




10-21-1995

# Speech at the Moody Bible Institute Board of Directors Conference

C. William Pollard

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## Recommended Citation

Pollard, C. William, "Speech at the Moody Bible Institute Board of Directors Conference" (1995). *C. William Pollard Papers*. 111.  
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MOODY BIBLE INSTITUTE BOARD OF DIRECTORS CONFERENCE  
THE COVE, ASHEVILLE, NC  
SATURDAY, OCTOBER 21, 1995

I. INTRODUCTION

Thank you for the guiding ministry of Moody Bible Institute. For example, touched my life - radio 90.1 - Don Cole. Product of my father's Sunday school class.

The ministry of the school and the students have touched my life including most recently a student we sponsored from Africa, Tendaye. Example of role model of people who make up the institution, such as Marv Beckman (give background there). Dr. George Sweeting, Joe Stowell and his ministry, especially his ministry in helping us with our new president of Wheaton College. And of course my colleague and friend Bob Erickson (here give a little description of my relationship with Bob).

So I come with an overwhelming sense of appreciation for what you all have accomplished. You are a very successful board.

But success is never final. In my organization, ServiceMaster, I have reminded our leadership and our board that the arrogance of success is to think that what you did yesterday will be sufficient for tomorrow.

My vantage point tonight simply is an outsider looking in, an outsider who has the highest respect for who you are and what you have accomplished.

An outsider who has spent the last 25 years of his life trying to understand organizational behavior, what makes organizations work, profit and not for profit effect, what makes the leadership and the board of directors of those organizations effective. I don't have all the answers, but I do have some questions.

I want to share with you tonight some thoughts about governance, innovation, mission, and wrap up with some thoughts for the future.

Before I begin, let us establish some basic ground rules of where I am coming from with respect to the board of directors and for our discussion time.

A. It is my firm belief and conviction that boards are great approvers, but they are lousy initiators. The principal job of the board is to:

1. Appoint or remove the CEO.
2. Approve or disapprove the initiatives of the CEO.
3. Maintain and enhance the mission and purpose of the organization.

It is not a country club or social event and not a position of power and prestige. It is a role of service and responsibility. It is hard work. Nor is it the job of a seagull that flies over and drops and flies away.

B. A board of directors is usually just as effective as the CEO and chairman want it to be. It can be rubber stamps. It can be an audience for many reports or be a group of cheerleaders. Board members can occupy chairs around long tables. Or, they can think, they can challenge, they can support, they can be part of the process of achieving results. Every board, I believe, needs to develop a procedure to review its own effectiveness.

C. Our time tonight will be more effective if we can have a dialog, not just a monologue, so please interrupt and ask questions. And yes, I will be free to ask you questions.

## II. GOVERNANCE

Who owns this place? Who runs this place? Who owns Moody Bible Institute? [Here get discussion going and hopefully listen to comments relating to donors (or contributors), faculty (here comment on their accreditation study which indicated the faculty wanted more participation in decision making), students, employees (maybe some

of these are customers). Could the question be asked: who are the customers? Is there a better way to talk about this? Who are the stakeholders?]

[Here give story of lunch that Ken Wessner and I had with a board member and hospital administrator.]

The way to test the best answer to a tough question is often in a time of adversity. The question about who ultimately owns more often than not is tied to responsibility, the result.

Assume the board decides not to carry fire and extended coverage insurance, and one of the main buildings of Moody Bible Institute burns down. Who owns that result? Or assume the board approves an investment of \$20 million of the Institute's investments in a risky venture and there is a substantial loss. Who owns the result? Or assume the board authorizes the expansion of the ministry into TV. Over \$15 million is spent. It is a big flop. It doesn't work. Who owns the result?

Now these are all negative examples. Let's look at the other side of the coin, often the difficult side to understand or even measure. Yes, I use that difficult word "measurement."

Let's assume an organization has resources, both financial and people, to do an A+ job, but they are only performing at a C level. Who owns that result? Who is to measure that result? How do we do better when we are already doing good?

Maybe we should start by abandoning those things that are no longer relevant or required for the future. But where is the discipline for abandonment in an organization that has no bottom line? It only comes if there is a process of what Drucker refers to as organized abandonment. And the Board has a role to see that process is in place.

Although I don't know a lot about the specifics of how Moody Bible Institute is run, I can

tell you, based upon my experience at ServiceMaster, because I could say that if I were speaking to the board at ServiceMaster. Or my experience at Wheaton College--I could say it to the board of Wheaton College--that right now, there are some things going on at Moody Bible Institute that really should be stopped, that really should be abandoned. But how do you get at those things that are no longer relevant? How does an organization make the critical choices in an environment where you are doing the Lord's work? An organization cannot satisfy all the needs. They can only fulfill the mission. How does an organization achieve excellence in performance? You have starts some times and stops some times. The failure to do so will result in irrelevance. The Board as owners of the result must set the framework or discipline for management to get this job done.

Now who really runs the place?

Joe Stowell and his team? Yes, that is a good answer. Maybe a better answer is Joe's secretary. Joe and his team really don't run the place. It's too big. Inherent in the process of delegation is the fact there may be some who think their title, job, or assignment is an entitlement not to be tampered with. Every organization experiences this phenomenon. It is what bureaucracies reward. It may be the exception or it can be the rule. But a board must always be aware that it is a natural phenomenon in organizational behavior. Another reason for change, starting the new, stopping the old, with periodic review of performance at various levels. Without this vitality of change, entitlements will become the rule and not the exception.

[Here discuss layers of management and relay switches.]

When a spirit of innovation is encouraged in an organization, then change, starting and stopping, can be expected to come bottom up. It often is a far better way to organize it, rather than top down. Where does innovation, my second point, fit with Moody today?

Give examples of innovation. Certainly innovation is the way you have structured. Your whole financial structure is innovative as it relates to supporting the basic educational process. It is the envy of most institutions. Your radio ministry is without parallel. Your institute of science was a great example of innovation. Let's listen to Drucker talk about innovation and then let's discuss.

[Show Drucker video]

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Notes for discussion: Definition of Innovation:

A new dimension of performance

Converting a need into an opportunity

If you don't innovate, you won't be here

Radio programming change & format 20 years!

Elbow room for mistakes

Sponsorship from above

Protection from the big wheel

Measurement of success

Discipline of abandonment

11/16/95