

Sunsetting a Foundation

MEM DRYAN BERNSTEIN

In 1984, when my husband, Zalman Chaim Bernstein, ז"ל, first conceived of the AVI CHAI Foundation, he drew on the business model he had used when creating Sanford C. Bernstein & Co., a private investment firm. Succession at Bernstein & Co. had always been smooth and seamless, and he wished to ensure the same kind of transition for the foundation. It was, therefore, no wonder that the foundation's original bylaws outlined how succession was to take place.

AVI CHAI was established with three founding members: my husband, Samuel (Buddy) Silverman, and Arthur W. Fried. They were to serve as chairmen in order of seniority, extending out for 30 years, thereby ensuring succession and continuity. The expression "Man plans; God decides" took effect when my husband died early in 1999. It had been assumed that Buddy Silverman, the senior founding member next in the line of succession, Zalman's long-time friend and colleague, and a successful businessman and philanthropist, would succeed him. But Buddy had aged and did not feel up to the task. Therefore, the next in succession, Arthur Fried, assumed the position of chairman and CEO. Arthur was intimately familiar with all of the workings of the foundation. He embodied its spirit and culture, and he identified with the mission and goals of AVI CHAI. The bylaws were amended to provide that after Fried had served fifteen years, I would become chairman until our sunset in 2020.

AVI CHAI's succession plan ensured that


the foundation would continue to embrace the benefactor's vision and spend its considerable endowment toward achieving the foundation's goals.

My late husband encouraged his successors to consider expending the foundation's resources during the lifetime of the trustees who knew him. And, following his death, the board decided to sunset the foundation — that is, to spend down all resources — by 2020.

Transition can be sticky and difficult — especially when the leadership is committed to achieving philanthropic goals with a bare minimum of mission drift.

A set of simple rules governed how the foundation determined its future:

- thinking far in advance about a succession plan,
- ensuring continuity of purpose and mission,
- determining the personalities and the character of those who could best ensure achieving the benefactor's goals, and
- working closely with each successor to enable him or her to imbibe the principles and practices that would ensure that the foundation remains as effective as possible.

Zalman's vision continues to be embraced by everyone associated with the foundation. This is, in no small part, a byproduct of the succession program — which includes the goal of sunseting — that was created during the foundation's earliest days. 



Mem Dryan Bernstein, a venture philanthropist, is a trustee of three major foundations: the AVI CHAI Foundation, a leader in Jewish education; Keren Keshet – The Rainbow Foundation, whose signature project, Nextbook, promotes Jewish literature, culture, and ideas through the Jewish Encounters books series and its website, www.tabletmag.com; and the Tikvah Fund. Bernstein is the author of two books, *Aging Parents and You* published in the United States and *The Sandwich Generation*, published in Israel.

The Art of Stepping Aside

SID SCHWARZ

I have had the good fortune to have founded both a synagogue (Adat Shalom Reconstructionist Congregation in Bethesda, Md.) and a national Jewish nonprofit (PANIM). I served as the rabbi of the synagogue for eight years before stepping down to focus my time on growing PANIM, a nonprofit whose mission is to inspire, educate, and train the next generation in the areas of leadership, activism, and service. I was the president/CEO of PANIM for 21 years before stepping down in the summer of 2009.

Over the years, I have become a serious student of organizational systems and the art of leadership. Initially, I did so out of necessity, as little in my graduate work or seminary education prepared me for the challenges of founding and running an organization. I learned on the job and supplemented those experiences by availing myself of the plentiful literature on both topics and periodic conferences where I could compare notes with colleagues and learn from experts in the field. While I made plenty of mistakes, most would consider both

Rabbi **Sid Schwarz** is a senior fellow at Clal: The National Jewish Center for Learning and Leadership, a consultant to Jewish organizations around the country, and founder of PANIM. His book, *Finding a Spiritual Home: How a New Generation of Jews can Transform the American Synagogue* (Jewish Lights), explores the new synagogue paradigm discussed in this essay.

institutions to be success stories.

Still, even people who succeed in founding, growing, and managing organizations are not always adept at knowing when to step down and how to do it in a way that allows the organization to thrive. In fact, there is a lot of evidence that the most successful CEOs are amply endowed with both charisma and ego, attributes that can become liabilities when one transitions from the challenges of leadership to the challenges of succession.

It is rare for founders/CEOs to acknowledge that their babies can grow in the hands of other leaders, and even grow stronger because of their departure.

Adat Shalom had about 200 families when I decided that I needed to focus my full attention on PANIM. We were on the verge of launching a building campaign so we could move out of rented facilities. Our young congregation was maturing; soon, we would celebrate many more *b'nai mitzvah* and other life-cycle events each year. I loved the rabbinical work and the community rallied around my efforts to reinvent the way a synagogue might function. Still, the key elements of our new paradigm were in place and it was unfair both to my family and to my congregation to continue as the rabbi when so much of my time was focused on building PANIM.

When the congregation set out to hire a successor, the leadership asked if I would continue to give them some time, in whatever capacity I deemed possible. My affirmative response reflected both my love for the work and my ambivalence about stepping down. In retrospect, that decision likely resulted in our failure to attract any experienced rabbis during the search process. We suspect that having a founding rabbi who continued to provide rabbinic services was too threatening to rabbis considering the position. The job was then offered to the student rabbi who had served the congregation, Rabbi Fred Dobb.


Fourteen years later, Dobb continues to serve successfully as Adat Shalom's spiritual leader. In the first few years after my retirement, I had a close mentoring relationship with him, but he soon found his own voice to steward the congregation. Furthermore, he most graciously agreed to allow me to continue to play a small but significant role leading services and teaching — an arrangement that seems satisfying for all concerned. When I am

not on the *bima*, I am in the congregation, taking great pleasure in the vibrant congregation that I helped to shape.

The succession story at PANIM is more complicated. About ten years ago, one of my lay leaders told me that if I were hit by a bus, PANIM would disappear within three months. We then had a staff of ten people and an active board; but in the public mind, I was PANIM. Because I had cared so deeply about our mission, I wanted to ensure that PANIM would outlive me. I knew that required a change in leadership style.

Over the next ten years, I gave greater autonomy to my staff and created a series of board committees to endow our lay leadership with greater governance responsibilities. This sounds easier than it was. Up until that time, I lived and breathed the organization day and night. I had definite ideas about the program mix, the market in which we were operating, and the future trajectory of the organization. Suddenly, there were other voices — those I had empowered — whose views did not always dovetail with my own. Given my role as founder, I still exercised considerable influence on the direction of the organization. Yet it was not, “my way or the highway.”

When I stepped down as president of PANIM, the process of succession was as smooth as it was because the board had been empowered. At that time, PANIM was a \$3 million dollar organization with a staff of 21 people. While we had initially thought we'd hire a successor president, the economic crash in 2008 changed our plans. Instead, we merged with the B'nai B'rith Youth Organization, which was convinced of the value of our mission and committed to retain core PANIM programs as well as key staff. BBYO gave us a larger platform to advance our work and an opportunity to impact many more Jewish youth.

It is rare for founders/CEOs to feel that their babies can grow in the hands of other leaders. It is equally rare when we are willing to acknowledge that our babies are growing stronger because of our departure. Such acknowledgement requires putting organizational needs above personal ego — being clear about the line between ownership and stewardship. The Jewish community can only be as strong as those who will step forward to lead its institutions. Those of us who have had that privilege must give as much attention to succession as we have to success. 



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