



**The Organization**

Certified Awesome Programs, Inc. (“CAP”) is a CAA located in Anytown in the state of Bliss. CAP services three large, rural counties by offering a ride-share program, employment training, and Head Start programs. For many years, CAP had a history of being a high functioning and performing organization. But ever since the previous board chair and Executive Director left at the same time three years ago, CAP has struggled with the leadership transition – it recently lost its federal weatherization funds and was forced to recompetite its Head Start grant, its last audit report raised questions about the allowability of certain personnel costs, and CAP has seen a gradual but noticeable drop in the number of clients served.

**Case Study: Board Entanglement**

Jackie, CAP’s Chief Operating Officer, is frustrated by what she sees as the lack of vision and leadership by the current Executive Director, Blake. Jackie has been pushing for a top-to-bottom review of CAP’s mission, organizational structure, and programs and activities. As a long-time member of her local school board, she has worked with struggling and underperforming schools. Jackie knows most of the members of CAP’s board well, having attended many of the board’s meetings over the past 15 years, and she is not confident that the board is up to the task. Jackie has been hounding Blake to hire an outside consulting firm to do a comprehensive review of the organization – she feels that CAP needs to undergo a fairly drastic restructuring in order to turn things around and get back on track.

Blake is relatively new to the Community Action network and is methodical and cautious by nature. He worries about the impact that bringing in an outside party might have on his relationship with the board and, in particular, Lisa, the new board chair. Lisa has started making plans for the annual strategic planning board retreat. Blake is also concerned about the cost of undertaking such a large project and thinks this process will be distracting to staff members. But eventually, Blake acquiesces to Jackie’s insistence and agrees to put out an RFP seeking consulting proposals. The deadline for submitting bids was April 30, 2016, and as of that date, CAP had received the following bids:

Bidder	Total Cost	Project Timeline	Other Notes
<b>BeBetter, LLP</b> , a large, well-known consulting firm that works with a wide range of struggling corporate and nonprofit entities	\$150,000	4 weeks	BeBetter has multiple office locations throughout the U.S., but the nearest office to CAP is 100 miles away
<b>Government Solutions, Inc.</b> , a local company with significant consulting experience in the public sector	\$130,000	6 weeks	Bid includes 6 months of on-call assistance with implementing proposed solutions

<p><b>eConsult, Inc.</b>, a two-year-old company that markets itself as offering cost-effective and innovative, data-driven consulting services</p>	<p>\$110,000</p>	<p>4 weeks</p>	<p>Bid includes a number of targeted solutions addressing specific problems in CAP's governance structure and system of internal controls</p>
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Sofia, Lisa's niece, is the CEO of eConsult. Sofia is also close friends with Jackie – they met while serving on the school board together and have kids around the same age. Even though Sofia left the school board to focus on her consulting company two years ago, she and Jackie still regularly get together.

One night in early 2016, Jackie and a few co-workers from CAP were getting drinks after work when they ran into Sofia at a local bar. At some point during the evening, Jackie casually mentioned that she had another "turnaround case" for Sofia. "You won't believe the leadership vacuum we've got," Jackie told Sofia, "this is the perfect project for you if you're interested." Sofia was listening. CAP had ties to prominent county officials and eConsult had been looking to get into the public sector business. Sofia and Jackie agreed to meet the following week to talk more about CAP's ongoing problems.

After the RFP deadline passes, Jackie is eager to bring on the consultant to start planning for the next fiscal year, which starts July 1. Lisa plans to discuss the three bids at a board meeting on May 24, 2016.

Fearing that Blake will once again drag his feet on the decision and slow down the board approval process, Jackie calls Rachel, a member of the Audit Committee whom she knows well, a day before the scheduled board meeting, to explain the urgency of the situation. Jackie urges Rachel to help speed things along and to ensure that the board chooses a winning bid at today's board meeting.

At the start of the board meeting, Lisa realized that she accidentally left out BeBetter's bid from the materials that she sent to the board in advance of the meeting.

**Discussion Questions:**

1. What are the most important issues in this case? What do you think should be done first to address each issue? Any other steps you would take?

2. How can the board work effectively with an outside consultant on the strategic planning process?

3. What organizational and personnel policies are potentially implicated in this case study? How should CAP revise these policies in light of what happened?

4. One board member, Al Wayzabsent, has missed the past two board meetings and showed up 45 minutes late to today's meeting. It becomes clear that he has not read the bid documents that Lisa sent in advance, and you overhear him complain to another board member that these meetings are a waste of time. Discuss some ways you would try to engage Al.

5. Assuming the board is able to review the missing BeBetter bid at a later time, what criteria do you think are the most important in choosing among the 3 bids?

**More Facts:**

After the mess with eConsult, CAP decided to award the contract to Government Solutions. Unfortunately, the local news caught wind of the RFP leak and published a series of embarrassing stories about Jackie's conversations with Sofia. CAP terminated Jackie for cause, in large part due to her involvement in the eConsult fiasco. The local media, however, continued pressing for more drastic leadership change. In the midst of the negative publicity surrounding CAP, Blake, the Executive Director, was forced to resign. The board felt bad about Blake's resignation – he was as clueless as the board about the RFP leak. To thank him for his service to CAP, the board approved a \$5,000 departing payment to Blake.

The Chief Operating Officer position proves to be a difficult one to replace. As CAP approached the end of its fiscal year, the position was still vacant.

**Discussion Questions:**

1. Do you think the board acted properly in approving Blake's bonus? What other options would you have considered?

2. Think about your own CAA's succession plan (if any). How well would the plan address sudden departures like Jackie's and Blake's?