

Printer-Friendly VersionWEB LINK - <http://www.compasspoint.org/boardcafe/details.php?id=1>**Board Café****A Board Leads an Organization Out of the Ashes**

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Right now, beneath the cold ground, there are daffodils stirring, getting ready to shoot up and bloom. This issue of the Board Café takes a break from our usual format to tell a board chair's story about such a breakthrough—how an organization walked to the precipice of bankruptcy and then walked away. As this new year starts we also want to thank all of you—the Board Café's 37,000 subscribers—for your cards and letters and for sharing the Board Café with others. —Jan Masaoka

TWO GOOD QUOTES TO OPEN YOUR NEXT BOARD MEETING WITH

"Volunteerism is a tremendous economic force, but it is never discussed in economics or in business school." -- Walter Hoadley, former Chief Economist for the Bank of America

"Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has." -- Margaret Mead

PREVENTING CONFLICT OF INTEREST

From Peter Brinckerhoff's new book, *Nonprofit Stewardship*: "You have fire drills, right? Training the board on your conflict-of-interest policy is a similar preventive measure. Once a year, have a thirty-minute refresher session at a board meeting. Don't just read through it. Talk through the policy, giving examples of what it means: 'Fred, this means that if your wife's firm wanted to bid on our computer upgrade contract, that she would have to' Be specific. Leave time for questions." The book is available at www.wilder.org. The Board Café's Sample Conflict-of-Interest Policy can be found at www.compasspoint.org/boardcafe/details.php?id=54

This issues "Main Course" article:**A BOARD LEADS AN ORGANIZATION OUT OF THE ASHES**

At new year the spring can seem a long way away. Recently we talked with Tom Siino, long-time board member of Big Brothers Big Sisters of the East Bay, and he was remarkably candid, as well as inspiring. His story:

"Three years ago our financial troubles started when we lost our executive director. Then we made a couple of false steps in hiring a replacement. At one point we were down in the ashes with one staffperson and a lot of debt. Our budget had gone from \$700,000 to \$75,000. Now we're back to seven staff and a budget of \$400,000, all our liabilities cleaned up, cash in the bank, a great new executive director in Laura Deaton, and more and more kids in the program every day.

"When we were close to broke we made the decision NOT to hire a new ED because we didn't want any obstacles to a possible merger that we were exploring, and to save the cash. We all agreed that keeping the program staff was the most important thing, and board members took on management tasks. Sometimes we were meeting once a week! We lost a number of board members—they didn't want to come to meetings where it was always bad news being discussed and we were faced with dealing with immediate needs instead of strategic planning. We voted to have everyone's board terms end on June 30 and required each person to proactively choose to re-join the board. A couple of times we had to loan money to the organization to make payroll.

"After several months we realized a merger wasn't going to happen. We reversed strategy: we turned our attention to hiring a new leader, and creating an organization that could attract such a leader and make him or her able to succeed. At this point instead of keeping the program staff, we let all the

volunteer-based programs as an interim measure. We put a government grant on hold.

“All this time we were holding our bowling tournament, our big annual dinner, monitoring cash on a daily basis. Our landlord allowed us to cancel our lease and even gave us free space in the building—it was like a big closet, had no windows, and no air at first—but it was free. We talked about closing down, and set some guidelines, such as “If we haven’t raised X dollars by X date,” we would consider bankruptcy. It was hard to raise money but we tried to keep focus on our optimistic view of the future. We monitored towards those guidelines and they were motivating.

“What kept me going? I was a Big Brother for a Little Brother from when he was 7 years old ‘til he was 18; today he is 31 and we still keep in touch. I was a Big Brother for another boy for two years until he moved away. I’ve seen so much of the program firsthand—such as seeing the ‘Bigs’ and ‘Littles’ together. I know what this program does. We can’t let this program go away. I’m sold for life.

“We (on the board) wouldn’t—couldn’t—go through this process again. But seeing it successful—we all have a big sense of pride in how everybody stepped up to the plate—not just on the board, but volunteers and community people and businesses. We now have five new great board members ready to take on leadership, and an executive director that is truly leading the organization to new heights and reconnecting with our community leaders and volunteers. My wife understood how important this program is to me and she never complained about all the evenings and weekends I spent doing board work—now I have more time to spend with her and our own kids again!”

Our thanks to Tom for sharing this heartbreaking and heartwarming story. It’s a reminder that boards are safety nets for nonprofit organizations: if this had been a business, it would have closed. But the board stepped up and saved the organization’s services for hundreds of young people hungry for a stable, nurturing relationship with an adult. All of us owe Tom—and the millions of board members nationwide—our thanks.

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The Right Way to Go Out of Business

Next month in the Board Café: Complacent Boards: What to Do When Everything Seems to Be Fine?

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