



**Ensemble Studio Theatre
Board of Directors:
*A Roadmap for the Future***

**Final Presentation
February 7, 2012**

Ensemble Studio Theatre

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PROJECT OBJECTIVES AND METHODOLOGY

Background and Purpose

The Ensemble Studio Theatre (EST) board of directors is committed to improving its effectiveness. Accordingly, the board engaged the HBSCNY Community Partners to review and assess its current operations and dynamics, and to recommend actions in keeping with effective board governance and best practices:

- to improve current and future board operations
- to refine and reshape the board's structure
- to strengthen the board's ability to recruit new directors

Goal of HBSCNY Community Partners EST Board Project

- *To provide the EST board of directors with a set of clear and simple recommendations for actions that will help to*
 - *improve board structure and operations*
 - *strengthen its ability to recruit new directors*
- *To establish a roadmap for their implementation*

Project Methodology

To achieve its goal, the HBSCNY Community Partners team commenced its work in October, 2011, using the following methodology:

- Current State Assessment: Information gathering to pinpoint problems and develop hypotheses as to potential solutions
 - o Briefing of team by current EST leadership (Denny Denniston, Paul Slee, and Billy Carden)
 - o Review of key documents (strategic plan, organization chart, bios)
 - o Guided, in-depth, confidential one-on-one telephone interviews with 13 current and 2 former EST board directors
- Synthesis/Analysis/Conclusions: Identification of critical themes and issues regarding board situation and practices
- Action Recommendations: Establishment of key action priorities and a clear, simple roadmap to guide EST's board in moving forward successfully
- Presentation to Board

Recent Events

- During the course of the HBSCNY Community Partners project, on November 29, 2011, new officers of the board were
 - o elected
 - o installed

Current State Assessment

Current State Assessment

- Interviews conducted over a 3 week period with 13 current and 2 former board members by HBSCNY team
- Confidentiality assured to encourage frank and open discussion
- Interviews centered on:
 - Board culture
 - Board leadership
 - Board size and composition
 - Board organization
 - Board member knowledge and involvement
 - Board priorities
 - Board operations

General Conclusions

- Directors generally share an understanding of and strong belief in EST's mission
- Most directors are strongly committed to the work of EST and take pride in its accomplishments
- In spite of this commitment to EST, many board members are not committed to the board itself

General Conclusions (continued)

- Disconnect between feelings about EST's work and feelings about the board
 - Overriding sense of frustration, dissatisfaction, embarrassment, and anger regarding board participation
 - Lack of enjoyment, camaraderie, sense of purpose, and accomplishment

General Conclusions (continued)

- Seven key problem areas identified that inhibit effective board operations
 - Culture
 - Leadership
 - Size and composition
 - Organization
 - Directors' knowledge
 - Priorities
 - Financial health of EST

Culture

- The overarching issue affecting all aspects of board dynamics and performance is its history of extreme dysfunction, making board membership and involvement an unpleasant experience, and hindering effective board operation
 - Negative atmosphere; overly emotional
 - Not businesslike or professional
 - Jockeying for control
 - In-fighting and personal animosity; disrespectful
 - “Minor league” operations and atmosphere; “amateur hour” mindset
 - Focus on minutiae; ignore major issues
 - Frustrating, embarrassing
 - Nothing of substance gets done
 - Embarrassed to recruit new board members

Leadership

- Directors expressed appreciation and admiration for the significant and effective role Denny Denniston played as Chair
 - Stabilizing EST's finances and operations after the death of Curt Dempster
 - Guiding the board and EST through difficult times to a transition point in its lifecycle
- Directors believe that at the current time, newly elected leadership needs to help bring
 - Fresh vision and energy
 - New focus on the board's current priorities
 - A more inclusive management process in which all directors play an active and productive role and work together harmoniously

Board Size and Composition

- The EST board, as currently comprised, is too small and too heavily weighted toward Members, some of whom are inappropriately focused on creative self-interest and most of whom don't possess skill sets required for proper board functioning
 - Too few board members for required tasks
 - Business, financial, legal, marketing/PR, and fundraising skills not sufficiently represented
 - Limited capacity to give/get funds
 - Limited or no exposure and experience with other boards
 - Insufficient diversity
 - Lack of leaders and active contributors

Board Organization

- Given its current size and composition, the board does not (and cannot) have a robust and fully functioning committee structure and process for utilizing committees effectively
 - Too few directors with requisite skill sets to form, lead, and actively participate in committees
 - Committee structure not fully in place
 - Committee missions and responsibilities not fully defined, and committee functions not carried out in a systematic, disciplined manner

Directors' Knowledge

- While the EST mission is clear, there is confusion and lack of clarity regarding the mission of the board. Directors are unclear as to whether the board is expected to:
 - Focus on legal and financial compliance with not-for-profit status
 - Provide financial oversight
 - Take lead on fundraising
 - Offer guidance, advice, and direction regarding creative development efforts
 - Evaluate EST professional staff
- Directors are unclear about individual roles, responsibilities and expectations

Priorities

- Directors do not share a keen sense of the board's key priority issues
- Directors in general show little dedication or specific commitment to the board's operations
- Directors do not have sense of accomplishment in connection with their board work due to lack of priorities and goals

Financial Health of EST

- Directors are in universal agreement the financial health of EST is precarious
 - Difficult financial history
 - Large amount of debt being paid off slowly
 - Major issue with closure on sale of Lexington property
 - Facility problems; lack of Certificate of Occupancy
- Fundraising capability is severely lacking
 - Directors don't have the capacity, experience or desire
 - No "rainmakers" on board able to tap large donations
 - Fundraising left mainly to staff with little board support

Action Recommendations

Culture Transformation

- The EST board's most urgent priority is to reinvent itself with a major culture transformation, which is essential
 - For the board to operate constructively
 - To attract qualified new directors
 - To give current directors a sense of satisfaction
 - To accomplish significant goals
- The board must move itself from a culture of dysfunction, conflict and inability to accomplish goals to one of
 - Businesslike orientation to accomplishing important priorities
 - Constructive dialog and debate leading to effective decision making on critical issues
 - A positive, respectful attitude and ability to work together

Culture Transformation (continued)

- For a culture change to be successful, it is essential that
 - The new Chair take charge decisively and lead energetically and enthusiastically from the outset, clearly articulating that culture change is required
 - All directors fully embrace and commit themselves to the desired transformation and behave accordingly
 - Sign letter of commitment
 - Establish election schedules to make renewal of commitment and removal (if necessary) easier and more institutionalized
- Directors unwilling to make a commitment to culture change should step down from the board and be replaced as soon as possible

Identifying, Articulating and Addressing Priorities

- The board needs to undertake a process to identify and articulate key priorities geared toward moving EST forward
- The board needs an operational framework to ensure priorities get addressed and accomplished
- Key priorities, of which there should be few, will
 - Provide focus and clarity for the board's future work agenda
 - Lead to significant accomplishments
 - Lead to satisfaction for directors and increase desire to remain fully involved and vested

Identifying, Articulating and Addressing Priorities (continued)

- The most immediate and critical priority is the development of a financial plan to strengthen EST's fiscal position
- Plan needs to identify a pathway to financial health by addressing current issues, including but not limited to:
 - Closure of Lexington property sale
 - Paying off substantial debt
 - Resolution of building/physical property issues
 - Other
- Plan needs to include a potent fundraising strategy, including:
 - Specific fundraising objectives
 - An articulation of individual director roles and responsibilities
 - Establishment of a robust process and assignment of directors with strong fundraising skills
 - Disciplined and ongoing monitoring of fundraising activities relative to objectives
 - Schedule of events and efforts
 - Coordinated and consistent outreach to inactive EST members

Identifying, Articulating and Addressing Priorities (continued)

- Once priorities are established, a work plan should be drafted and published for the ensuing year
 - Identifying key agenda items for each board meeting
 - Ensuring all substantive priorities are addressed and accomplished
 - Ensuring key legal and financial compliance goals are met
 - Leading to greater board success and director satisfaction
- Work plan should be updated and revised annually as board priorities change

Board Leadership

- From the outset, the new Chair must
 - Lead the drive to set the agenda and priorities
 - Clearly articulate and repeatedly and consistently communicate priorities and expectations to all directors
 - Lead the board's culture transformation with vigor, tenacity and persistence
 - Model, through words and behavior, the desired culture for all directors
 - Spearhead liaison with EST staff
 - Set expectations
 - Monitor performance

Building and Shaping the Board

- The board needs to undertake a major effort to expand, bringing in non-Member directors with sorely needed skill sets (e.g., business, finance, legal, fundraising, marketing/PR), experiences, backgrounds, and diversity
- The board needs to take a strategic approach to building and shaping itself for maximum effectiveness. A blueprint can be developed by employing a planning and assessment exercise
 - Develop a list of requisite skills, experiences, backgrounds, diversity, and other characteristics necessary and desirable in the “ideal” board for EST
 - Develop a simple matrix with those characteristics placed on a vertical axis, and with directors’ names listed along the horizontal axis
 - An inventory of each director’s characteristics should be taken relative to the desired characteristics
 - Gaps will appear, identifying needs

Building and Shaping the Board (continued)

- Prioritize order of importance for filling needed roles
- Use this blueprint for planning director recruitment activities in a focused and concentrated manner
- Blueprint can be an organic document, changing as needs and board composition evolve

Creating a Functioning Committee Structure and Process

- The board needs to develop a fully functioning committee structure and process with an expectation that all directors commit to active involvement and participation
- The board needs enough committees to accomplish its goals, but not so many that available manpower is too thinly stretched
- The board must first agree which committees are necessary for the board's legal and financial compliance, and then identify other committees necessary to achieve other stated goals and priorities
- Key committees should include:
 - Audit/Finance
 - Development/Fundraising
 - Nominating/Governance
 - Facilities
 - Other committees, as required

Creating a Functioning Committee Structure (continued)

- Determine the necessary mix of skill sets, experiences, expertise, background, diversity, etc. for each committee
- Assign current directors to committees based on their backgrounds, skills and desires
- Evaluate committee rosters and identify gaps. Use this as a guideline for recruiting new board members
- Clearly articulate a charter and mandate for each committee, and develop an annual work plan to guide its substance and schedule
- Each committee should then carry out its stated function, discuss issues, develop conclusions, and present proposals to full board for action
- Expectations must be clearly and consistently communicated to all directors that committee participation is mandatory and expected

Educating the Board

- Board directors need to be educated as to:
 - The various roles and responsibilities of a board
 - The expectations and fiduciary/legal obligations of individual directors
 - The differences between the board's oversight and counseling responsibilities and the operational/creative management role of the staff
- Retain an outside expert in not-for-profit board governance to conduct an educational session
 - Lay a foundation of common understanding
 - Explain fiduciary responsibilities
 - Encourage active participation
 - Hold annual refresher course to keep abreast of changes in the board governance environment

Educating the Board (continued)

- Each board member needs to be given a clear understanding of his/her role and responsibilities
- Develop a formal on-boarding orientation plan for new directors consisting of
 - Written materials
 - Discussions with key staff members and members of other EST constituencies
 - Behind-the-scenes visits to the theater and attendance at shows
- Assign a current director as mentor to each new director to
 - Make new director feel welcome
 - Connect with new director before/after board meetings
 - Answer questions
 - Gather feedback helpful to the Chair and the board

Communicating Clearly

- Clear, consistent, regular communication from the Chair will be essential to
 - Guide the board's culture transformation
 - Focus the board on key priorities
 - Jumpstart the board building and committee development process
 - Define roles and responsibilities
 - Maintain professional attitude and operations
 - Avoid and resolve conflict
 - Build and maintain enthusiasm of committed directors

Evaluating Board Performance

- The board needs to develop and implement a formal process for annually evaluating board, committee, and director performance
 - Spearheaded by Nominating and Governance Committee
 - Include formal assessments utilizing a questionnaire or discussion guide incorporating key criteria relating to general not-for-profit board performance and performance relative to EST board goals
 - After assessment, the committee should present a report to the board for discussion, spotlighting key areas on which to focus in order to improve future performance of board and committees
 - Guidance regarding tools and techniques for assessments are available from major accounting or legal firms, and from experts in corporate governance such as The Conference Board and NACD

Developing, Articulating, and Communicating Governance Principles

- The board needs to develop and document a set of principles to set forth general standards of governance for the EST board in conjunction with legal and financial compliance requirements and EST by-laws
 - Set expectations for director performance
 - Establish a common framework within which to operate
 - Clarify for future director candidates how the board operates and governs
- Examples of issues to be covered by Governance Principles include
 - Role of the Board of Directors
 - Oversight and monitoring of the financial and legal affairs of EST
 - Advisor and counselor to EST's staff
 - Hiring, monitoring/evaluating performance, and setting compensation for senior staff
 - Fund raising responsibilities

Governance Principles (continued)

- Composition and Selection of the Board
 - Size of board
 - Balance of Member/non-Member directors
 - Key characteristics sought in directors
 - Process for recruiting directors
- Board and Board Officer Elections
 - Procedures and timing for director elections
 - Procedures and timing for board officer elections
- Board Leadership
 - Role and responsibilities of the Chair
 - Role and responsibilities of each of the other officers of the board
- Board Performance
 - Procedures and timing for board evaluation
 - Procedures and timing for committee and individual director evaluations
 - Procedures for conflict resolution, should that be required

Governance Principles (continued)

- Functioning of the Board
 - Expectations for directors' preparation for, and attendance at, meetings of the board and committees of which they are members
 - Procedures for setting the agenda for board and committee meetings
 - Advance distribution of financial statements and all board and committee materials pertinent to agenda items to enable directors to prepare thoughtfully
- Committee Structure and Functioning
 - Delineation of the board committees, which have been determined as those basic to the financial and legal compliance requirements of EST and those required for the EST board to foster the goals of EST
 - Membership criteria, relating to the appropriate blend of skill sets, experience, fundraising capability, diversity, etc.
 - Policy and procedures for naming and rotating Chairs of committees and members
- Communications
 - Chair's role and responsibility for establishing effective communications with EST's various constituencies

Roadmap

- Culture Transformation
- Identifying, Articulating, and Addressing Priorities
- Board Leadership
- Building and Shaping the Board
- Creating a Functioning Committee Structure and Process
- Educating the Board
- Communicating Clearly
- Evaluating Board Performance
- Developing, Articulating, and Communicating Governance Principles

The Project Team

HBS Alumni

- Barbara Feigin¹ HRPBA, 1960
- Jerry March MBA, 1984
- Lincoln Alabaster MBA, 2002
- Charles Toder² MBA, 1962

¹Team Leader

²Project Coordinator

Project Team Bios

- **Barbara Feigin – Team Leader** Barbara is a 20-year veteran corporate director, having served on the boards of three NYSE companies and a number of privately held companies. Barbara also served on the Board of Advisors of Catalyst, the not-for-profit organization focused on improving the role of women in business. In 2009, Barbara founded Feigin Associates, LLC., a board of directors consultancy focused on helping boards improve their effectiveness. She retired from a 30-year career at Grey Advertising as Executive Vice President, Worldwide Director of Strategic Services and a member of the Agency Policy Council, Grey’s executive leadership team. She is a graduate of Whitman College.
- **Lincoln Alabaster** Lincoln was a Manager and Executive in Charge of Production at MTV Networks from 2004 to 2011 where he identified, acquired and guided over 165 sports programs, specials and documentaries. Prior to that, he was Associate Director for The Big Picture Alliance, a non-profit organization in Philadelphia focused on offering underserved youth a forum for self-expression through film and video. Since leaving MTV, Lincoln has been writing film and television scripts. Lincoln is a graduate of Boston University.

Project Team Bios (continued)

- **Jerry March** Jerry is a Senior Vice President of MBI, Inc., a \$400 million direct marketing company based in Norwalk, CT. Previously, he was a partner at Venture Opportunities, a venture capital organization that specialized in investing in small, minority-owned businesses, before which he co-founded and acted as CEO of Arden Group Publications, a national publisher of regional wedding magazines. He was the Chairman of the Byram Hills Education Foundation for four years and is currently a member of the North Castle Library Board of Trustees. Jerry is a graduate of Yale University.
- **Charles Toder – Project Coordinator** Charles is a retired business executive who has held leadership positions with the HBSCNY Community Partners program for more than ten years. He has served as an employee, board member and volunteer consultant for a variety of nonprofit organizations. Prior to retirement, he held senior financial positions at Price Waterhouse, AMAX Inc. (an international mining company) and the American Lung Association. Charles received an AB from Harvard College in 1960.

Context for Community Partners Program

- **Community Partners is a non-profit charitable program of the Harvard Business School Club of Greater New York, Inc.**
- **Community Partners does not charge for its services and it relies on volunteers, predominantly from Harvard Business School alumni in the New York City area.**
- **As volunteers, our efforts have been conducted during our spare, personal time. In the Project scoping, we defined an achievable objective reflecting these constraints.**
- **The goal of our work is to create recommendations for actionable changes built upon developing an understanding of positive positioning and implementation challenges.**

THANK YOU



Community Partners: Ensemble Studio Theater

APPENDICES

EST Board Members Interviewed

- Fred Berner
- William Carden
- Denny Denniston
- Abigail Gampel
- Stephen Hamilton
- Bob Jaffe
- Ilene Kriston
- Ken Mandel
- Ann Sachs
- Paul Slee
- Ann Talman
- Jerry Zaks
- Janet Zarish
- Ellen Clarkson (past board member)
- Duncan Webb (past board member)

Letter to EST Board Members

Dear [*name of EST Board Member/Ex-Board Member*],

As you may recall, EST's Board voted unanimously this summer to invite the **Harvard Business School Club of NY's Community Partners** volunteer consulting team ("**The team**") to interview our current and recent Board Members, study our Board practices, and come up with a few simple recommendations for how to make EST's Board experience more inviting and productive.

I have met with the team, whose leader is Barbara Feigin, by phone and in person, and she has provided a **note from the team to all of us, a discussion guide, and timetable** and other info re: how the team will execute this consultancy in partnership with all of us on EST's Board. **I attach those materials for your thoughtful review in advance of the interview.** In the next week Paul Slee will be reaching out to you to set up your interview.

As is noted by the team in their message to each of us, **all interviews will be kept confidential**, and the team will aggregate information based on trends or themes that arise in the individual interviews. **I ask you please to read the discussion guide carefully, so that you can think about your answers in advance of the interview** and have a constructive dialogue with the volunteer.

On behalf of EST and its membership, thank you in advance for your cooperation.

Sincerely,
Denny Denniston
Board Chair

Cover Letter - EST Board Member Interview Guide

Thanks in advance to each of you for participating in this important project.

Each of you will be contacted to set up a one-on-one telephone discussion with one of our Community Partners team; the discussion should take about 30-40 minutes. To prepare for the discussion, we urge you to review and give careful thought to the attached discussion guide. We are looking for your frank, open, and full feedback.

Most importantly, all individual ***responses will be kept completely confidential*** by our team. They will be synthesized and the themes that emerge will be identified, but no individual response will be ascribed to any specific director.

We look forward to our conversation with you.

Again thanks,
The Community Partners Team

EST Board Member Interview Guide

Mission of EST

- How would you describe the goals and the direction of EST?
- What's your sense of directors' understanding of the goals/purpose/functions of EST as an organization?

Goal of the Board

- How would you describe the goal of the board? What's your sense as to whether directors agree on this?
- Would you say there's a clear-cut direction for the board? Why do you say that?

Board Relationships with Other EST Constituencies

- How would you describe the Board's role/relationship with the Members Council? With the Roundtable? With the Staff?
- Are all parties clear and aligned as to the roles and responsibilities of each? What, if any, problems exist?
- Are all the needs and requirements of the EST organization being addressed to your satisfaction with its governing structure? If not, how would you change things?
- What improvements would make the Board/EST more effective in accomplishing its goals?

EST Board Member Interview Guide, cont.

Overall Assessment of Board's Performance

All things considered, how would you assess the overall effectiveness of the Board?

Why do you say that?

What's working particularly well? And what's the biggest problem or issue you see?

What would you do to fix it? What's missing?

Board Composition & Work Style

What are your thoughts about the size of the board?

How do you feel about the mix of skills, backgrounds, experiences and diversity of directors in terms of the board's ability to perform at peak effectiveness? What skills or other characteristics are missing from the board? Is there too much of anything? Why do you say that?

How well do you think the board works together? Is there a feeling of teamwork and cooperation among directors? If not, what is it that makes you feel that way?

Are there any conflicts apparent on the board? If so, how do you think they'd best be addressed?

Is there any individual or group that's key to the board's success. . .or a key impediment to its success? Why do you say that?

EST Board Member Interview Guide, cont.

Board Composition & Work Style

- How would you describe the tone of communications **within** the board/**between** the board and other key EST constituencies? What, if anything, would you like to see changed about the board's communications?

Board Leadership

- What's your point of view about board leadership? Why do you say that?
- What's working well? What isn't working as well as you'd like? How could that be most effectively addressed?

Board Governance

- What's your sense of directors' understanding of the purpose, roles, and responsibilities of the board?

Board Operations

- What are your thoughts about the conduct and content of the board's meetings?
- Is the balance of time spent on reviewing performance vs. strategic issues appropriate? If not, what would you suggest?
- How often do you think the board should meet? Why do you say that?

EST Board Member Interview Guide, cont.

Board Operations

- Are directors provided with appropriate materials sufficiently in advance so they can prepare thoughtfully to contribute in meetings?
- What thoughts do you have about the board's committee structure, composition, and effectiveness?

Director Engagement

- Are all directors sufficiently prepared to participate constructively in meetings?
- Do all directors participate and contribute constructively?
- How fulfilling and enjoyable do you personally think it is to be a director of EST? Why do you say that? What about other directors. . .how do you think they feel?

Board Culture

- How would you describe the board's culture?
- What, if anything, would you change about the culture to make being a director (even more) satisfying and fulfilling?

EST Board Member Interview Guide, cont.

Attraction/Retention of Non-Member Directors

- What are your thoughts about the current process for attracting and retaining non-Member directors? What are the problems with this? What improvements would you suggest?
- Why do you think some of the non-Member directors decided to leave the EST board?
- What do you believe would make it fulfilling and enjoyable for a non-member to be an EST director?

Final Thoughts/Wish List

- What the single biggest problem you see with the board? How would you address that?