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## Knowledge Center

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#### Connecting Community Service/Corporate Culture

Community-based board matching programs can be an innovative way to help boards find new members and to introduce individuals to opportunities for board service. One of the primary challenges in designing and maintaining a quality board matching program is financial sustainability — developing an ongoing funding base to cover the substantial costs involved in interviewing candidates and organizations, orchestrating successful placements, and evaluating the effectiveness of the program. Most matching programs rely on a combination of foundation grants and placement fees from individuals and nonprofit organizations, but the reluctance of many foundations to provide long-term annual financial support, coupled with the pressure to keep fees low to meet the needs of nonprofits, jeopardizes the long-term financial viability of many matching programs.

Cleveland's Business Volunteerism Council (BVC), a six-year-old nonprofit management support organization, has found a unique solution to the issue of sustainability by creating a thriving board matching program funded by membership fees from corporate clients. A wave of interest in corporate community involvement, combined with Cleveland's vibrant civic culture, created an opportunity for an organization that bridged the gap between corporations and nonprofits by providing training for board members, matching service, and eventually other board development programs.

Cleveland claims one of the oldest and strongest philanthropic communities in the country, dating its charitable impulses back to 1830 and the Western Seaman's Friend Society. The birthplace of the community foundation and the community chest (a precursor to United Way), Cleveland ranks third in the country in per capita donations to charity. More than 500 charitable foundations are based in Cleveland, including two of the 50 largest. Cleveland ranks fourth in the number of Fortune 500 companies headquartered there, and the Greater Cleveland Growth Association (GCGA) is the nation's largest metropolitan chamber of commerce.

Such a dynamic nonprofit and for-profit community may have been the ideal incubator for BVC, which helps more than 100 businesses and more than 450 nonprofits each year by providing training and referral services to corporate executives to prepare them for service on nonprofit boards, as well as offering opportunities for corporate employees to participate in a variety of events and projects as volunteers. Since its inception in 1993, BVC has placed more than 350 individuals on boards. BVC also involves professionals in providing management assistance consulting to nonprofits and refers thousands of community members to volunteer efforts.

"It's part of both the corporate and the social culture in Cleveland to be involved as a volunteer and as a leader," says BVC President and CEO Alice Korngold. "From the corporate perspective, companies make it clear that volunteer leadership is a key to success."

Korngold is a self-described nonprofit entrepreneur. Before coming to BVC in 1993, she headed Cleveland's Health Trustee Institute, which provides educational opportunities to trustees of its 50 member hospitals. Prior to moving to Cleveland, Korngold created the cooperative education programs as university director of cooperative education on Pace University's three campuses in New York.

According to Korngold, companies in Cleveland see board service as an outstanding opportunity for their employees' leadership development, team and morale building, and community relations, all of which are good for business. "Companies see that it's a win-win-win situation," says Korngold.

BVC is largely the creation of Cleveland's corporate community, and corporate representatives — often CEOs or other senior executives — dominate its 35-member board. Korngold estimates that BVC's board members are among the most influential and civically active businesspeople in Cleveland, and that collectively they serve on more than 100 boards.

"A few years ago I was chairman of GCGA," explains current BVC board chair Dick Pogue, who at the time was the managing partner of Jones, Day, Reavis & Pogue, one of the nation's largest law firms, "when several corporations approached me with the idea that there should be a mechanism for matching corporate folks with nonprofit boards." The corporations hoped that GCGA would start such a program.

Although Pogue said his staff had a full plate, he was supportive of the project. Start-up funding for BVC came from the Cleveland and Gund foundations and United Way of Cleveland, with additional funding from local businesses.

The organization is financed primarily by corporate clients who pay varying rates for BVC's service packages. Forty-five percent of BVC's revenue comes from business memberships. Fees for consulting and training services for nonprofits make up another 18 percent. Foundations and charitable organizations contribute 17 percent, which primarily goes toward subsidizing nonprofit costs for services. Most of the remaining revenue is provided by the United Way of Cleveland, which specifically funds the volunteer center housed within BVC and its management assistance programs. "It took some time to figure out this formula," explains Korngold, "but I think it's sustainable." Korngold hopes that other cities developing similar programs can learn from the trial and error that BVC has gone through to strike a solid financial balance.

In return for financial support, BVC provides an important service to businesses. "We help them figure out what they want to accomplish and how to do it," explains Korngold. "We advise corporations on how to integrate philanthropy, board service, and direct service volunteerism." The top tier of BVC's services, at \$10,000, includes up to 12 hours of consulting services to develop a community involvement strategy; ten registrations in the Volunteer Trustee Institute (VTI), BVC's board training program; company-tailored educational seminars for senior management on the role of corporate employees on nonprofit boards; access to volunteer opportunities; and discounts on BVC forums. For \$1,500, at the other end of the scale of service packages, clients receive two hours of consulting, one place in VTI, and discounts. The corporation is the client, the nonprofit is the customer, but the corporation, which has greater financial resources, finances BVC while nonprofits benefit from BVC's services.

### **Why it Works**

Nonprofits utilize BVC's services because BVC is a reliable source of dedicated board members. According to Korngold, as funders demand evidence of solid, yet innovative governance practices, and as communities grow and nonprofits require more resources, nonprofits depend on strong boards to steer them in the right direction. Board members who come to nonprofits through BVC arrive with an understanding of their roles and responsibilities. BVC's board training consists of a three-hour interactive seminar that includes sessions on the role of the board, the legal and fiduciary responsibilities of board members, extensive discussions of case studies, and questions and answers with experienced board members and chief executives.

"BVC has brought the understanding of the responsibilities of trusteeship to a higher level," says Janus Small, executive director of Shoes for Kids, on whose board several VTI graduates sit. "Trustees trained by BVC understand their responsibilities and take them seriously. Raised expectations and increased accountability from BVC trustees make all the board members rethink their commitment. That's a great situation for an executive director."

"You see a tremendous passion coming from BVC-trained trustees," says BVC board member Shelley Siefert, who also serves as senior vice president for corporate human resources for National City Corporation. "They're confident and well-suited for the board — people who are ready to be successful. BVC's referral process is much better than the haphazard way recruitment used to work."

The expertise and business acumen that corporate employees bring to the table also work to the advantage of the nonprofit. "I am a member of many nonprofit boards," says BVC trustee Yank Heisler, also the group executive vice president and managing partner of Key Capital Partners, "and I've learned that a corporate perspective adds value to a board. Corporate representatives can expand nonprofit management styles and strengths."

At the same time, the corporate executives who serve are strengthened by their board service. Businesses encourage board service because they realize that such opportunities help develop teamwork and leadership skills in their employees, as well as enhancing the company's standing in the community.

Siefert has noticed a variety of the positive effects of BVC's board training on National City employees and the corporation as a whole. "We're a bank and do business in the community, so it's helpful to us to make contacts through board service" she explains. "We also look at volunteerism as a way to increase employee satisfaction. On a board you

have an important mission and a lot of responsibility. People get recognition for their board service and it makes their lives more complete.”

According to Siefert, the skills acquired through board service translate well into the business world. From her human resources standpoint, board service is a great proving ground for productive employees who may have management potential.

### How it Works

Corporate employees who serve on a nonprofit board not only benefit specifically from the training BVC provides, but also indirectly when better trustees create greater organizational effectiveness.

“Because BVC helps nonprofits operate more efficiently,” Siefert says, “those who volunteer their time can do so in a more productive environment.”

Kathy Brandt, now board chair of the Make-a-Wish Foundation of Northeast, Central, and Southern Ohio, was in BVC’s first class for trustees, held in 1992. “I’d been a volunteer before, but not a board member,” Brandt says. “BVC taught me what I needed to know to be productive on a board.” After her training, BVC asked Brandt to complete a survey detailing not only what kind of organization she wanted to work with, but the size and kind of board she would prefer to join. BVC made several suggestions to Brandt, who chose Make-a-Wish. She went for an interview there and was elected to the board shortly thereafter. Six years later, Brandt is in her second term and has served as its chair since this past summer. A majority of BVC-trained trustees are elected to board office or committee chairmanships within a year and a half of joining a board. Brandt, who still attends BVC’s board development forums, is only one of several Make-a-Wish board members who have been placed through BVC.

Although it is often known primarily as a board matching organization, BVC provides other services to both businesses and nonprofits.

“I think I’ve used every single service BVC offers,” says Janus Small, previously executive director of the New Organization for the Visual Arts (NOVA), a Cleveland-based arts organization.

“At NOVA, I primarily used the trustee referral service,” Small says. “Two or three trustees came our way through BVC. They were so well-trained and eager and energetic that they reinvigorated some long-time trustees and kept them on their toes.”

When she came to Shoes for Kids, Small represented the first leadership change the organization had experienced in 28 years. She knew some outside consulting would be necessary to facilitate the transition, and before she even agreed to take the job, Small called BVC to ensure the organization would be available to help.

Small says BVC facilitated the development of a new structure for her and her board at Shoes for Kids and guided them through the strategic planning process. After 16 years as an executive director, Small still attends BVC’s board development forums.

Her work with BVC has made Small more savvy in her own work with other boards. “When I am asked to go on a board, I want to see if they have a statement of expectations for board members — many organizations don’t.”

When an organization comes to BVC for help, Korngold and her staff visit the nonprofit and conduct a needs assessment in collaboration with the organization’s board and staff leadership. If the organization is in distress, BVC will make recommendations on next steps, then look for board member candidates whose interests match the organization’s needs. According to Korngold, some corporate executives come to BVC looking for a challenge. “One public relations executive was an expert in turnaround situations and asked me for the toughest public relations situation we could come up with,” says Korngold.

After BVC assesses the nonprofit’s needs and the individual’s skills and interests, the candidate is given a few choices and an interview between the first choice nonprofit and the candidate is set up. If either the individual or the organization thinks it won’t work, for whatever reason, both return to BVC at that point for another try. Korngold is confident that both the individuals who have been elected to boards and the boards they’ve been elected to have been satisfied with the matches because the decisions have been mutual.

BVC has been well-received in Cleveland by both the charitable and corporate communities, but not without overcoming a few obstacles. Korngold believes that, after six years, BVC has finally hit upon the right balance of funders, clients,

and customers, and hopes organizations in other cities can learn from its experiences. One of the greatest challenges to BVC's success, Korngold says, has been the lack of a database structure sophisticated enough and well-suited to BVC's needs. Keane, Inc., an information technology firm, has been working with BVC on a pro bono basis to develop a customized system, which Korngold says may be valuable to similar programs and organizations in other cities.

"The key success factor for BVC," Korngold says, "is the high level of corporate support from the beginning. If you want to champion this kind of program in another city, you have to involve corporate leaders who recognize its merits."

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