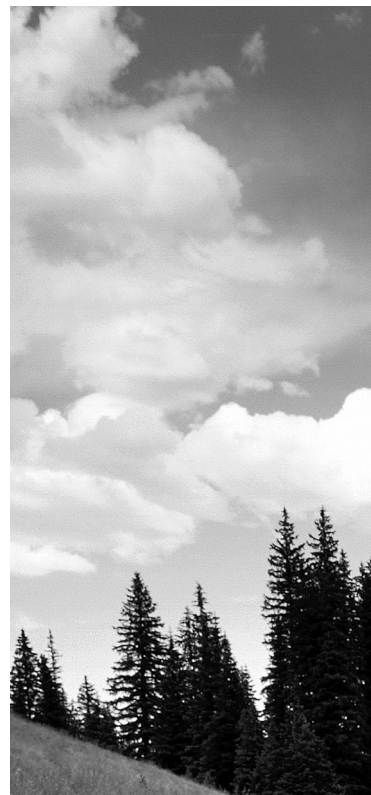


1

NO CRISIS UNANSWERED: How the Nature Conservancy Masters Challenges and Change



THE PEOPLE OF THE NATURE CONSERVANCY had plenty of warning that the *Washington Post* was going to sully their image. More than a year before a series of articles began on Sunday, May 4, 2003, reporters showed a taste for the Conservancy's knottiest transactions. Eight months before, they dug into the Conservancy's darkest deal—rustling natural gas from a neighbor's deposit in Texas. A few days before, they called to say the stories would run on the front page for three days in a row.

The *Post* reporters had done their homework on Conservancy foul-ups, and they were going to run an exposé that, in the eyes of Conservancy faithful, wasn't pretty. That much everyone knew.

But when the *Post* series broke, Conservancy insiders recoiled in outrage. They felt abused and violated. The Conservancy, said the *Post*'s first story, was the "the world's richest environmental group" and a "corporate juggernaut." It logged forests and drilled for natural gas. It sold its name and logo for profit and bought land to resell to insiders. The Conservancy's

list of errors and indiscretions ran for eight inches down the newspaper column.

Many people wondered why the *Post* didn't look more at the Conservancy's success. After all, measured by revenues, it is the largest environmental group in the world, bringing in over \$800 million each year. It employs 3,450 people operating from four hundred offices in fifty states and twenty-eight countries. No other organization surpasses the Conservancy's record of on-the-ground results. It protects more than a million acres of land a year, for a total of 120 million acres to date. As for foul-ups, well, they happen at any big organization.

The story of the Nature Conservancy's success actually starts fifty years ago. It is a story about men and women building a top-tier institution, one of the preeminent in the nonprofit world. This is a conventional success story. But this book is also a story about men and women overcoming crises and challenges—only the latest of which emerged as a result of coverage in the *Post*. This is the more complex story of people repeatedly taking steps to transform and improve the way they work—and continue to log achievements that count, and count big.

The story of any organization's success pivots on crises and challenges—crises and challenges experienced by the individual, the team, and the institution. The ability of people to weather and profit from these events, sometimes the most daunting or nerve-racking of their careers, separates organizations that thrive from those that do not. Still, these events are crucibles of learning that force people to rethink behavior, rewrite rules, reconfigure processes, and reinvent the way they work.

Among the crises and challenges that yield lessons about success at the Conservancy:

- Weak or inappropriate leadership, a crisis striking at the heart of almost every organization, challenged the Conservancy several times in its early years. The board had to face up to leaders poorly matched to the organization's evolving needs.
- Mission drift and confusion, a crisis in focus that creeps up slowly but nonetheless cripples organizational effectiveness, revisited the Conservancy more than once. At times, opportunism and indiscipline prevailed.

- Confused and weak organizational culture, a challenge that blocks an organization from achieving high-performance, faced the Conservancy in its adolescence. Conservancy leadership had not yet inculcated a mature organizational personality.
- A dead-end business model, a crisis that emerges as an organization tackles bigger societal needs, faced the Conservancy as it sought to break from a tradition of almost exclusively small-scale nature-preserve conservation. People stumbled as they learned the new capabilities required to operate at a broader scale and bigger scope.
- A disempowered board, the sleeper crisis in performance at so many nonprofit groups, perennially hampered the Conservancy, particularly on its state-chapter boards. Conservancy leaders struggled to go beyond asking their boards to give money and arrange connections with the rich and powerful.
- Ad hoc management, the make-management-up-as-you-go habit of small organizations, hobbled the Conservancy as it expanded to fifty state offices. The pluses of decentralized management became minuses for the performance of the whole.
- Homegrown international expansion, or using an ad hoc approach to expanding globally, created a promising but diffuse strategy for overseas conservation. Conservancy leaders eventually had to rethink their approach to meeting the needs of conservation internationally.
- A crisis in public accountability, triggered by the scrutiny of investigative reporters, took the halo from the Conservancy. Weaknesses in oversight combined with more demanding public expectations damaged the Conservancy's reputation, especially in the court of public opinion.

The Conservancy was an unglamorous start-up half a century ago, hardly influential enough to attract much attention from the likes of the *Washington Post*. At the December 4, 1954, meeting of the Conservancy board of governors, in the Portrait Room of the American Museum of Natural History in New York, executive director George Fell made it clear

that the start-up phase of the organization was a crisis of its own. Noting that nearly five years had passed since they opened a full-time office, Fell, a thirty-eight-year-old Illinois native with degrees in botany and wildlife management, asked the eight governors and seventeen guests, "What have our five years of work produced?"

"The answer," he responded, "in comparison with the need, is so obvious I won't bother to give it."

So obvious because the answer was just about nothing—except for lots of "seemingly fruitless labor," he said, "confusion as to purposes," and "one after another golden opportunity slipping from [our] grasp."

Fell, who stood at the vanguard of a cast of star characters in Conservancy history, acknowledged that every worthy organization had begun this way. But the beginning for the Conservancy, a novel new force for saving natural lands, was lasting too long. Fell, along with other founders dating to the organization's start in 1950, aspired to build a national organization. The Conservancy, he said, should "have the size and strength to take its rightful place in a country that does things on a gigantic scale."

On this Saturday in New York in 1954, away from his home office in Washington, D.C., Fell was not feeling like the master of any world-changing cause. The Conservancy had promised an extensive program to preserve samples of all biotic communities in every natural region. Fell foresaw the use of legal instruments to protect land—direct ownership, lease, contract, trusteeship agreement, restrictive covenant. He envisioned the Conservancy establishing a nationwide system of wild preserves.

And yet he was not seeing the progress he hoped for. "Surely in five years we should be farther along than we are," he said.

The Conservancy had not yet preserved even one piece of property.

Fell represented the drive, commitment, and spirit needed to turn the vision of the noble cause into action. He was a man determined to have an impact and to participate in a movement that had an impact. But he faced a huge challenge in getting the Conservancy off the starting line. Initially the only full-time employee of the Conservancy, Fell had left Rockford, Illinois, with his wife, Barbara, in 1950 to open an office in Washington. He believed the movement to protect land in the United States was gathering steam, and it needed a national organization to train people, organize them, and raise funds to support their efforts. Remark-

ably, Fell moved to Washington with no salary. His wife, a medical technician, supported them both.

Fell designed a template for the national organization. He foresaw that the Conservancy would supply state chapters and local groups with criteria and standards for preserves, technical and legal advice, financial (seed) assistance, and a national fund available for emergency land-protection spending. Although in the early 1950s the organization had only six hundred members, mainly scientists, Fell's *Manual of Territorial and Project Operations* outlined the details for setting up state and local chapters.

Fell placed the Conservancy at the center of the natural-lands movement in the United States. Nature preservation until that time had centered on the large, spectacular, and scenic. The Conservancy would instead rescue from destruction typical examples of *all kinds* of wild nature—prairie, swamp, desert. “We need these samples of each sort of natural feature for their great scientific, educational, and esthetic values,” he wrote. “They will be monuments; our heritage to be held in trust by each generation. They will be living museums of the primitive world of nature.”

Fell spent money frugally to get the organization on its feet. By buying at government surplus sales, he boasted in 1954 that the average price of his office machines—three electric typewriters, a Vari-Typer, a Robotyper, two offset printing presses, a mimeograph machine, two folding machines, two Dictaphones—was 20 percent or less of list price. A man who had never run a printing press before, Fell figured out how to print all Conservancy materials himself, in 1954 producing 106,030 pieces of letterhead, form letters, *Nature Conservation News*, and reprints of popular Conservancy brochures. By 1956, he forecast in a 1952 white paper, the group would be at full operations, with a budget of \$17,500.

Yet despite his sacrifice and devotion, and despite the tremendous work of scores of volunteers on a handful of projects, the organization was failing to meet his expectations. On that day in New York, with eight board members in attendance, the Conservancy board didn't even have a quorum. Fell told the board, “We have neglected the need for a strong organization to back up these projects and initiate others that are needed. . . . More money from more sources, more volunteers, will come when we have built an organization that commands respect.”

And so Fell highlighted the crisis of the time, which in a sense is the challenge all nonprofit organizations face if they aspire to make a substantive difference in the world: how to build the organization with the management skills to deliver the benefits hoped for and promised—and then how to raise the organization's stature, skills, and sights to deliver more and more, year after year, decade after decade.

In the following pages, the answer to that question appears in the story of nine people from the Conservancy. These are nine men and women who faced crises and challenges, addressed them, learned from their mistakes, and changed their ways to achieve and maintain success. The account of these people's experience is not a history of the Conservancy. Although the book covers a lot of historical ground, it leaves out many turns in a history of more than fifty years. It scarcely draws on the annals of most of the fifty state operations or the personal archives of many former employees, donors, and partners.

Instead, the account reveals the work of these nine people who exemplify what made the Conservancy excel—and rise to such a position that it attracted the attention of a newspaper like the *Post*:

- Richard Goodwin, a Connecticut College botany professor, twice replaced the chief executive and guided two organizational restructurings. With quiet grit, he showed how to revamp leadership to bring an organization to a higher level of performance.
- Robert Jenkins, a Harvard-educated ecologist, redefined the science-based mission of the Conservancy. Brilliant and bullheaded, he created a culture and processes for making decisions systematically instead of opportunistically.
- Patrick Noonan, a real estate operator and master negotiator, gave the organization its heart and raised the money to launch it into the big leagues. With legendary chutzpah, he showed how to cement in place an enduring culture of action.
- Gregory Low, a polite North Carolinian of uncanny analytical talent, pressed the organization to develop new capabilities. He showed how to build an entirely new business to deliver the more powerful product of a growing organization.

- Kent Wommack, an earnest Yale forestry graduate, fired up the energies of his staff, board, and the citizens of Maine. He showed how to engage every possible constituency to deliver results far beyond the capacity of one organization alone.
- John Sawhill, the complete corporate manager, installed professional management and modern systems reflecting his earlier tenure at McKinsey & Co. He taught the organization to work as one, to balance and multiply the efforts of headquarters and the field.
- Katherine Skinner, an inimitable lobbyist-cum-manager, as comfortable in a canoe as in the state house, led her team on a journey to shared leadership. She demonstrated how to develop herself and her people to practice the art of sophisticated team management.
- Kelvin Taketa, the cowboy lawyer in flip-flops, led the organization in expanding to the Asia Pacific region. Taketa, ever the strategist, showed how to launch and adapt global operations to survive and thrive from Indonesia to China.
- Steven McCormick, veteran manager of the Conservancy's biggest operation, in California, was named president in time to handle the crisis in accountability triggered by the *Post*. Ever focused on the silver lining, he showed that the public and lawmakers today demand a thorough revamping of board governance.

The stories of each of these people show off some of the best of the Conservancy. Through them there emerges a picture of the kind of individuals and the brand of management that makes the Conservancy so strong. To readers interested in what it takes to build a top-tier institution, the stories answer basic questions: What has made the Conservancy so effective? What can we learn from the men and women who made it that way?

To be sure, the Conservancy and its people have erred. The road to effective management does not follow a freeway and the icons of management do not perform without flaws. Some of the most valuable lessons people learn emerge from painful experiences, from time, money, and

effort wasted, and from misadventures and missteps that look shabby or boneheaded in hindsight.

But in the end, these stories, stitched together from years of personal experiences, show that the organization that retains the ability to renew itself—whether forced to do so from a sudden crisis or spurred to do so by the challenge of constantly working smarter and faster—can survive to fulfill the growing needs of its constituencies, decade after decade. The stories here convey a sense of authenticity because they reflect the actual working lives of nine real people. The story lines are based on interviews with these people and other firsthand observers who agreed to speak on the record. They are fleshed out by board minutes, internal reports, letters, articles, books written at the time, and so on. Owing to the stories' personal nature, they not only inform and educate: they inspire.

As for the story of Fell, as so often happens with founders, he soon slipped out of the picture. Although he defined the managerial crisis the Conservancy would struggle with for its first decades, he was not to remain to guide its passage to the national organization he envisioned. Though he oversaw the organization from its birth through the earliest acquisitions of nature reserves, he eventually lost a battle for control of the organization to one of the visitors in attendance that very morning in December 1954 in New York: Richard Goodwin.