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Komen's New CEO May Be Hobbled by a Still-Powerful Founder

Nonprofits aren't family businesses, but it's hard to tell that from the way Susan G. Komen, the breast-cancer charity, is operating.

And that isn't going to make things easy for Judith Salerno, who was just appointed chief executive of the organization.

What we are seeing with Komen's founder, Nancy Brinker, and the nonprofit's board is an all-too-familiar malady: founder's dilemma.

Though many nonprofit experts have long talked about "founder's syndrome," it is not a suffering founder that is the problem but rather a debilitating phenomenon for organizations driven by dilemmas a founder must resolve.

Evidence of the problems facing Komen started accumulating after Ms. Brinker was forced to step aside from her role as chief executive after many of Komen's donors and staff members were infuriated by the organization's effort to cut off aid to Planned Parenthood.

Donors, volunteers, and others need to adjust their perceptions of the founder and the nonprofit.

She acceded to the idea of appointing someone else to lead the organization and stayed on the board, but a year ago she was back in the top job and Elizabeth Thompson, the president of the organization, was out the door within a few weeks of Ms. Brinker's return to full-time management.

While we don't know whose decision this was, in the long run it doesn't matter.

At the same time, news broke that two board members had left: Brenda Lauderback and Linda Law. Both women appear to have been the most independent members of the board (translation: not personally connected to Nancy Brinker). Its remaining board members allowed the founder to hunker down in both an executive role and as a "lifetime" board trustee.

Two months ago, a new firestorm erupted after *The Dallas Morning News* reported that Ms. Brinker collected a salary of $684,171 last year.

While I understand why that bothers some critics of Ms. Brinker, that's not the real problem. Far more troubling is the fact that she is a lifetime trustee and that yet another title was bestowed last week: She is now the new chair of global strategy.

If founders do not leave when there's every indication to suggest it is time, or they create an ambiguous path of succession and decision-making when they do, the most talented new executives are hobbled.

The founder continues to influence the vision, strategy, and even day-to-day tactical decisions. Ms. Brinker's new strategy role confirms just how serious a case of "founder's dilemma" Komen must work its way out of.

As head of the New School's Tenenbaum Leadership Initiative, I've explored founder's dilemma through both research and direct experiences with nonprofit founders and the CEOs who follow them. I have seen how precarious a dynamic this becomes. It invariably creates new organizational problems: internecine warfare among colleagues, conflicting decision protocols, cultural degradation, and false starts on strategic imperatives. It can harm the long-term viability of the organization.

We have identified a number of "dilemmas" relevant to all founder-led nonprofits, and it's important that board members, executives, and donors of all nonprofit groups run by a founder understand the dimensions of the problem and seek out ways to resolve them.

First, the founder's identity and perceptions of the organization's identity become fused.

The dilemma emerges when the needs of the organization and the founder's needs diverge. A profound dilemma for the founder occurs as he or she tries to create a new identity that is distinct from the organization. The founder must wrestle with how to reshape his or her identity; but the anxiety or fear that often keeps founders in place, preventing them from this identity-reshaping process, is rooted in an assumption that supporters and others will be unable able to shift their perceptions and still see the significance of the founder as an individual. Donors, volunteers, and others all need to adjust their perceptions—of both the founder and the organization.

Second, as the reality of imminent loss of power sets in, a founder can feel a drop in self-esteem. The inherent dilemma evokes difficult questions: "How do I let go? How do I manage myself as a lame-duck leader?"

Most founders are not accustomed to struggling with the challenge of how to let go of power. The anxiety surrounding power loss requires dealing with new questions that arise from within the founder or from others.

Perhaps just as vexing is the third dilemma: The need for personal change. But this is fraught with lack of clarity about what direction that must take. Founders face the big question: "What am I going to do with my life now?" In his or her mind, nothing can replace the current role.

Another internal dilemma founders often struggle with intensely and alone is based on their close psychological attachment to the organization. "Can my organization survive without me?" They question, even struggle with, issues of the organization's existence. "Will it potentially collapse or encounter a rough patch after I leave?" Or, counterintuitively, "Will I be humiliated if the organization flourishes without me?"

Emotions related to separation are strong and may seem counterintuitive. But separation can be painful and the feelings seemingly irrational.

At its most severe, when founders cannot resolve the intrapsychic dilemma of whether the nonprofit is sustainable without them, we have seen founders find ways to sabotage the success of their replacements, even if it means putting the organization at risk.

Another dilemma, typically for heads of small nonprofits, is centered as much on personal finances as about anything else. If salaries are low and retirement programs inadequate, a founder may want to leave, yet ends up staying too long and developing a sense of entitlement that the organization "owes me."

Boards in these cases must see that providing stronger retirement benefits would help those who really want to step down but are held back by a fear—or the reality—that they can't afford to leave.

Boards can fall into a "loyalty trap," unable to act independently from a powerful CEO.

It's not just the founders who face dilemmas. Boards of the organizations they govern often have theirs. They may fall into a "loyalty trap," resisting the idea of acting independently, regardless of their fiduciary responsibilities. Legacy board members close to the founder struggle mightily with making the right judgments that effectively remove the founder from strategic and operational influence. But the dilemma becomes doing right for the organization versus "right" for their friend and colleague, the founder.

Nonprofit founders essentially "conceive" of a way to change some part of the world—in Ms. Brinker's case, the promise to eradicate breast cancer as a result of losing her sister to the disease. They "give birth" to the organization that will bring this closer to reality, then shepherd it through "adolescent growth." Often, however, they cannot make a clean break even as their "child" matures and truly no longer needs them. It doesn't take a Freudian to see why so many founders struggle with attachment issues.

Nancy Brinker built Susan G. Komen into an charity that has been a formidable warrior in the battle against breast cancer. But now many of its loyal donors are angry and holding back.

While I don't know the founder dilemmas Nancy Brinker may be facing, now is the time to ratchet up the odds for Judith Salerno's success.

A new leader—absent the shackles of the founder looking over her shoulder in a still-prominent role—must rearticulate the vision, re-engage contributors and volunteers, and let the "child" grow up, independent of its "mother."

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Nonprofits Risk Alienating Wary Donors When They Fail to Call Out Fundraising Abuses

Continued from Page 33

to desist from examining overhead and fundraising costs, such as those made by Charity Defense Council founder Dan Pallotta—whose own Pallotta TeamWorks charitable-events business collapsed after journalists raised questions about the amount of donated dollars it pocketed—nonprofit leaders should be assisting legislatures and other officials in crafting new laws and regulations to stop abuse.

Charities should support sanctions for bad actors, rather than tout self-regulation.

Oregon just took a first step by passing a measure that denies tax deductions to donors who support groups that for three years spend 70 percent or more of their budgets on fundraising and overhead.

Charities should help build support for appropriate public scrutiny and sanction instead of touting the possibilities of self-regulation, which can't possibly work when leaders refuse even to speak, never mind take action, when they learn of egregious abuses.

In the face of growing hardship from government cutbacks and the slow recovery, every nonprofit is finding it harder to raise money these days. But they need to do more than seek competitive advantage by searching desperately for new fundraising strategies and gimmicks that may well add to donors' growing annoyance with the worst charitable practices. Without broadening America's giving culture, that's a zero-sum game in which one group wins and another loses.

What we need from nonprofit leaders is a stewardship that embraces all nonprofits, not just their own organizations.

We need to increase the numbers of people who make donations to charities and encourage them to give more—but we can do that only if more Americans have faith that nonprofits use their money to do a good job of serving the common good instead of enriching themselves and others.

Donors won't have that kind of confidence if nonprofit leaders don't galvanize themselves into action to counter horror stories about abominable organizations and conniving nonprofiteers.

We need leaders who understand that a fundamental role of their organizations is not just to carry out a mission. Their role is to work actively to help Americans realize that the quality of life for each of us ultimately depends on how well we serve the common good, that a principal function of charity is to better connect us in community, in society, so that each of us benefits. That can't be done by simply trying to promote one organization in competition with similar groups.

Charities' leaders need to stand up and speak for the common good, even when that means denouncing some of their peers. Their own organizations' interests and those of the public require it.

The silence of an unspoken mutual defense pact may be convenient and comfortable at the moment, but it certainly won't pay off in the long run.

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