical may be needed for rejuvenation, but it might reinforce the need for a position or life change.
- **Career/Professional Uncertainty:** A professional coach may be able to assist the founder with what might be the next step in the founders' life professionally and personally by connecting with strengths and passions.
- **Loyalty:** There can be a feeling of being disloyal to an organization when planning to leave even if the organization is stable financially, organizationally and operationally.
- **Sustainability:** Organizations depend on financial support which may be closely connected to the relationship a stakeholder has with a founder.

The founder may become fearful of the longevity of the organization due to lack of funding if the founder is no longer identified with the organization.

- Finance: The founder may have financially contributed significantly to make the organization operational, taken a small to moderate income and participated in an inadequate retirement program. This can lead to feeling that the organization owes the founder something, but in many instances, the board does not hold the same viewpoint and the organization is unable to address this concern based on their current financial situation.

Practical Actions for Founders and the Board:

Founders Syndrome may arise within an organization because the organization becomes dependent, not on the systems and structures of the organization, but on the unique style of the leader. Some practical actions steps for board members, founders and staff members to help the organization become more stable and proactive. These are outlined below as an excerpt from Carter McNamara's work:

Actions for Founders

1. Seek and accept help from a mentor/coach outside the organization and an advocate within.
2. Ensure a customer-driven organization and establish a realistic means to evaluate services.
3. Support the Board to carry out strategic planning and understand organizational financial planning and fundraising.
4. Develop job descriptions with staff input to ensure mutual understanding of responsibilities and procedures.
5. Motivate leadership and staff to meet goals.
6. Help the Board to regularly undertake contingency planning; including thinking about what the organization will do if/when the founder leaves the organization.
7. Be mindful of the following traits that are assets for starting an organization, but can become potential liabilities for Founder Syndrome:
 - Founders are dynamic, driven, and decisive and carry a clear vision of the organization. They are passionate about meeting the needs of their customers.
 - Make reactive, crisis-driven decisions with little input from others.
 - Spear-head stakeholder networks, fundraising and generating new ideas for services.
 - Hand-pick Board members and staff primarily based on loyalty and accessibility rather than genuine focus on organization's mission.
 - View Boards as a source for fundraising, and remove Board members who disagree.
 - Tend to have a very difficult time letting go of the strategies that worked to quickly grow the organization, despite evidence that the

organization can no longer absorb this rapid growth without major changes.

Actions for Boards

1. Understand and take full responsibility for the role of Board member.
2. Conduct a key risk management exercise annually.
3. Know what's going on in the organization or how to quickly come up to speed.
4. Conduct regular and realistic strategic planning with the Board and staff, focusing on the top three issues facing the organization and establish clear goals, strategies, objectives, and timelines.
5. Develop a highly participative fundraising committee.
6. Maintain regular communication between the Board and staff, through appropriate channels, affirming that recurring problems are the result of the organization's success and changes are to best serve the needs of its customers.
7. Support the founder with ongoing coaching and affirmation.
8. Carefully monitor implementation and deviations from plans; implement development and evaluation plans for the founder and consider policies to carefully solicit feedback from staff to Board.
9. Closely monitor key indicators of successful change, ensuring ongoing communications between Board members and the founder, sound financial management, implementation of plans and policies, and stable turnover of staff.

An Exclusive Interview with a Founder:



Deborah Jacobs Rock
Executive Director
Light Health and Wellness
Comprehensive Services, Inc.

Personal Reaction to Founder Syndrome: *“I immediately felt a connection to the term. The term is very useful, it’s puts a name to what I am feeling.”*

Founder's Syndrome is an Organizational or Founder Issue:
“Depends on the type of program. I am a founder of a nonprofit organization that provides comprehensive services for HIV infected/affected women, children and families who have little or no income and are struggling with multiple challenges. So as an Executive Director/Founder, it is my passion to see my vision come full-circle and I feel that should strongly take into account everyone who is a part of it, from the board of directors to the clients we serve.”

Symptoms of Founder's Syndrome: *“If symptoms were thoughts, my first one is (Can we continue to survive?), and the second one (I am getting too old for this).”*
Advice for Other Founders Based on Experience: *“Never give up and don’t ever be afraid to ask for help, guidance and or support. Write a succession plan that*

gives a timeframe in order for the founder to have some input on who takes his/her place.”

Final Thoughts: *“As a founder, my interest in the success of the organization is more personal than it would be if I had been chosen by a board. I think of it as having given birth to the program, having the privilege to hand-pick the board members and the staff and watch families become self sufficient due to the services of the program. Very humbling.”*

Conclusion

Success for most founders is to convert their passion for change or something new into a reality by creating an organization that lasts (if there is a need). Although the dream or idea may have originated with the founder, the organization belongs to those who lead, govern and serve it over time. Founders concerned with organizational sustainability think about the issues raised above and address them as they and the organization develop. The good news is that the growth and adaptation of succession and leadership sustainability planning for nonprofits offers founders and all executives' new ways to plan for continuity of services and build internal capacity. Despite the presence or absence of the characteristics of “Founder’s Syndrome”, founders and their Board and staff can work together to build a viable long-term organization which continues to carry out the mission to which they have collectively committed.