

GENESCO INC.

Nashville, TN

has added to its board:

Thurgood Marshall Jr.

Partner
BINGHAM MCCUTCHEN LLP
Boston, MA



Bio Notes: He was assistant to the President and Cabinet Secretary from 1997-2001. He also was director of legislative affairs and deputy counsel to the Vice President, and counsel to the Senate Judiciary Committee. At the law firm he

counsels clients on public policy. He is chairman of the board of governors of the United States Postal Service and serves on the board of Corrections Corporation of America.

Genesco is a specialty retailer of footwear, headwear, sports apparel and accessories. Revenues are \$2 billion. **Bingham McCutchen** is an international law firm.

HILLSHIRE BRANDS CO.

Downers Grove, IL

has added to its board:

Todd Becker

President and CEO

GREEN PLAINS RENEWABLE ENERGY INC.
Omaha, NE

Ellen L. Brothers

Executive Vice President
MATTEL INC.
El Segundo, CA



Bio Notes: Becker has been in his present position since 2009, previously serving from 2007-2008 as CEO of VBV LLC, precursor to Green Plains Renewable Energy. He spent 10 years with ConAgra Foods, serving as VP of international marketing for ConAgra Trade

DIRECTOR'S PROPOSAL

Saving a nonprofit from its own board

Ed. Note: Ted Gavin, CTP, is managing director and founding partner of Gavin/Solmonese LLC, a consulting firm formed in April 2012 that offers corporate restructuring and public affairs advisory services (www.gavinsolmonese.com). He previously led the bankruptcy & fiduciary services practice and creditors services group at NHB Advisors, a turnaround firm that is now part of Gavin/Solmonese.

By Ted Gavin

One's board membership experience can vary dramatically based on many different factors, including whether you are serving on a for-profit or not-for-profit board. Both types of boards deal with similar business issues and are, in large part, at the mercy of public policy on a whole range of issues.

Why bother serving on a nonprofit board if you don't get the comps that a for-profit director gets?

Well, if the sense of purpose isn't enough, consider this: One of the most effective ways to network with the business and social elite of your community, establishing an incredibly personal level of trust, is through service on nonprofit boards.

Nobody ever said it would be fun to be a board member of a nonprofit. But there are things that boards can do to make things better for themselves:



Ted Gavin: One of the most difficult things a board can do is rigorous self-assessment.

- **Make sure that all board members view their obligations the same way.** I once joined a board only to find that the person who recruited me hadn't paid his board dues in nearly two years and never attended a board meeting after I joined. I remember feeling that I was the greater fool in some sort of board dues Ponzi scheme. As the year drew to a close, I opined in a board meeting that board members who didn't pay their dues were nudging up against violating their fiduciary duties to the organiza-

tion. (The board member resigned for reasons unrelated to dues.)

This situation could have been prevented. When recruiting for the board, an organization should have each new board member sign a document that lays out the organization's expectations of its board members — from amount and frequency of dues to their involvement in other activities. The obligations of being a nonprofit board member can be boiled down to the time-tested adage "work, wisdom, wealth" or "time, talent, treasure." Each board member picks two (or, optimally, three) from that list.

But if the organization's expectation as to what will be contributed differs from the board member's expectations, it creates a rift between the organization and its board member(s). Clearly communicating expectations accomplishes two things: it lets the board know how its expectations impact the organization's performance, and it lets the members of the board view each other as equals and identify the dead branches to be pruned and replaced, ideally with a more diverse membership.

- **Show unproductive board members the door.** Perhaps you've met him: the board member that usurps every meeting with long, pointless stories about how things "ought to be" or how the only right way to do it is "their way."

Get rid of them. Your board members will be grateful for the time they get back in more produc-

Group and as president of ConAgra Grain Canada. Age 46. **Brothers** has been with Mattel for 17 years and has served since 2000 as president of American Girl, a subsidiary of Mattel. She will be retiring this year but staying on as an advisor until the end of December. Age 56. Note: Hillshire Brands was spun off in June 2012 from Sara Lee Corp. Sara Lee board members transitioning to the new board include Laurette T. Koellner, retired SVP of Boeing Co.; Sir Ian Prosser, retired chairman of InterContinental Hotels Group; and Jonathan P. Ward, operating partner of Kohlberg & Co.

Hillshire Brands is a North American meats company, which in June 2012 was spun off from Sara Lee Corp. Revenues are \$9 billion. **Green Plains** is a an ethanol producer. Revenues are

\$4 billion. **Mattel** designs, manufactures and markets toys and family products. Revenues are \$6 billion.

HOST HOTELS & RESORTS INC.

Bethesda, MD

has added to its board:

Walter Rakowich

Co-CEO
PROLOGIS
Denver, CO

Bio Notes: He has held numerous senior positions at Prologis, including managing director and CFO from 1998-2005, president and CEO

from 2005-2008, and CEO from 2008-2011. Earlier in his career he was a partner with real estate provider Trammell Crow Co.

Host Hotels is a real estate investment trust. Revenues are \$5 billion. **ProLogis** is a real estate investment trust. Revenues are \$2 billion.

HOT TOPIC INC.

City Of Industry, CA

has added to its board:

Terri Funk Graham

SVP and Chief Marketing Officer
JACK IN THE BOX INC.
San Diego, CA



Bio Notes: In present position since 2007. Since joining the company 18 years ago she has held numerous senior positions, including VP of marketing and VP of brand communications and regional marketing.

Hot Topic is a mall-based specialty retailer of clothing, music and accessories. Revenues are \$708 million. **Jack in the Box** is a restaurant company. Revenues are \$2 billion.

ILLINOIS TOOL WORKS INC.

Glenview, IL

has added to its board:

Daniel J. Brutto

President, UPS International
UNITED PARCEL SERVICE INC.
Atlanta, GA

James W. Griffith

President and CEO
TIMKEN CO.
Canton, OH

Bio Notes: **Brutto** has spent a 36-year career with UPS, where he has held numerous senior positions in operations, finance, marketing and business development. Prior to his current position he served as president of global freight forwarding for UPS, responsible for air and ocean freight network management and global brokerage services. Age 55. **Griffith** was named president in 1999 and CEO in 2002. He joined Timken in 1984. Prior to his current positions he led the company's automotive business in North America and its bearing business activities in Asia and Latin America. He serves on the boards of directors of the US-China Business Council and Goodrich Corp. Age 57.

tive meetings. The board member who doesn't pay their dues? Put them on a payment plan or have them work it off with volunteer time ... or replace them. The board member who never shows up for meetings? Well, they'll hardly miss the social interaction that they're not having.

Board members are fiduciaries. If the members of the board can't or won't view themselves as being on equal footing and able to work with each other, how does one reasonably expect the board to make difficult decisions in difficult circumstances, particularly if the organization is drifting toward the zone of insolvency?

• **Take the hardest look — at yourself.** One of the most difficult things a board can do is rigorous self-assessment. The talent for understanding organizational blind spots is a muscle; if you don't exercise it regularly, it atrophies.

Does the board discuss ways in which to communicate their value to the public and their constituencies? Do they measure the efficacy of existing or past efforts? Does the board routinely explore ways to change what the organization does to maximize revenue opportunities? The most important purpose of self-assessment is to find out what the board is not considering in its regular course of duty and, if necessary, to correct those shortcomings.

• **Close the gaps in what the board regularly considers.** Boards must reflect the community they serve. This means that boards need to consider diversity — of gender, race and sexual orientation.

As I heard on a call to plan a gender and diversity panel for an upcoming American Bankruptcy Institute conference, "Quotas are terrible, but intentionality is fantastic!" And intentionality is difficult to achieve. I'm on another board whose organization lost a grant opportunity because of the homogeneity of the board's membership, right at the time when we managed to get 100 percent donor participation from the board members. And that served as exactly the wake-up call you'd expect it would be. Now, diversity is a focus of the organization, which means that the organization now has one more thing on which to focus.

Boards need to be constantly reviewing the organization's financial and operational information from a variety of sources, including both constituents' perceptions of the organization and feedback from lenders, institutional grant-funding institutions, major donors, management and staff. In many cases, it is the executive director who will be the point of contact between the organization and its institutional funding sources. If this relationship isn't supported by board relationships with these same parties, the board is placing the organization in danger. Having backup points of contact and relationships with institutional supporters is as crucial as having disbursement reviews.

You don't have to like these action steps for saving a nonprofit from its own board ... you just have to get past the personality issues and do it — and understand that it is for the good of the organization.