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# Who Owns This Place? (Schaumburg, IL)

C. William Pollard

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#### WHO OWNS THIS PLACE?

## <u>CHRISTIAN STEWARDSHIP ASSOCIATION</u> <u>WOODFIELD HYATT HOTEL</u> MONDAY, SEPTEMBER 25, 1995

## C. WILLIAM POLLARD, CHAIRMAN THE SERVICEMASTER COMPANY DOWNERS GROVE, ILLINOIS

I want to begin my talk today by thanking each of you for your involvement in the field of stewardship. Yes, this subject does involve money and wealth, but it also involves opportunity, trust, and the growth and development of people.

As you seek support and provide leadership for the organizations you represent, you face a unique set of challenges. Your sources of income may often be uncertain and difficult to predict. They may depend upon the grant-making whims of a private foundation or the subjective feelings and perceptions of individual donors.

Your pay scales are often lower than comparable positions in government or industry, and your competent people can always secure jobs elsewhere at a higher pay. You sometimes have to put up with board members who can act like seagulls--flying in, dropping their comments, and flying away. There are always a multitude of consultants and advisers, including those encouraging you to write appeal letters with catch phrases, incomplete sentences, all with the objective of communicating at the level of an average third grader.

And the budget requirements never seem to go down. The expenses of doing good are always going up, and the gap in funding must come from what we call gifts and grants and that's been defined as your job.

And then there is that feeling at the beginning of each new year, and sometimes during the year, of "how are we going to make it?" In fact, some of you may be wondering about why you are in this business of stewardship.

I would like to suggest today that this whole business of stewardship cannot be understood without first understanding ownership. Who owns us and who owns the organizations we work for?

Now as I ask these basic questions, I do so not as a philosopher, an educator, administrator or one who has the words "stewardship" in the title of my job. I am a businessman--a Christian businessman who is seeking to lead with my partner Carlos

Cantu a fast-growing, dynamic service company that we call ServiceMaster--masters of service, serving the Master. We have experienced rapid growth, doubling in size every three and a half years for the past 20+ years with revenues now reaching the \$5 billion mark. Our company objectives are simply stated, "To honor God in all we do, To help people develop, To pursue excellence, and To grow profitably." We employ or manage over 200,000 people, and our services are provided in the United States and 27 foreign countries. We are a public company, with our shares listed and traded on the New York Stock Exchange. Yes, I live in one of those pressure-cooker environments where profits must be reported quarter by quarter, and where profits have been up every quarter for the past 24 years. The owners or shareholders that Carlos and I are responsible to as leaders vote every day on our leadership. They either buy, sell or hold their share ownership. And yes there are those days when I ask myself the questions, "How are we going to continue to make it?", or, "Why am I still running in this race?"

But the measure of my success as a leader, as a person, as a believer in Jesus Christ is not in the value of our shares or the profit we produce in our business. It more importantly relates to the question of whether I have been a good steward of the gifts, talents, and resources God has given and whether in the process I am involving myself in the lives of others--including their growth and development. It raises for me the fundamental question of ownership and with it the responsibility of investment and accountability for a return. We are reminded in I Corinthians 4:2 that it is required of stewards that they be found faithful.

Don't be frightened by the size of the task. You are needed. And the services performed by the organization you represent are important to Christ and His Kingdom. They play a significant role in the mission of the church and its influence on our society. Now if what I have just said is an overstatement, the doors of your organization should be shut tomorrow morning.

The functions you are performing cannot be effectively done by government. For the most part they cannot be done by the organized church. The complexity of the issues you face, whether they be a mission of evangelizing, education, health, poverty, or prejudice require the combined effort of groups or organizations, if you will, of committed people. You are in the business of helping people, of changing human behavior. Your measure of effectiveness is directly related to this function of being a positive human change agent.

Well, then. Who owns you? Who owns the organization you represent? Listen

with me for a moment to a poem about two men playing the story of midnight games. [Read Poem]

#### Midnight Games

Last night at a late hour two men, unknown to each other, sat brooding over fifty-five years of life. There are those moments when the proper ingredients of mood-time, silence, fatigue, accomplishment of failure--cause minds to gaze across the sweep of existence, playing a strange and ruthless game called "What it's all about?" Such ingredients being at the critical stage forced my two acquaintances so to begin play.

One man sat at his desk amongst paneled royalty in his private den surrounded by quadrophonic noise. In such opulence, he thought.

The other rested callous hands on a scratched kitchen table. No sound afoot except for the deep breathing of sleeping children in the next room and a humming wife, preparing for bed.

"Tally the card," that part of man's being which searches for accomplishment said. "Count the score," it cried; "make a report you two men, separated by railroad tracks, square footage, horsepower, and clout." And so the first of the two began. For openers, I own a home, he said, with three garages, each filled with imported cars. (I might as well say it) the spread is lavish nothing spared to make it the best all around. I own it all; it's paid for. You could say that it's an estate.

I own a business, and I own three hundred persons who work for me. (I might as well own them) I tell them when they must come to work; I tell them when to eat, How much they'll earn How hard they'll strive They call me "Mr.;" some call me "Sir;" Yes, you could say that I own them.

I own a wife (I might as well say it). I've capped her teeth, imported Paris' finest, paid for weight reduction, exercise lessons, club memberships. I've purchased her cosmetic beauty. Yes, you could say that I own her.

I own my kids (I might as well say it) I've paid for the college, the car, the optometrist, their doctor. I've set them in motion with trust funds, European vacations and front page weddings. Yes, you could say that I own them. I guess I own just about everything. Why then am I so empty of spirit as I play this midnight game? Why do I sit here wondering: why my wife is not here why my children choose other things to do if my company will survive if my reputation is secure if anyone likes me. Why must I wonder when I own it all?

Second half of match; please leave that impressive scene; cross the tracks count the score, tally the card of a second man who plays the game.

My house is old; my car rusting out, and I wonder, he thinks, if the furnace will last the winter. But (I might as well admit it) This place owns me. It calls me to itself each evening As I walk three blocks from the bus stop. It beckons with memories of Christmases, crisis, giggles and prayers. I am gladly owned by its warmth. My job...is a job, humbling; its income modest But (I might as well admit it) It kind of owns me-its opportunities to serve others, to fix things, make them go and click

to make something with these hands of mine some sense of accomplishment producing finished things from raw You could say I like what I'm doing.

My wife, listen to her hum off key, was not a cheer leader, and Wellesley is not her background. But (I might as well admit it) she owns me; I belong to her. so compelling her affection so deep her insight so broad her perspective so eternal her values so compassionate her caring. I gladly give myself to her You could say that I am possessed, nothing held back.

My children; hear them toss in troubled sleep, average students, reasonable competitors. They (I might as well be frank about it) own me. I cannot withhold my time from them, my unrestrained enjoyment as they discover life and allow me to join them as both player and spectator. The birth certificates say they are mine But my heart says they own me. Tally the card; count the score the souls of two men cry out. One owns, the other is owned. Who is winner? Are you as confused as I, As we watch two men extinguish the lights and go to bed? One face is smiling, and humming off key. The other is frightened, listening to silence.

Perhaps we counted wrongly? Perhaps we didn't know soon enough, it was a different game with different rules and a different judge, mounting to different and very high stakes.

By Gordon MacDonald

As you reflect upon this poignant story about two people, don't get lost in the fact that one was money rich and one was not or that it involved the voices of the male gender. It could have been written in any context. The issue is who owns us. The answer is fundamental to the question of who we are and I trust that the response for most of us would involve ownership by the Lord we love and a desire to serve Him.

But our response as individuals before the God we love may be more difficult to translate to the organizations we represent.

First of all, maybe we just can't understand those organizations without first understanding the people who make them up. People who have been created in God's image with dignity and worth with their own fingerprint of personality and potential. It is the person, not the machine, who can serve, lead, innovate, and create, who can also love and hate. People have the potential to improve upon knowledge, to modify, to adapt, to exercise judgment within a framework of moral values. People make choices, both good and bad. It is only people who have the ability to learn, to do, and to be. It is this process of becoming that is both uniquely human and is also the spiritual side of the organization or firm.

It was Drucker who provided us with a simple yet profound definition of management: getting the right things done through others. But in the organizations we work for, are we accomplishing more than getting the right things done? What is happening to the people involved in the process? Are they developing and growing? Otherwise, even a worthy task may result in the atrophy of the soul of the person producing the result. In the process of doing good for others, we should never take the people of the organization, the people actually doing the good, for granted. The organization should be both proud and accountable for the development of people within the organization as well as helping the people served by the organization. These people who are making it happen every day are one of the groups of stakeholders or owners of your organization, and a measurement of your effectiveness is just how well you are developing your people. While most of your donors do not ask you for this measure of effectiveness, we all know that people give and invest in other people, not just in the organizations, projects or campaigns.

But who else in your organization is an owner or stakeholder? Certainly your donors and the people you serve would be included as groups of stakeholders or owners. What about your governance structure, your senior management and your Board of Directors? Are they accountable for more than reporting on what has and what has not

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been done? Are they owners of the result? A fundamental question that should be asked by every investor-donor of your organization is, "Who owns the results? Who is accountable?"

Let me share with you the story of an experience I had several years ago with one of my friends and leaders in the health care community. My business partner and I were having lunch with this hospital administrator and one of his board members. They were explaining to us some of the new programs and ventures that were being initiated by the hospital. They included adding additional services, purchasing an ambulance company, expanding the pharmacy to provide retail sales, adding home health care services, and starting an HMO. After listening to a review of these new ventures and a summary of the capital requirements needed for these new ventures, my business partner asked the hospital administrator and the director whether they intended to invest their own funds in these new ventures. The response was immediate. Of course not. These were to be done under the not-for-profit ownership of the hospital. Didn't we realize that such a personal investment would be a conflict of interest if either the administrator or the director put their own funds in the project?

The next question from my business partner was more difficult to answer. Who is going to pay or who is going to own the loss if one or more of these ventures do not work out? Will it be either one of you or your board of directors? Or will it be the patients who do not have the use of new medical equipment because the capital has been used to cover the loss? Or will it be the employees that have to be laid off to cover the expense of the loss? Or even a group of donors that have to dig deeper into their pockets to cover the loss? Who will own the result?

These questions put a new dimension on the ownership issue, and it is this dimension that is often the weakest link in the governance and management of not-for-profit organizations, including Christian organizations.

It is what I often refer to as a the silent subject of not-for-profits. It is not just an issue when things go wrong, as cited in my example. Or where there is deceit and unfaithfulness like in the recent New Era example. But it is even more important in reviewing the whole question of how an organization measures its return on the investment of the resources that have been given to it--its accountability for achieving results for the benefit of the people served by the organization.

For most not-for-profits, the board of directors or board of trustees act as the final decision maker and may be considered a final point of accountability. They often elect

themselves. Seldom does anyone review their decision. In a small minority of not-for-profits, boards are elected by a broader group of membership, but the process is typically passive with little disclosure to the members and no real attempt to provide informed decisions. Most directors have good intentions, but as volunteers they often times do not feel the high level of individual or group accountability. They sometimes serve for short terms, compounding the issue of continuity, learning, and understanding from past mistakes. In many not-for-profit organizations, the president and CEO is also the founder of the organization, further complicating the issue of accountability. While all of these may contribute to the difficulty of identifying who are the owners of results, they do not provide an excuse. The senior management and board are ultimately accountable for performance as owners of the result.

The biblical principle of stewardship requires of each of us and the organizations we represent to recognize that the resources we have been given are to be held in trust by us. They are to be used and multiplied. None of us are owners of our possessions, gifts, and talents. No one has the right or privilege to bury them in the ground or fail to give an answer when that is the net effect of his or her actions. We are trustees. We are expected to multiply the resources we hold in trust, and as good stewards to give a faithful accounting for the results. Donors don't give; they invest. The donee organization does not spend or hold; they reinvest. Both the donor and the donee are accountable for a return. As this is more fully realized in the way we function, there can be a living and dynamic partnership of stewardship between the donor and the donee. It requires regular accounting and reporting with full disclosure on what is occurring. A standard of performance that identifies intended results and whether those results have been achieved. And then the important process of measurement and assessment.

So how do we do this? Making our financial results public? Yes. Issuing annual reports? Yes, and even still better, the possibility of an annual meeting providing a time when those in governance can report and respond to the people giving, the people serving, and the people being served. Requiring more personal investment and liability from those responsible for governance? Yes, but granted this is difficult to implement.

Stewardship, the role of being a trustee. Responsible for gain, accountable for loss. Awesome, but yet exciting because of the opportunities to multiply and develop. You are all involved in a vital ministry. Don't ever look at it as just "fundraising." As we more clearly identify the people owners and stakeholders in our respective organizations, we will be better able to achieve having the resources of our organizations fully owned by the Lord we all love.

I made a brief reference in my remarks about New Era. It seems like no one can talk about the subject of stewardship today without mentioning those two words. Anonymous donors and matching gifts are not very popular terms. What are the observations or lessons to be learned? For me they can simply be described as follows:

1. Everyone involved with philanthropy has been affected.

2. No one should take comfort or boast about their lack of direct involvement.

3. It is not fatal and will not change God's plans and purposes. He still owns the cattle on a thousand hills.

4. For all who have been directly involved, there should be a standard of full disclosure and requirement of accountability for decisions made.

5. Trust is an essential element of any decision to take advantage of an opportunity. The deceit and untrustworthiness of a few should never result in an entrenchment or justification for the failure to make a risk decision for the future.

6. In God's way and order of things, there is no inner ring. All who believe are accepted and have equal value. We should always pause and reflect before participating in any plan or program that benefits a few to the exclusion of others.

Thank you for the time we have had together today to share.

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