

Going First



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A first hired chief executive shares her thoughts on how to effectively follow a founder.

Someone has to go first. As a child, I was the one waving her hand and shouting, “pick me, pick me.” As an adult, I have continued to step up when asked — though in a less obtrusive manner! Case in point: Earlier this year, I joined the Cutaneous Lymphoma Foundation as its first hired chief executive.

The Cutaneous Lymphoma Foundation began as a listserv established by Judy Jones in 1996 to provide information and support to people who, like her, have cutaneous T-cell lymphoma (CTCL), a slow-growing blood cancer. In 1998, Judy, Stuart Lessin, M.D., and Judith Shea, whose husband died of CTCL, founded the foundation, which promotes awareness and education of the disease, advances patient care, and facilitates research.

Like many founders, Judy shouldered a heavy workload during the organization’s early years, serving as both the board chair and chief executive. The hard work paid off. The foundation grew steadily, both in the number of patients, physicians, and other stakeholders who reached out to it for assistance and in financial support. Judy hired two staff members to help her and the small, hands-on board get the work done.

A decade passed, and the foundation continued to progress — as did Judy’s workload. The board began discussing how it might lessen her workload,

elevate her role (Judy remains as board chair of the foundation), and ensure the long-term viability of the foundation. The answer was clear: Hire the organization’s first chief executive.

In April 2010, I stepped into that role — with my eyes wide open. Because I have served as a first chief executive in the past, I understand the challenges that can arise when the chief executive’s duties are being transitioned from a founder to a newcomer. I also know that some challenges can be avoided by taking a few key steps early in the transition process.

◆ **During the interview process, take great care to explore your “fit” with the organization and determine if the founder, the board members, and the staff members are prepared to give you the authority you need to manage effectively.**

When Judy explained to me that she is aware of “Founder’s Syndrome,” is a disciple of Jim Collins’s *Good to Great*, and appreciates “brutal honesty,” I knew that she was a founder with whom I could work well. She also noted that she lacked and needed some structure in her life, did not enjoy planning, and would welcome someone who could assume the plethora of management responsibilities that came with the chief executive job.

During my face-to-face interview with the full board and staff, I came prepared with a list of questions that allowed me to assess the board’s readiness to move from a working board to a governance board and, importantly, to a fundraising board. I also delivered a presentation that addressed the changes I foresaw making in board development, the strategic planning process, operations, programs/services, fund development,

marketing/communication, finance, and advocacy. I described how I saw the board and staff roles changing to facilitate growth in all these areas.

◆ **Take the time necessary to build confidence and trust with the founder, the board members, and your staff.**

Immediately after joining the foundation, I began working closely with Judy, the board, and the staff to understand more about the organization’s stakeholders, its impact on the people it serves, its immediate priorities, its most pressing challenges, and its long-term goals. This work allowed me to start building my relationships with Judy and the board and staff members.

I also spent time with each board member via phone, asking questions to learn more about him or her personally and professionally and to glean insight into what he or she felt we collectively needed to do to sustain and grow the foundation. These phone calls set the stage for future communications that have allowed me to grow our relationships.

◆ **Do not rush change.**

Although many first chief executives are hired to be change agents, as I was, change needs to come at a pace that works well for the founder, board, and staff. The best advice I can give other first chief executives is to work on finding a good balance of embracing the journey of preserving the legacy of the organization and its founder while also injecting your own leadership style, experience, and contributions to bring the kind of change and growth that the organization needs to realize continued and added success.

For example, upon joining the foundation, I learned that the board committees were not functioning properly. Because so much of the

foundation's work needs to be accomplished through committees (due to the small staff size), it was important that we increase the committees' productivity.

After developing a more structured and traditional approach to committees, I met with both Judy and the staff to discuss my proposal and gain their support. I then approached the board. As might be expected, the members initially met my proposal with some skepticism and asked many questions — “What is the role of a committee chair?” “How will we decide upon meeting topics and make decisions?” “Who will accomplish the work, and how will we grow the committees?” By walking them through a step-by-step process around how committees would work, describing the results we could achieve, and providing them with reading on best board committee practices, I was able to increase their comfort level with the new approach. We are now enjoying high-functioning committees that are driving major progress in every area of the foundation.

Change can be difficult for a board that is moving from being a working

board to a governing board if the members do not understand or are not excited about what that means to their roles within the organization. The best advice that I can give to board members who are considering hiring a first chief executive is to understand, appreciate, and be ready to embrace the kind of change that this hire will bring to you and your organization.

If the transition between a founding chief executive and a first chief executive is done correctly — with patience, constant communication, and a willingness to consider new ways of operating the organization — hiring a first chief executive can bring exponential growth to a nonprofit and, most important, the ability to dramatically improve the outcomes delivered to the people who benefit from the organization's programs and services.

RESOURCES:

“The New CEO” by Charlotte Huff. *Trustee*, July/August 2010.

Navigating the Organizational Lifecycle: A Capacity-Building Guide for Nonprofit Leaders by Paul M. Connolly. BoardSource, 2006.

Executive's CORNER



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Good can come from bad. At the end of 2008, my organization, a continuing care retirement community, borrowed \$74 million to build a new community on our campus. This was followed — as you know — by an economic free fall that significantly reduced our ability to earn investment income. Not good.

Numbed but not paralyzed by the crisis, we decided to address our financial model, curtail some superfluous spending, and educate our board on the most important financial measures and ratios. This led to the development of a new operations dashboard that helps forecast potential problems and to improvements in our existing financial dashboard that highlight the impact of various internal and external financial factors.

By using these tools to focus on the most important areas and by developing appropriate plans of attack, we were able to help our board concentrate on assisting us with the major strategic issues instead of worrying about operations.

The story has a happy ending. We opened our expansion project in March 2010, on time and on budget. That community is filling up a year ahead of schedule. And operations on our existing campuses are leaner and more efficient — because we use our dashboards to focus on the areas where we can make the most impact.

By showing the board where the organization was going in a very tough time, we were able to help the board take the lead in navigating the organization through that difficult period.

