



Board of Directors Update

May 2015

The best shelter is...
a compassionate community.

Transition

In mid-January MHS welcomed Joe Olsen as Transition Leader. Since that time we have been intensely engaged with him in the process of determining what's next for MHS. The Board of Directors set priorities and milestones for this transition process and the executive committee of the board was asked to serve as an advisory team for the transition. While it is common knowledge that MHS has for many years been spending more than we are making and supplementing the budget deficit by taking funds from our reserves, what to do instead is less obvious. As Joe reported previously, the simple solution of making more money and spending less is easier said than done.

New Realities

MHS faces new realities now which demand adaptation and a new course of action. The world of animal welfare work has changed locally, statewide, nationally and internationally. MHS, for example, has experienced a 42% decline in the number of animals coming in from the community since the current shelter was built. The needs of animals coming into MHS have changed and the type of care needed by the majority of these animals has changed. Their care is much more expensive. The number and kinds of organizations involved in animal welfare work has grown and community expectations are different. We are not unique in facing these new realities but arguably NH is facing them sooner than in many other places

in the country. In fact many of the new realities are the result of the tremendous investment of time, treasure, and talent made by MHS over the years. Our need to renew our organization has been brought about in large part by our success in building the humane community.

As a not-for-profit organization MHS is also affected by changes in the world of fundraising. NH has one of the highest number of nonprofit organizations in the country per capita. Fundraising in NH is extremely competitive and requires an organization with a clear, compelling mission and a sustainable business model to succeed. The Monadnock Region has been identified as an area of declining economic opportunity with many other characteristics that present challenges to fundraising. Progress has been made but the region is still struggling, as shown in the United Way



Campaign having difficulty reaching its goal this year. In the past MHS' practice has been to draw annually approximately \$500,000 a year from reserves and raise the

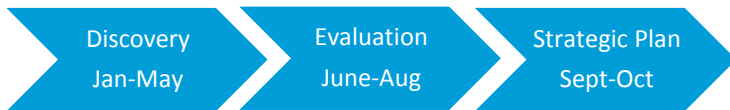
remaining operating funds of approximately \$700,000 from donations, programs and fundraising activities. That strategy has benefitted

the community enormously but is no longer sustainable. The reserves now can provide only about \$80,000 a year using best practices for the draw.



It is likely that MHS will be able to continue to raise \$700,000 annually from donations, programs and fundraising activities. However, we can no longer continue to draw \$500,000 from reserves

to augment the budget. The goal of this transition is to renew MHS by creating a new course of action for succeeding in our Mission supported by a sustainable business plan. We expect the transition to take about a year. There will be three phases to the transition: Discovery, Evaluation, and Strategic Plan.



Discovery Phase

The Discovery phase of the transition began as soon as Joe Olsen came on board. The Board of Directors asked him to examine the current organization and make recommendations for short-term operational, programmatic or structural changes to stabilize MHS. This work also included bringing our financial reports up to date and a thorough assessment of our financial situation.

Thanks to the diligent efforts of the MHS business office and board treasurer Chris Bowen, an Independent Accountant Review was conducted and taxes were filed. These are available on the [website](#). Board members Jennifer Shepardson and Jodie Holmquist also conducted internal audits of

the past year's financial records. Much of this initial work has been internal to the organization and we are now moving into more externally oriented discovery.

Beginning in April with an online survey of members and the wider community, MHS is seeking the widest possible input on the future direction of MHS. In the first three days the survey was posted 250 people responded! (It's still up! [Here's the link.](#)) In May and June a series of focus groups and intensive interviews will be conducted with MHS stakeholders, including those who use our services, donors, staff, managers, board members, and experts in the field of animal welfare. A major focus will be determining how MHS uniquely contributes to our internal and external stakeholders. This input will be supplemented by determining what other animal welfare organizations are doing. We will closely examine our strengths, weaknesses, opportunities and threats and identify our strategic options.

Evaluation Phase

Over the summer months we expect to enter the Evaluation phase as we analyze the data and synthesize the results. Options will be identified and our readiness for new opportunities will be assessed. For example, do we have the leadership ability, business acuity, and potential external partners for a particular opportunity?

Strategic Plan

In September we will enter the Strategic Plan phase. The desired outcome of this phase is to create an actionable business strategy based on findings produced in the first two phases of the project. The actionable business strategy will address MHS's mission and vision, marketing plan, operations, financial position (and projections), and organizational plan. In addition, the actionable business strategy will outline at a high level a fundraising strategy that includes, but is not limited

to, a capital campaign and multiple earned income opportunities.

Given the intense work required by this deep dive into MHS' situation, the Board of Directors is pleased to have a team from Antioch University New England's MBA in Organizational Sustainability join us in May. Working closely with Joe Olsen and the Transition Advisory team (board officers Kathy Reilly, Chris Bowen, Kristen Flemming, and Katherine Clarke), Dr. Taryn Fisher, MBA Program Director, and a graduate student assistant will provide additional expertise and person power. While all this is going on we are counting on our dedicated staff to keep doing our essential day to day work. The continuing support of the community financially, as volunteers and for moral support is needed now more than ever. By October we will have a new direction and begin the process of incorporating our new strategic vision into the new, renewed and sustainable MHS.

Board Development & Activity

The last several months have been a very active period of development for the MHS Board of Directors.

Board Composition

The Governance and Nominations committee with the leadership of board member Kristen Flemming drew on a number of talented volunteers, among them Jean Froy, Peggy Bedore, Val Starbuck and Sara Carbonneau, and worked to identify the criteria for the board composition MHS needs now. Following best practices they developed a statement of expectations for prospective board members and materials for gathering information about how their experience meets current board needs.

From there a matrix of the current board composition was created and as vacancies emerged

a recruiting and cultivation process for new members was put in place. A "Call for Nominations" was posted on the MHS website and board members identified and contacted potential new board members.

Given the amount of turnover in board membership in the last year, with various start dates, the board approved a standardization of current term's expirations to the end of the appropriate fiscal year and created three one-year renewable terms for 2015-16. The purpose of this is to stabilize the board composition.

Training

During the past few months several members of the board have attended training sessions at the Hannah Grimes Center in Keene, NH including Board 101 and Fundraising Strategies for Boards. A contingent of board members also attended the leadership day at the annual conference of the NH Federation of Humane Organizations including a workshop on change leadership and transition. One board member also attended an extremely valuable presentation on the current and future challenges of humane work in NH. A board retreat is planned for June with a focus on these challenges for animal welfare organizations and what they mean for MHS.

Board and Staff

The Board has reached out to the MHS staff in several ways. A social gathering was held at Pappagallos in March and there was an opportunity for members of the staff and board to hang out over extremely good pizza. Stories of why we are involved in MHS were exchanged informally and the passion and care for our work was clear and present in the conversation.

The vice chair of the board, Katherine Clarke attended a staff meeting in early April and explained the board's understanding of the current situation and the plan for evaluating and developing MHS Next. Challenging questions and

serious concerns were raised and there was mutual appreciation for the open communication.

Communication

Board chair, Kathy Reilly has been a regular presence in the community at chamber of commerce events and other civic and community gatherings. The open sessions of the monthly board meetings have been attended by several members of the community. The vice chair of the board also met with the Friends of Monadnock Humane Society and talked about the board's understanding and plans for MHS.

We have been in touch with a number of community leaders and advisors, among them Kathy Harrington, President of the Monadnock United Way. We have benefitted from her advice on a number of matters, including when to develop an Advisory Council for MHS. We plan to wait for our new direction to be determined and use the Discovery phase of our work to identify advisors especially suited to help create MHS Next!

If you would like to respond to this update, we welcome comment at

boardchair@humanecommunity.org or
vicechair@humanecommunity.org.



We look forward to seeing you at the Spring Celebration and Annual Meeting on May 2.