



E-PARCC

COLLABORATIVE GOVERNANCE INITIATIVE

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Program for the Advancement of Research on Conflict and Collaboration

Leading IslandWood Case A

Ben Klasky sat at his desk neatly arranging piles of paper on what was a typical Monday morning in May 2005. These stacks comprised vital volumes of information he had collected during his first five months as Executive Director of IslandWood, a young outdoor education center serving elementary schools throughout the greater Seattle area. Klasky's primary endeavors since taking the helm had been relationship-building and fact-finding in order to lead the organization through a strategic planning process. He had conducted personal interviews with the bulk of IslandWood stakeholders – members of the board of directors, every member of the forty-six person staff, each of the 11 residential graduate students, numerous donors, and a selection of teachers and principals from the 53 area schools that visited IslandWood's 255-acre campus on Bainbridge Island. Having completed his interviews, Ben's project was reaching a crescendo as he prepared for the next month's strategic planning retreat with IslandWood executive staff and its board of directors.

Ben turned away from his work for just a moment, taking note of the lush greenery inhabiting a patch of forest outside his office window. His eyes caught hold of sword ferns, salal shrubs, and a towering Big Leaf Maple tree, its branches draped in moss. But it wasn't the look of the forest that had drawn his attention; it was the sound. Over the past few minutes the quiet calls of songbirds and the gentle pattering of spring rains had been overpowered by the roaring cheers of elementary school students as they hauled thunderous luggage carts up the hiking trail to their lodges. The 80 fourth-graders had just arrived with their teachers for a four-day residential field trip filled with the promise of hiking, exploration, and hands-on learning activities. Though they had never visited the campus, the students were ripe with anticipation after hearing all year long about IslandWood from the school's batch of fifth graders who had visited the previous spring.

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In just its third full year of operations, IslandWood was becoming a favorite destination among students, parents, and teachers alike. Yet despite its prestige, Klasky knew the organization faced challenges ahead. It was unclear if IslandWood had a business model to carry it through a much-needed transition from its successful, yet intense startup phase into a sustainable operation bolstered by broad community support.

Klasky smiled to himself while listening to the arriving students and their excitement reignited his own inspiration to lead the organization through its challenging times. He knew that what the organization needed most was a clear plan of action to help lead the way, and he intended to use his research findings to write a draft strategic plan for consideration at the June board retreat. As the students hiked up the trail, their sounds faded into the forest and Ben returned to the task at hand. Yes, he thought, it was a typical Monday morning at IslandWood.

Realizing a Vision: Founding the Organization

During his job interview process, Ben read every article he could find about IslandWood to learn about the organization. Now that he had completed his internal research project, Ben knew much more about its history. He discovered that philanthropists Paul and Debbi Brainerd had no plans to start a nonprofit organization when they visited Bainbridge Island in 1997. They were house hunting. Paul had launched the environmentally focused Brainerd Foundation after selling Aldus, his successful desktop publishing company, to Adobe, and the couple had plans to relocate from nearby Seattle. Though they were interested in a single family home, the Brainerds were invited to tour an 1100-acre site slated for residential and commercial development. They wandered through forests, discovered wetland areas, and saw deer browsing in the forest. Struck by the natural beauty and serenity of the land, it was Debbi who first envisioned building a “school in the woods,” for inner-city children to learn about the natural world.¹

Paul would take more convincing, however, and encouraged Debbi to research the idea – a task she took on exuberantly. She started by conducting a six-month feasibility study with Washington teachers and school administrators, and confirmed there was a need for the facility. In fact Washington State had declared environmental education mandatory in 1990, but had not provided funding, programs, training, or facilities to implement the policy. Then in 1998 the Pew Charitable Trusts funded the publication of Dr. Gerald Lieberman and Linda Hoody’s seminal study *Closing the Achievement Gap: Using the Environment as an Integrated Context for Learning*,² which described the academic benefits of active, experiential education in core subject areas including math, science, language arts, and social studies. With Debbi’s vision now bolstered by community need, public policy, and academic justification, the Brainerds purchased 255 of the available acreage, donating the land to the newly incorporated Puget Sound Environmental Learning Center (PSELC), for which Paul served as Treasurer and Debbi the Chairperson. She would go on to organize meetings with more than 2,500 people in the greater

¹ Source - http://islandwood.org/about/history_of_islandwood

² The executive summary is available online at <http://www.seer.org/extras/execsum.pdf>

Seattle area, while visiting more than 25 other sites across the country – and she was just getting started.

Bringing the Vision to Life

The founders convened teams of scientists, educators, and artists to survey the site for educational “stories” to share with students. The property included a variety of ecosystems: a cattail marsh, a pond, a bog, acres of forests, and a stream that flowed into a marine estuary at the adjacent Blakely Harbor Park. The area’s cultural history was also unique, dating back to early human habitation by the Suquamish Tribe, and a later Euro-American settlement home to the Port Blakely Mill, which produced the largest lumber in the world in the late 1800’s.

With educational programming at the visioning stages, the Brainerds hired local architecture firm Mithun – well-known for its sustainable design projects, including the landmark Seattle flagship store of Recreational Equipment Inc. (REI) – to dream with the Seattle community and design a state-of-the art, environmentally sustainable campus for the proposed learning center. Mithun partnered with landscape architects at The Berger Partnership and University of Washington to engage the Seattle and Bainbridge Island communities in a series of design charrettes, which included important input from over 250 of the most vital stakeholders – 4th-, 5th-, and 6th-grade students – who contributed ideas for a suspension bridge, tree-houses, a floating classroom, and bunk beds with personal windows (all of which were incorporated into the site plan).

By now, Debbi had a clear vision and very high standards for what the center should become. She worked tirelessly to share that vision throughout the region and to inspire others to join in the cause. The innovative project would be costly to build, with a price tag of \$32 million (though its buildings were less expensive per square foot than traditional school buildings in WA State). The founders contributed half, and devoted their time to fundraising the remainder. In those early days, Debbi and Paul would bring guests to tour the site before there were any trails or buildings. They would greet prospective donors with pairs of mud boots, and go tromping around the forest while explaining their vision to create a school in the woods for inner-city children to learn about environment. Debbi’s passion and commitment to the project were clear to many others, and soon she had built up a core group of people who rallied behind her in support of the center. Debbi and Paul also began recruiting an impressive board of directors to lead the organization. The group was chaired by Debbi, who worked with the governance committee to ensure that each new member had all the expertise necessary for the emerging organization.

With their time fully engaged in fundraising for the capital campaign, the board of directors hired the center’s first Executive Director in February 2000, recruiting an established environmental education leader from the Midwest. At the time, Debbi told the Kitsap Sun Newspaper that its first director “joins the project at a critical and exciting time for moving the two-year vision and planning of the center toward realization.” It seemed to be the perfect time to develop staff leadership to take on the task of bringing Debbi’s vision to fruition, as the organization would need to develop a professional team with experience in education, ecology, and organizational management.

Once its staff leader was in place, PSELC began hiring academic faculty. One of the early initiatives of the startup was the development of a partnership with the University of Washington (UW) to host a Residential Graduate Education Program. Inspired by her meetings with the Teton Science School in Wyoming, Wolf Ridge Environmental Learning Center in Minnesota, and dozens of other centers, Debbi envisioned not only educating elementary students, but providing training and professional development for educators to learn about the benefits of experiential learning. In order to deliver graduate programs, a handful of educators with advanced degrees had joined the faculty by spring 2001.

Meanwhile the founders successfully recruited five additional members to the board of directors, including community leaders from the Seattle School board, the Burke Museum of National History and Culture, and other philanthropists. Debbi worked to formalize a corporate partnership with REI, who's CEO joined the board and helped PSELC secure in-kind contributions of clothing and gear for its future students. Boeing also became excited about the project and gave a \$1 million gift to the center, thanks to a site tour with the Vice President (who joined the board in part because his eight year old grandson came on the tour, and did not stop talking about the future PSELC when he got home). Debbi said, "This was a very exciting time. The corporate donations were the most difficult to get, and having senior leaders on our board meant a long-term investment by these companies. This gave our 'idea' [to create a school in the woods] more credibility in the fundraising stages, and led us to receiving many more campaign gifts including an important Seattle Foundation grant."

An Organization in Transition

Led by its impassioned founders, PSELC had acquired an ecologically unique site, recruited renowned board members and faculty, and established a partnership with the UW (see Exhibit 1 for an overview of PSELC). But differences of opinion regarding organizational direction arose as more people became involved in the project. On the one hand, the founders provided a clear vision for the center, passion for its mission, and access to capital through community connections. But new staff members were arriving with professional expertise, high energy, and enthusiasm for creating the educational site of their dreams, which were often disparate from one another's, and the founders'. Some of staff members were also arriving from established organizations, and not all were prepared for the unique demands of working a start-up. Disagreements amongst the team ranged from seemingly small topics such as dress codes for staff members to high-level strategic decisions about the level of community involvement in building the center's facilities and programs. Many favored making decisions in real-time by consensus with staff and the founders. However some staff perceived that the founders often made decisions alone, based on findings and recommendations from the initial feasibility study.

Internal conflicts lingered as a subset of staff worried the organization was not becoming the community-based, grassroots environmental center they were inspired to create. One early staff member recalled how Debbi's public statements could sometimes isolate external stakeholders, rather than inspire a sense of commonality. In her fundraising efforts, Debbi would often say that she was developing the best environmental education center in the country. As a visionary leader, that is exactly what she planned to do. But the fact remained that PSELC had yet to

deliver a single program, and not surprisingly, this type of statement did not always sit well with peer organizations that had been running programs for decades.

However many members of the staff and board supported the founders, recognizing their unwavering focus on providing high quality programs for children with little access to the outdoors – especially for impoverished children whose families lacked the financial resources for other outdoor programs. Even as Debbi devoted much of her time to funding and designing the physical campus, she and Paul were fundraising for additional contributions to the scholarship endowment they had personally created for the center. Beyond these scholarships, the Brainerds also understood that immense community need in Seattle would always outweigh the capacity of the fund. So they insisted that the organization develop a financially viable operating model that would enable the center to subsidize its education programs and scholarships via fundraising events, retreats, and conferences. Their supporters among the board and staff recognized the practicality of the founders' savvy business approach.

The disparity between factions among the staff grew, and by the summer of 2001 the first Executive Director left the post before the organization had even finished construction. Other faculty members had grown frustrated by the demands of working at a start-up organization, and two other senior staff positions turned over before the official opening. As one staff member recollected about the departures, “They joined PSELC for one mission – sharing the environment with children and the community. They worked their tails off, but they felt the mission was changing, and they were burnt out.” As a result of the early turnover, Paul Brainerd stepped in as Interim Executive Director, remaining in the position for nearly a year. “My husband was retired, and wasn't planning to work,” Debbi said. “But he was very supportive of me, and he got pulled in full-time after the departure of the first director. Paul was experienced with founding and running a start-up organization, and he was a great director for the center.”

With Paul Brainerd at the helm, PSELC continued to progress through its planning phase. Once adequate on-site housing was available, the faculty recruited its first cohort of six graduate interns who worked side-by-side with the staff to design curriculum for early pilot education programs. At the same time, Debbi's board recruitment efforts were successful, adding five new members to double the size of the group. By spring 2002, site construction had adequately progressed for the faculty and graduate interns to offer pilot programs for a handful of area schools. Reflecting back on the time, Debbi recalled that “a few years ago this was just a piece of raw property. There were no roads, and nothing had ever been built on it. To hear the sounds of the kids now is pretty sweet music.”

The early programs were an overall success, but the facilities were not completely ready for full-scale operations. The pilot phase provided the education team with critical feedback to refine the programs and processes before officially opening for business. One discovery was that the title “Puget Sound Environmental Learning Center” (and its consonant-laden acronym PSELC) was hard for kids to say and equally hard for them to remember. So the board partnered with a marketing firm (working pro bono), that suggested renaming the organization IslandWood: A School in the Woods. While many applauded the new moniker, some staff less familiar with the importance of creating a clear brand “voice” and identity took issue with a name that seemed to bear little representation of the center they had envisioned building – especially having dropped the word “environment” from the name. But the board of directors accepted the advice of the

marketing experts, and PSELC became IslandWood. Along with a name change, came a new staff leader, as IslandWood hired its second (permanent) Executive Director, relieving Paul from the interim role. Shortly thereafter, in September 2002, IslandWood held its official grand opening amidst the constant change it had known since inception.

IslandWood's Core Programs

School Overnight Program

IslandWood took a rapid leap forward as it began full-fledged operations, starting its flagship residential School Overnight Program (SOP) for the 2002-03 school year. During the program, students visited the campus for four days and three nights, remaining immersed in nature throughout the week. They participated in experiential learning activities all across IslandWood's 255-acre campus of trails, forests, wetlands, and sustainably designed field structures. Students made scientific observations about the world around them, while also delving into social studies by exploring themes of Puget Sound history and engaging in team-building activities.

The early curriculum aimed to integrate Science, Technology, and the Arts into all its programming. Each morning began with educational songs and activities at "the Friendship Circle," an enclosed campfire area, before a field day of exploration. Students divided into field groups of 10 – 12 students, led by one graduate instructor and a chaperone from the visiting school (most often a teacher or parent). Students learned identification and ethno-botanical properties of local plants, visited the historic Blakely Mill site on the shore of Puget Sound, participated in a night hike, ate family-style meals in the communal dining hall (while learning about organic food and composting waste), always closing the week with a memorable campfire program on the final evening.

Instructors facilitated learning activities at a variety of must-see locations, including a tree-house, floating classroom, suspension bridge, and low-ropes team course. They also went indoors to work on computers, test water quality in a classroom lab, and express their learning through art activities; some weeks, a visiting Artist-in-Residence was also on hand to lead focused half-day activities with select field groups. Throughout all activities, instructors aimed to capitalize on students' personal interests and curiosities, providing inquiry-based lessons. Often the most memorable activities were inspired by unplanned teachable moments, whether observing a family of deer grazing in a meadow, listening silently to bird calls in the forest, or stopping along the trail to kiss meandering banana slugs (and to experience the tongue-numbing effects of their slime). The theory was that students who had limited exposure to the outdoors could see many of the natural systems they had learned about in the classroom, and these experiences would lead to a richer understanding of the environment while bringing science and social studies concepts to life through experiential activities.³

³ To see the SOP in action, refer to the short video IslandWood Journal, an IslandWood media production ©2002 from the inaugural school year: <http://www.youtube.com/watch?v=KUYBY-nGXkA&feature=relmfu>

Buildings that Teach

The built environment on the campus was considered an integral part of these programs, designed as “buildings that teach” about sustainability and the environment (see Exhibit 2 for a map of the core campus facilities and Exhibit 3 for an in-depth look at its sustainable design elements). Students and teachers were bedazzled by many of the structures, which included groundbreaking technologies like radiant heating, LED lights, and touch screens in each classroom. The U.S. Green Building Council named IslandWood one of the first five architectural projects in the country, and the earliest in Washington State, to earn a Gold Rating for Leadership in Energy and Environmental Design, or LEED Certification.⁴ Its energy-efficient buildings notwithstanding, it would still be quite costly to maintain the 255-acre private campus and all its facilities.

Fortunately Paul and Debbi had designed the buildings to generate additional revenue, by creating lodging for adults in addition to children. In the early planning stages for the center, the Brainerds had convened a three-day meeting with five executive directors from the largest environmental education centers in the country. These leaders highlighted the importance of buildings with accommodations for multiple ages (and therefore multiple programs), along with the necessary capital maintenance. They ultimately recommended that the Brainerds create a second endowment, this one for maintenance and operating expenses to help cover the buildings’ upkeep in the future. The Brainerd’s had agreed, and kick-started a \$10 million campaign for an operations endowment.

Residential Graduate Program

At the onset of the 2002-03 school year, IslandWood also welcomed its second class of graduate students. No longer designated as interns, these 16 students were matriculated at the UW College of Education while living, teaching, and studying on-site under the guidance of IslandWood’s faculty. The new graduate program represented IslandWood’s most in-depth educational offering, giving the students the chance to study educational foundations and methods while putting theory into practice as teachers in the SOP. The graduate students thus served a dual purpose for the program portfolio. In one respect, graduate students were tuition-paying clients, enabling IslandWood to fulfill its mission by educating emerging teachers through an experiential program accredited by the UW College of Education. The graduate students would then put their learning into practice by delivering the core SOP program as quasi staff members. For visiting elementary schools, the graduate students were often the face of the organization, while the faculty oversaw curriculum design, program administration, and mentoring of the graduate students.

⁴ <http://www.usgbc.org/DisplayPage.aspx?CategoryID=19>

Off-site School Partnerships

The graduate students' roles were further utilized in IslandWood's School Partnerships Program (SPP). Aware of the limitations of a four-day residential program, the faculty designed the education program to include classroom visits in the schools. Once again the graduate students delivered the programs, serving as liaisons to two or three partner schools. They conducted vital orientation meetings with students, parents, and teachers to prepare children for their campus visit. The graduate students would return to schools for follow-up after the SOP experience, leading classroom activities to reinforce the environmental concepts that students experienced firsthand at IslandWood. Elementary schools with the highest percentage of students enrolled in the federal Free and Reduced Lunch program were dubbed "priority partner schools" and received the most attention from IslandWood, with up to ten visits in a year.

It was through the education programs that Debbi's initial inspiration and vision were finally brought to life. IslandWood was a residential outdoor school for children, with a mission of ensuring access for students with little or no opportunities to experience nature in their daily lives. The quality of the instruction and the facility combined to create an amazing experience for youth, one that many students did not want to leave after only four days; while it was common for students to feel homesick during the first night away from home, many of the same children would become visibly upset or cry when it was time to leave IslandWood on Thursday afternoon.

Despite the low cost of the graduate student instructors, IslandWood managers knew it would take a combination of creative (and generous) financing to serve the target audience. IslandWood's primary SOP experience was intended for all students in the area, regardless of their ability to pay. Therefore the scholarship endowment helped cover the bulk of the tuition fees for high priority partner schools. However, the endowment was only intended to ease the burden for school fees. The actual costs of the program were not entirely covered by fees nor endowment disbursements, leaving a gap between revenues and expenses to be filled by largely by contributed income in the form of donations and grants. This gap was true for all schools, regardless of whether they came from impoverished or affluent areas. IslandWood therefore had to rely on a mix of revenue streams, earning tuition from the graduate program (which had its own associated costs) and fees for community programs offered to the public. Finally, the growing development team would be charged with further fundraising for the organization to cover the expenses of its new education programs.

New Leadership for IslandWood

Despite the partnerships and expanding programs, after four-and-a-half years, the organization was still struggling with financial sustainability and staff retention, including positions at the director level. Debbi had been putting in many hours at IslandWood since its founding, visiting her campus office daily and regularly sitting in on director-level staff meetings. One staff member looked back on that time, recalling, "There was turnover on the director's team, which sometimes caused turmoil to seep out into the organization. The founders did not think IslandWood was ready for them to step back yet, so the organization was still frequently driven by their leadership and not the staff directors."

Yet behind the scenes, Debbi and the Executive Director were wondering why so many people on the staff were upset. They started working with a duo of consultants with experience in executive coaching to help. IslandWood's leaders discovered that as more people were being hired into the organization, they were mainly coming from three distinct organizational cultures. One group came from working in the context of academics and education, which could be very different from working at a startup nonprofit organization. Another group came from the not-for-profit culture, where Debbi felt "there are a lot of idealistic people, and it can be difficult when hard decisions need to be made, because they want to meet and come to consensus." The third culture, which Debbi personally identified with, was the corporate culture. Debbi said that in that environment, "you often make decisions quickly, and you're moving quickly. As a founder, I had to make decisions that were not popular." The IslandWood leaders began to realize that members of the sub-groups within the staff arrived with widely disparate expectations for working at IslandWood. Debbi said, "We had these three distinct cultures trying to operate amongst each other. Yet we learned from [the consultants] that at most other startups you find like-minded people from similar organizational cultures. So we began to see why it was a challenging working environment at IslandWood."

The center was also facing immediate financial challenges, and the decision was made to cut community programs for Bainbridge Island residents, even though it was part of Debbi's original vision for the center. This would enable IslandWood to scale back its operating expenses to remain focused on the core education programs, but it also strained relationships with some of the island residents. By mid-2004 (nearing the conclusion of IslandWood's second school full year of operations) IslandWood was falling short on its revenue targets, and a number of staff members had to take unpaid furloughs. Part of the problem was that IslandWood had attracted only 11 graduate students during 2003-04, five less students than full capacity. Unfortunately projections for the 2004-05 enrollment were no different. These smaller graduate classes meant less tuition revenue, which was further complicated by increases in expenses to hire instructors in the place of graduate students. So despite the continuing success of its school programs, IslandWood would realize a small operating loss at the end of fiscal year 2004⁵ (see financial statements in Exhibit 4). But before the books closed, another of IslandWood's executive directors would announce their resignation.

IslandWood's board of directors had no time to spare before recruiting for a new leader. IslandWood had just finished in the red, and needed to find a director to help stabilize the organization. The chairman of the search committee, Fraser Black, knew that they wanted someone who could connect to the Bainbridge Island community, could work well with Debbi, and had business training and nonprofit experience. Debbi reflected that, "At first I didn't have the understanding of what it takes [for an executive director] to lead an organization through a start-up. Nonprofits often attract people who are at an organization because of their heartstrings, but they don't necessarily have the business background to both start and run an organization through its infancy." At this time Debbi was also looking to phase out of her leadership position, and needed the right person to make that transition successful.

When Ben Klasky saw the executive director job posting he was instantly excited about the opportunities that IslandWood presented. He had graduate degrees in both education and

⁵ IslandWood's fiscal year ends June 30

business, had started several ventures, and was ready for the next challenge. IslandWood seemed like the perfect fit. During his first trip to the campus, he was struck by the space, the program model, and the quality of the staff, “I was blown away. I was in love with the environmental education work, and that this high-quality nonprofit had a lot of earned income. It got a lot of cylinders in my brain firing, both the business side and the mission-related side.” Ben, who was living in California at the time, says “this was the first time I had salivated over a job before,” and thus he and his wife agreed to move up to Bainbridge Island if he got the job, a low-risk commitment since they both thought that Ben was a long-shot. Eight interviews later, Ben was hired.

Despite his excitement about the new position, Ben also harbored two key apprehensions – why had the organization been losing money, and what circumstances had caused IslandWood to seek a fourth executive director in just four-and-a-half years? Ben knew he would have to address these concerns early in his tenure, but also recognized that IslandWood was poised to emerge from its start-up phase, which is often the most difficult time for any organization. Ben recalled his first visit to the site, saying “IslandWood was exactly as Debbi had envisioned it. Everything at the site was perfect. The programmatic feedback from schools was positive, and the organization’s board was a ‘who’s who’ of Seattle. It was the chance of a lifetime, and I could tell the organization was a rocket ship that was really going places.” Ben had the critical qualities that the IslandWood board members were looking for in a new executive director, but Fraser said “the board took a chance with Ben. Some people were uncertain about him, because he was young and didn’t have a great deal of experience yet. But we really felt like he had great potential.”

Riding the Rocket Ship

Once Ben was at the helm as executive director, he scheduled his one-on-one meetings with every staff person, from part-time kitchen staff to department leads. These meetings spanned from fifteen to thirty minutes and gave him the chance to introduce himself, establish expectations, and learn their opinions about the strengths and weaknesses of IslandWood. Ben soon realized that he was inheriting a staff with mixed emotions; some were fatigued and others remained inspired as they emerged from the intense start-up stage with founders who had very high standards. He said, “It was odd to see such an amazing place, and yet some people weren’t excited to get there every day.” He knew that nonprofit leadership often depended heavily on not only getting the right people on board, but making sure they felt motivated and engaged. Even though each one-on-one meeting was short, in combination they showed Ben that there were critical trends that required attention during the strategic planning process.

Staff Alignment and Founder Transition

During Ben’s orientation process, he and Debbi made a concerted effort to make sure that they were giving the same message to staff members. The two leaders felt that providing a united front would relieve the staff from previous episodes of receiving mixed messages from

leadership. At the time they could only hope that the tactic was working; it was too early to find evidence of improvements in staff morale. Ironically, it was a misrepresentation in a local newspaper that helped to start the process of handing the organizational reins to its new leader.

As part of Ben's early outreach to community stakeholders, a newspaper reporter misunderstood his quotes and erroneously claimed that IslandWood was losing a million dollars every year. The perceived million dollar loss was actually the intentional gap between school tuition revenue and program expenses, that portion of the budget covered by philanthropic contributions rather than earned revenue. Worried that the negative publicity would undermine IslandWood's reputation, Ben made quick work of calling each of IslandWood's donors to discuss the news story. This potentially damaging article helped jumpstart the transition of relationships from Debbi to Ben.

The board and Debbi wanted to see the organization stand on its own, without the founder working full-time and leading many of the day-to-day operations. While this had been difficult for previous executive directors, Ben and Debbi seemed to have a better connection. "He was a dream to work with," Debbi recalled. With the groundwork laid for relationships with external stakeholders, Ben wondered what steps to take to build strong relationships with and among the bifurcated staff inside the organization.

Financial Stability

Ben also realized that the staff and board were concerned that the organization's budget structure was not sustainable. Some wondered if the bar had been raised too high during the design phase, resulting in an unparalleled center that was simply too expensive to maintain. While it had some income-generating programs from conferences and other fee-for-service programs, IslandWood's school programs operated at a loss in order to provide low-income students with top-quality programming nearly for free.

Ben wanted more information, so he convened a working group of internal staff and external consultants to allocate the costs of IslandWood's programs. With specialized consultants adding a layer of sophistication to the project, the team made discoveries that were both enlightening and concerning. The SOP, now serving 3,000 students from 38 schools, cost \$500 per student with nearly \$350 for direct program costs and the rest related to administrative overhead. However the maximum tuition rate for students was only \$250, half the program cost. "We were committed to serving students who cannot afford our programs," Klasky said, "but it was costing us over \$500 a student. It was an interesting business model. We were losing money on every student, and yet we wanted to serve more children."

The campus was busy when the education team hosted school Monday through Thursday during the SOP. However, Ben thought the campus could serve even more students during the week. He said, "We still need to make it more viable, there are still a lot of empty beds when I go home at night." Ben also noticed that on weekends the facility was frequently empty, and rarely at full capacity even with clients on site. He wondered if programmatic modifications could be made to help IslandWood leverage its primary asset – the groundbreaking campus – to avoid operating at

financial loss. If so, he contemplated, which programs should be prioritized for modification, and what changes should be made?

Strengthening IslandWood's Roots on Bainbridge Island

When Debbi and Paul were drawing up the plans for IslandWood, they had intentionally created a West Sound Steering Committee to integrate the organization into the Bainbridge Island and greater Kitsap County⁶ communities. This group of leaders from the county and the island advised them on how to build IslandWood. Although Debbi did not follow all of the committee's advice, she instituted the majority of the committee's suggestions. Despite this involvement, there was significant disconnect between IslandWood and the Bainbridge community by the time Ben arrived. The site had been a de-facto public trail space for decades until IslandWood enclosed the property to secure the campus for visiting schools, most of which were not located on Bainbridge Island. Furthermore, the island's grassroots nonprofit community worried that IslandWood would out-compete them for donors and contributed income. Regardless of the specific cause, Ben realized that IslandWood was perceived as an outsider to many Bainbridge Island residents. He heard some staff say that "they didn't want to tell people where they worked. They loved being at IslandWood, but when out in the island community and asked where they worked they would say...uh, this place on the island." Fraser thought that, "in the beginning the emphasis was on raising money to start this incredible organization and after that the question was, 'how do we get the local community involved?'"

Developing a Strategy

Ben knew that he and the board needed to figure out a way to reposition IslandWood as a source of pride for both Bainbridge residents and staff, but he wasn't sure how much of a priority it was in light of the financial challenges facing the organization. He presumed that if IslandWood did not at least break even in 2005, its board and donors were bound to lose confidence in the organization if there was no plan to address the budget. Yet IslandWood could not afford to lose any funders in the face of financial uncertainty. Ben's fact-finding and relationship-building efforts had uncovered a host of challenging trends, and now it was time to engage the board of directors and key staff leaders to work on developing a new strategic plan for IslandWood.

⁶ The city of Seattle is in King County, WA while the city of Bainbridge Island is in Kitsap County.