

# **Succession & Transition Plan**

## **Decisions & Next Steps**

**Board of Directors Meeting**  
**December 8, 2020**



## Agenda

### HUF Board of Directors – Executive Session

**Date:** December 8, 2020

**Start Time:** 4:30 pm - 5:30 pm

#### Agenda

1. Introduction – Lucia Rodriguez
2. Strategic Alignment Discussions with Felipe Pinzon – John Guerrero
  - Summary and Recommendation
3. CEO Transition Plan Framework Overview – Lucia Rodriguez and G10
  - Timeline
4. Decisions / Voting - All
5. Communications Plan Draft – Lesli Cartaya / Josie Bacallao
  - Key messages / talking points



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Executes Communication Plan**

**CEO Transition Plan  
December 2020-December 2021**

**Executive Summary**

1. HUF's long-time President & CEO, Josie Bacallao, informed the Board of Directors that she plans to retire December 2021. Her involvement with HUF spans 23 years – six as a Board Member & Chair of the Board and 17 years as President & CEO.
2. To plan accordingly, the Board of Directors established a CEO Transition Committee, which includes the board's Executive Committee along with four former Board Chairs and Officers.
3. After several meetings, including an Executive Session with the entire Board of Directors, and a series of Strategic Alignment discussions with Felipe Pinzon, SVP/Strategy & Programs, the CEO Transition Committee recommends that Felipe Pinzon be promoted to Executive Director effective January 2021, and subsequently becomes HUF's CEO on January 2022 immediately after Josie Bacallao retires. No other reporting changes are immediately planned.
4. HUF will begin an immediate search for a Vice President of Programs and Josie and Felipe will work closely together throughout 2021 on a smooth leadership transition to be completed in January 2022, during HUF's 40<sup>th</sup> Anniversary.
5. The CEO Transition Committee has developed a CEO Transition Plan and will continue to provide HUF with the necessary support during the transition and implementation of the plan, including expedited decision making.

**Background**

For the past 16 years, HUF has been led by three senior leaders: Josie Bacallao, President/CEO, Virginia Cielo, COO and Felipe Pinzon, Sr. VP/Strategy & Programs. This team shares HUF's values and have a deep commitment to HUF, bringing a set of a complementary set of skills, background and experiences. This team has propelled HUF from a \$2M organization in 2004 to \$6M in 2020. This tripling of revenue is a proxy for measuring the agency's financial ability to fulfill its mission. Today, HUF serves more than 15,000 clients annually with 12 programs and 30 services. It has dozens of program and funding partners and has a strong reputation in the community both locally and nationally.

**CEO Succession Plan**

In 2013, HUF's CEO working with the Board of Directors and a leadership consultant, created a CEO Succession Plan. The plan was updated in 2016. A key action item of HUF's Succession Plan was the creation of a robust, measurable Development Plan for Felipe Pinzon, the top candidate and also a key HUF team member. The Board of Directors recognized Felipe's exceptional leadership and his potential to become HUF's next CEO. The plan called for increasing responsibilities and his eventual replacement in the program area.



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### **CEO Transition Plan**

As HUF's CEO, Josie Bacallao, has announced her retirement effective December 2021, the Succession and Transition Plans will be implemented accordingly during the next 12 months.

#### **Objectives:**

1. Ensure HUF continues its quality mission work without disruption, minimum distraction or worse - turmoil;
2. Retains its top team members;
3. Further solidifies HUF's brand in the community as an organization that plans and executes well and thoughtfully (staff and Board of Directors);
4. Strengthens funding partner support.

#### **Strategies /Actions / Next Steps**

HUF's CEO Transition Group and Board of Directors have decided not to conduct an external search. The Board believes it is their fiduciary duty to activate HUF's existing Succession Plan. Felipe Pinzon, an exceptional internal candidate with a dozen years of leadership experience and a track record of success, is ready to succeed Josie Bacallao and lead the agency once she retires.

1. Board of Directors decides to promote Felipe Pinzon to Executive Director. This would be effect January 2021.
  - a. Outlined in the next section is a plan to transition Felipe Pinzon from his current SVP position to allow him to become the Executive Director and later the CEO.
2. During 2021 (Jan-December), Felipe would assume the responsibilities of Executive Director, thus working closely with CEO, Josie Bacallao and the Board of Directors.
3. During 2021: Felipe would hire and transition his program duties to a new VP of Programs. This new position would allow Felipe to train his successor while taking on greater responsibilities at HUF. The goal would be to hire the VP of Programs by Q1-Q2 of 2021.
  - a. Create job description and develop a robust interview process, including personality assessment
  - b. Prepare a robust six-month onboarding plan
4. In January 2022, Felipe would be named HUF's new CEO
  - a. Sept-Dec 2021: Work with Felipe on an employment agreement
5. The Board of Directors will evaluate the option of retaining Josie Bacallao as a part-time advisor for six months through July 2022 to assist with Marketing/PR and Public Policy & Advocacy functions.



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6. In total, this 18-month window would allow for strong communication to staff, funding partners, program partners and other HUF stakeholders, as well as the community overall. It also would allow enough time for a dual transition: a new CEO and a new VP/Programs.

**Organization Chart Changes:**

- Felipe Pinzon would continue to report to Josie
- The new VP of Programs would report to Felipe
- No other immediate organizational changes are planned

**Costs**

- Salary increase for Felipe Pinzon starting in January 2021
- VP of Programs search and salary
  - \$10K salary increase for Executive Director
  - \$100-\$125K for VP/Programs salary
  - \$10-\$15K to hire a search firm and pay for assessments for VP/Programs candidates.

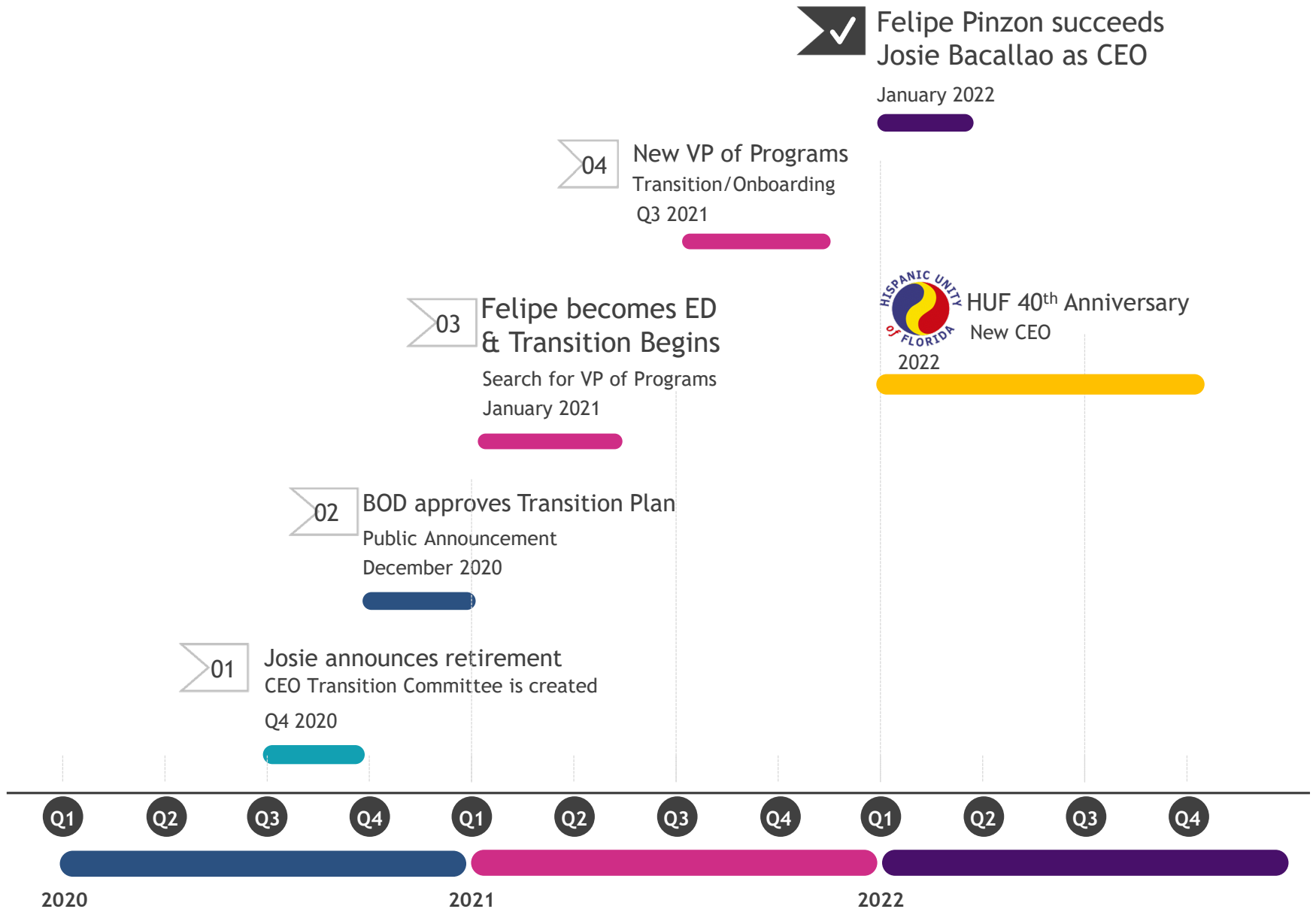
Total: \$120K-\$150K

- Funding Source: TJMF Fund (Funds must be used by 2023).
  - As of August 2020, HUF has a balance of \$236,000 available

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**Communications Plan**

# HUF CEO Transition



# Succession & Transition Plan Decisions

Board of Directors Meeting  
December 8, 2020



# Succession & Transition Plan

## Decisions

- 1. Approve: Felipe Pinzon Promotion to Executive Director & Recommended Salary Increase effective Jan 1, 2021**
- 2. Approve: Appointment of Felipe Pinzon as Chief Executive Officer (CEO) effective Jan 1, 2022**
- 3. Approve: Hiring of VP/Programs to replace Felipe Pinzon**





# Succession & Transition Plan

## Decisions

### 4. Approve: Resolution to use TJMF Fund\* to pay for:

- \$10K salary increase for Executive Director
- \$100-\$125K for VP/Program /Felipe's replacement
- \$10-\$15K to hire a search firm and pay for assessments for VP/Programs candidates.

**Total:** \$120,000-\$150,000 (Budget neutral)

*\*The Jim Moran Foundation Fund (TJMF Fund) currently has a balance of \$236,000 and these funds must be used by 2023. Funds intended for key opportunities. No other use of these funds has been currently identified.*



October 21, 2020 ([Updated Dec 3, 2020](#))

## **G10 Communication Timeline & Key Messaging**

### **Week of Dec 8**

#### **Tuesday, Dec 8: Board Approval**

- Felipe Pinzon is told about promotion

#### **Wednesday, Dec 9: Staff Communication**

- **Staff Communication**
  - Directors
  - Managers
  - All Staff (with Board Chair)

#### **Wednesday, Dec 9 through Friday, December 11: Stakeholder Communication**

- **Key Stakeholder Communications**
  - 2-3 dozen key funders/partners (via phone)
  - PAST Board Members (via email)
  - All current HUF committee members (via email)
- **Talking Points**
  - Program leadership to address staff questions
  - Staff for response to clients or stakeholders
  - Board members

### **Week of Dec 14**

#### **Monday, December 14: Public Announcements**

- Press Release Announcement
- E-Blast Announcement
- Website Statement
- Social Media Message
- Formal communication to all additional stakeholders with protocol moving forward
  - Grants
  - Foundations
  - Local and State Elected Officials
  - Affiliated Organizations

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## **Key Messages**

### **“Nuts and Bolts”**

1. HUF’s Board of Director’s announced today that long-time HUF President & CEO, Josie Bacallao, plans to retire December 2021.
2. The organization also announced the promotion of Felipe Pinzon to Executive Director effective January 2021.

## Transition Process

1. HUF has been planning for this moment for some time. For the past seven years, HUF's Board of Directors thoughtfully planned and is now executing its Succession/Transition Plan which will guide the agency through a successful leadership transition.
2. As part of the transition process, Felipe will become Executive Director, effective January 1, 2021.
3. Josie and Felipe will work closely together throughout 2021 on a smooth leadership transition.
4. Felipe will become CEO on January 1, 2022, coinciding with HUF's 40<sup>th</sup> Anniversary.
5. Earlier this year, the Board of Directors established a CEO Transition Committee – which includes the board's Executive Committee along with four former Board Chairs and Officers. This group will provide Josie and Felipe with the necessary support during this transition, including expedited decision making.
6. HUF will begin an immediate search for a Vice President of Programs to replace Felipe Pinzon.

## Highlights/Assurances

1. During Josie's 17-year tenure, HUF has served more than 300,000 families and children. Thousands have learned English in renovated facilities, 3-5 year-olds were graduated from a nationally accredited preschool center, young people successfully graduated from high school, became college students and then went on to launch professional careers, thousands fulfilled their dream of becoming a U.S. citizen, others started and grew their business or moved into a new home or purchased a new car. Millions of dollars in local economic activity has been generated from HUF's no-cost tax preparation program and millions more paid in taxes by these hard-working families. To serve this growing client base, HUF's multi-cultural and multi-lingual team has grown three-fold in the past 17 years from 46 staffers to 225+. Clients receive services (pre-pandemic) from 50 program sites throughout Miami-Dade and Broward County. HUF has become the largest nonprofit serving the needs of south Florida's immigrant community. Thought of as the "Ellis Island" of South Florida, HUF is a one stop center offering hope and opportunity. The support of HUF's funding partners have made the work possible and revenues during this time also tripled from \$2M to \$6M.
2. Under Pinzon's strategic and visionary leadership, HUF's mission work has deepened, become more focused and has attracted national accolades, partners and funding. Felipe has accomplished this by hiring and developing an excellent team. Felipe led the agency's most significant transformation in both what services are provided to our clients and how they are provided. The result was

the re-imaging of the agency's program delivery model. He researched and later implemented a comprehensive model that bundles services. He was responsible for creating partnership with the Aspen Institute, Annie E. Casey Foundation, Kellogg Foundation and the Kresge Foundation and locally with the Children's Services Council, The Jim Moran Foundation and the Deluca Foundation to pilot and recently expand a family-centered approach called 2Gen where these bundled services are now provided to families with children. Under Felipe, every program area has seen substantial growth from 500+ youth (and families) to the Center for Working Families to the no-cost tax preparation program with more than three dozen partners to the citizenship program with 21 centers (pre-pandemic) throughout Miami-Dade and Broward Counties. He led the agency's human-centered design work which resulted in the piloting of an English language and acculturation program model called English Café with Broward College. Currently, Felipe is working on bringing to scale HUF's 2Gen approach, strengthen the agency's workforce and entrepreneurship programming and leading a major, multi-year effort to introduce data management throughout the organization.

3. HUF will maintain its reputation and position as a leader/advocate under Felipe.
4. HUF's Strategic Plan (refreshed in 2019 and 2020) will continue to guide the agency's mission work through next year. Updated Scenario Plans, which will be reviewed on a quarterly basis, and facilitate recalibrations or course-correction. In 2021, a comprehensive study focused on the *State of Hispanics & Immigrants in Broward County* will provide insights and strategic direction to HUF's leadership concerning the community's most pressing and unmet needs. For now, the focus remains on the full implementation of the 2Gen approach which uses a family-centered approach to support families and children. The pandemic has increased the needs of these families for more basic services and assistance with food, health access and emergency assistance. This work will remain a priority. In addition, the agency will launch a second cohort of the Learning Café with Broward College (a new English language acquisition model), continue to expand its virtual Citizenship services, retool and refocus its small business, Emerging Entrepreneur program and continue with the planning and implementation of data management systems throughout the organization. HUF also will continue to strengthen the agency's infrastructure with particular attention to technology and human resources. Through numerous partnerships and coalitions, HUF will continue its growing involvement in public policy and advocacy.