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Finishing Touch

Nonprofit Broker Puts Corporate Hotshots Onto Charitable Boards

New Trustees Get a Boost Back at Work, Thanks To Business Matchmaker

The Ousting of 'Big Tooth'

By MONICA LANGLEY

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CLEVELAND—The law firm of Thompson, Hine & Flory had high hopes for young attorney Katherine Brandt. But first, her community profile needed burnishing.

Thompson Hine didn't turn to an image consultant—at least not exactly. Rather, it called on a local nonprofit organization called Business Volunteers Unlimited. For a fee of \$1,500, Business Volunteers interviewed Ms. Brandt, evaluated her interests and skills, and then brokered her introduction to board members at Make-A-Wish Foundation's regional office. At Business Volunteers' urging, Make-A-Wish, which grants wishes to children with life-threatening illnesses, placed Ms. Brandt on its regional board, thus providing her with instant prestige and ready-made access to the city's movers and shakers.

Extra Points

Four years later, Ms. Brandt became chairman of Make-A-Wish's regional board and—as significantly—made partner at Thompson Hine. "My involvement on a nonprofit board was key to my being elected partner last year," the 39-year-old lawyer tells a packed meeting of the Business Volunteers. "I got extra points for being out there in the community in a favorable light."

All over Cleveland, nonprofit boards are being seeded with the likes of Ms. Brandt—well-educated corporate strivers. Some of the board members' motives for being "placed" by Business Volunteers are decidedly mixed.

When Stephen Lee, a senior vice president at public-relations firm Edward Howard & Co., went for his introductory lunch last month with the Cleveland Ballet,

Why They Do It

When Business Volunteers asked its clients what motivated them to join nonprofit boards, these were their responses:

RESPONSE	% OF RESPONDENTS
Give something back to the community, personal satisfaction	88%
Develop, enhance leadership and professional skills	63
Develop professional connections, extend network	56
Community involvement is supported by employer	31
Develop, extend social network	31
Community involvement is required by employer	12

Source: Business Volunteers Unlimited

one of the nominating-committee members asked him point-blank: "Are you more interested in this for yourself, or to assist your business-generation?" recalls the Ballet's executive director, Richard Bennett. Mr. Lee, who will soon join the board, says he told the trustee, "That's a fair question. My business isn't the driving force. But who's kidding who? If I contribute something to the organization, it certainly reflects well on myself and my firm. It can't hurt."

The practice of advancing one's personal or business interests by joining a charitable board has been around for decades—as has the understanding that board membership can be contingent on being able to attract financial resources. But what's new here is the emergence of an actual broker that charges a fee for placing clients on nonprofit boards. Critics call it crass; boosters call it a service whose time has come.

'Not About Altruism'

"Getting on charities used to come about through the old-boy network or word of mouth," says John Andrica, the Cleveland-based senior officer of management-consulting firm A.T. Kearney Inc., a unit of Electronic Data Systems Corp. "Now, we can use Business Volunteers to get our up-and-comers out there networking with other players. It's not about altruism. It's about business."

The professional rationale seems crude to some: "Networking is the worst reason to go on a nonprofit, because then you care more about who's sitting next to you than the cause you're supposed to be helping," says Robert Lewis, a professor specializing in nonprofit organizations at Case Western Reserve University here. But leaders of Cleveland's nonprofit community are mostly pleased with the help they are getting from the 400 board members who have been placed so far by Business Volunteers.

"Initially, I was suspicious of the corporate types, but it's been a pleasant surprise for this skeptic," says Richard Peterson, executive director of Project: Learn, an adult-literacy program. "Corporate directors bring corporate money with them, and they make the best, well-prepared board members."

Indeed, directors steered to charities by Business Volunteers have stormed into leadership positions. More than half of its designees become officers or committee chairs of nonprofits within two years, according to Business Volunteers. From overhauling board procedures, grooming or tossing out existing leadership and launching multimillion-dollar expansions, board members championed by Business Volunteers are altering the city's philanthropic landscape. The marriage of corporate ways with charitable ends has been successful enough to induce Business Volunteers—itsself a nonprofit—to contemplate going national.

This is a surprising turn of events for the organization, which began with much more modest goals. Tired of being bombarded for cash contributions from the city's charities, five of the largest Cleveland companies—Eaton Corp., TRW Inc., BP Amoco Corp., KeyCorp and Jones, Day, Reavis & Pogue—wanted to do something beyond simply writing checks. In 1993, they launched the Business Volunteerism Council to handle the effort.

Initially, Business Volunteers had trouble getting companies to join because its purposes and benefits were vague. "No one knew what we were or what we had to offer," says Alice Korngold, chief executive officer. After struggling for a couple years and operating in the red, Business Volunteers took off only when it began to offer its fee-based "trustee-placement."

The service quickly became part of the business strategy of many of Cleveland's top companies. A.T. Kearney now charges its fees off as "firm-building," while Keane Inc. includes the Business Volunteers expense in its training budget. National

(over please)

City Corp. funds it as a "development tool for high-potential people," typically in their early 30s and earning more than \$100,000 annually, according to Shelley Seifert, senior vice president of human resources.

Some companies make access to a Business Volunteers placement a perquisite for their top performers. "They like to be tapped," says Ralph Della Ratta, a senior managing director of McDonald Investments Inc. "The up-and-comers are competitive people. It's an honor."

"I certainly want to show off my talents," says H. Charles Kessler, a 38-year-old senior manager at Deloitte & Touche who went to Business Volunteers for placement on the Children's Museum board. During the past year, he has devoted 80 hours to the nonprofit, hours that he enters on his firm time sheets as "practice development." Says Mr. Kessler, "When I go to clients or prospects, I mention I'm on the Children's Museum. Saying I'm a board member confers additional authority and shows I can do things other than crunch numbers." He adds, "It's the backdoor approach."

Richard Froehlich, a principal at A.T. Kearney who was placed by Business Volunteers on the board of the Center for Families and Children, is now involved in developing a strategic plan for the social-services nonprofit. "By doing good work for the center," he says, "I'm showing the good work we do at Kearney."

Mr. Froehlich, who is 36, also is attuned to the benefits of impressing such high-profile board members as Yank Heisler, president of Key Capital Partners, a unit of KeyCorp, and Gail Policy, wife of the president of the Cleveland Browns. He relishes his dealings with the nonprofit's new president, Lee Fisher, the former state attorney general. "Now I can get to know Lee better; he has a lot of contacts and will lead us to so many people," Mr. Froehlich says.

He calls his conversations with influential trustees and their contacts part of "learning the art of the subtle sell." At a board cocktail party, he made a contact with a company doing \$500 million of work in Asia. Mr. Froehlich has since submitted a consulting proposal to this company that could generate as much as \$1 million in fees for A.T. Kearney, he says.

Richard Comstock, a senior vice president at McDonald Investments, hopes his new board post with Recovery Resources, a program for recovering addicts, will "help me differentiate myself" as a broker in sales. "I've tried to market myself, the human element, in an era of online trading," he says.

Notwithstanding such motives, trustees placed by Business Volunteers have emerged as agents of change. The Health Museum of Cleveland, for instance, was an aging institution that served mostly as a drop-off point for kids on field trips until the Business Volunteers candidates came on its board.

Don Richards, a 42-year-old managing partner at Andersen Consulting, became

chairman of the strategic-planning committee and quickly made its operations comport with, as he puts it, "fact-based intelligence on its market and competition." Mr. Richards says that "the notion of directly linking the budget with a strategic plan was a new concept."

The result: The Health Museum is on the verge of tearing down its outmoded facility, and dispensing with worn-out museum exhibits, to create a new building where education will be the primary mission. With a mandate that attractions must take advantage of the latest technology and educational content, Mr. Richards got the Health Museum to take a drastic step: oust its dreary 25-year-old exhibit on tooth-brushing called "Big Tooth."

After Near West Theatre, an inner-city youth program, took on five trustees from Business Volunteers, "their companies started writing checks," says Stephanie Morrison-Hrbek, the theater's executive director. The new directors set up an information system, planned a huge benefit and, most importantly, orchestrated the theater's split from its parent to become an independent nonprofit.

Similarly, the Children's Museum, housed in an old Howard Johnson restaurant, was on the verge of closing before hooking up with Business Volunteers in 1997. But with the help of eight directors from Business Volunteers, the institution is looking for a new site or a major renovation.

The sudden mixing of corporate bigwigs with grass-roots leaders occasionally leads to friction. The board meetings at Hard-Hatted Women, a support group for women in nontraditional jobs, are rocky now that six of its 13 directors come from Business Volunteers. For example, at last fall's board retreat, tension arose between the white- and blue-collar directors over what issues they should push to achieve "economic independence," recalls Kathy Augustine, Hard-Hatted Women's executive director. The blue-collar directors argued that breaking into the nontraditional, higher-paying jobs was the point; the corporate members said that approach is shortsighted and focus should be on long-term financial issues such as pensions and retirement benefits.

"It's been a struggle to work together," acknowledges trustee Gigi Carter, an associate investment banker at KeyCorp.

Yet, a business idea has become the rallying point for both the corporate and blue-collar directors. Ms. Carter suggested that Hard-Hatted Women start a for-profit arm that performs home-remodeling and construction. "The same women that so strongly opposed me on schmoozing with corporate Cleveland are the strongest proponents of starting our own business," Ms. Carter says.

It still comes as a surprise to some in the charitable community that businesses pay Business Volunteers—either \$1,500 per placement or \$10,000 a year for 10 placements—to conduct its matchmaking. Busi-

ness Volunteers "does this as a service to the community," says Michael Marks, executive director of the Health Museum. "I don't believe people pay to get recommended." Says James Levin, founding director of Cleveland Public Theatre, an avant-garde theater that has no Business Volunteers placements on its board: "It seems duplicitous if corporations pay to place people on our board. That would bother me." When Business Volunteers recently offered a local hospital executive as a potential board member, "it never came up that a corporation paid for that recommendation," Mr. Levin recalls.

Some who know about the payment system don't much like it, either. The service provided by Business Volunteers isn't "a broad-based search operation for the best board members to the charities," says Dennis Young, the former head of the Mandel Center for Nonprofit Organizations at Case Western Reserve. "It only draws from the reservoir of talent paying them."

But there's little doubt that the group has significantly increased the involvement of the corporate world in the management of Cleveland's cultural institutions. And the approach is attracting interest elsewhere. "Other cities want to see if the Cleveland model could work for them to unite business and charity in a way that helps both segments," says Richard Moyers, a vice president of the National Center for Nonprofit Boards, an educational resource for nonprofit groups, in Washington, D.C. The Center is sponsoring a seminar in Washington this fall on the Business Volunteers approach.

Meanwhile, next month, Portland, Maine, businesses and charities are launching their own service, Board Network, after studying the Cleveland program. And Business Volunteers is in the process of figuring how to go national itself, from considering setting up pilot projects in other cities to servicing national companies in numerous locations.

"My colleagues in other cities are dying for something like this," says Mr. Andrica of A.T. Kearney. A big part of the appeal, he says, turns out to be how deeply devoted many of the "placed" trustees become to the organizations that they join, regardless of their initial motivations. Young executives, who are accustomed to flying around the world as hot-shot consultants on multimillion-dollar projects, come face-to-face with real problems in their own backyards and "become humans again," Mr. Andrica says.

"I was dragged kicking and screaming" into the Business Volunteers, recalls Linda Hastings, assistant advertising director with the Cleveland Plain Dealer. She says she didn't want more meetings and dinners to interfere with her job and family. But at her employer's urging, she was placed on the board of Templum, a domestic-violence shelter, and is now its vice chairman.

"I don't know how and when it happened, but it's made a real difference in how I feel about myself and my community," Ms. Hastings says. "It's become my life."