

# FAILURE WORKSHOP: Generosity Gone Awry

A Case Study in Leadership Failure 2015-2018



## Background:

- In 2015 I'm elected to serve on an 18-member vestry of an 900+-member wealthy, historic church in the Washington DC area with many high-profile members;
- The vestry has administrative and financial oversight of the church's ~\$8 million annual operating and (initial) \$26 million real estate/building project (total \$70M);
- The church had recently settled a 7-year lawsuit and was in-between locations while it built a new facility on an unconventional mixed-use site (a medical office building with adjacent lot) approximately 1.5 miles from its original location;
- It's senior pastor of 40 years was due to retire, so a succession plan was in place and and new leader search was on the horizon.

## Key Context:

- The church was moving into a neighborhood with a new demographic profile;
- It had recently completed a successful fundraising campaign to raise \$15 million to secure the purchase of a new building site which yielded \$26 million its first week;
- Many longstanding community outreach and service programs had stagnated in recent years due to uncertainty about the lawsuit and building location;
- The church had approximately \$1.4 million in surplus or unused ministry funds in various reserve accounts;
- The Financial, Building, Real Estate and Legal Chairs all heavy hitters;
- I am 35 years old, ED of a small non-profit (~\$1 million), mom with 4 kids under 8.

Reflect on the background/context of your own leadership failure. Jot down some notes about relevant scope, key players, environmental factors.

# Generosity Gone Awry (Continued)



## The Issue:

- Sought to pilot a small micro-grant program called The Kinses Fund to learn about needs in the new community, develop partnerships, utilize latent outreach funds and test a new, more sustainable model for community engagement;
- Based on a well-established model in Memphis;
- \$150,000 (1% of the initial campaign target) request to be administered by a vestry-sponsored board and supported by a “Neighborhood Engagement Committee” of lay leaders and staff;
- Initial funding from the \$1.4 M unallocated ministry reserve fund amassed as part of the lawsuit; sustained (if successful) by a 10% monthly “tithe” off of rents from our medical building.

## The Outcome:

- Only 1/3 of initial request (\$50,000) was approved; funded just 3 starter projects;
- Vestry voted to freeze the \$1.4 M reserve account to prevent additional bids for spending until construction completed;
- Real Estate Committee created a Capital Reserve Fund as first “overflow” account for profits from rent;
- Vestry voted for a Community Tithing “Cap” at 11% through 2025;
- “Comunidad” expansion;
- Established 10% minimum giving to community projects from outreach budget;
- Ongoing organic work and partnerships from NEC relationships and partnerships

What issue was most at stake in your case? Do you still feel the same today, or do you see it differently?

What was the outcome of your case? What were the costs? Lasting damage? Silver lining?

Consider the concepts we have been learning all year as well as your most recent reading. What are some approaches or perspectives you think might have been helpful in your case of failure?

If you could go back and do it over again but could only pick ONE concept to help you, which do you think would have been most valuable for the situation?

In reflecting on this case, do you recognize any unhelpful patterns in your approach that feel frustrating or familiar to you? How would you like to alter your approach?