

Leading Change and Rebuilding Confidence

Marsha 'Marty' Johnson Evans assumed leadership of the American Red Cross in August 2002, bringing impressive credentials as a leader with two other venerable American institutions—the US Navy, where she was the first female admiral and chief spokesperson, and then Girl Scouts USA, where she served as CEO. Her appointment as Red Cross President and CEO came nearly a year after the September 11th attacks brought the organization the largest outpouring of volunteer support and donations in American history, but with that support came unprecedented demands on the organization's volunteers, staff, and infrastructure. Controversy regarding the handling of donations forced the departure of Evans' predecessor.

Marty Evans came to the Red Cross with a mandate from the board and stakeholders to lead change and rebuild confidence. On August 9th of this year, Evans sat down with Bridgestar to discuss how she approached this unique leadership challenge, using her experience and her commitment to serve as a guide.

Bridgestar: How did your career in the Navy prepare you to lead the Red Cross in the wake of the controversies surrounding 9/11?

Marty Evans: I didn't aspire to a long-term Navy career, but they kept giving me new, exciting assignments. Serving as the head of a Navy taskforce to develop a strategy to move the organization beyond the Tailhook scandal prepared me for managing an organization through a crisis. There were thousands of hard-working people in the Navy who had nothing to do with Tailhook, who were more troubled by it than the general public. I spoke for them, and when I came in to the Red Cross, I had the same focus on the thousands of hard-working volunteers and professionals who had nothing to do with the controversies in the press.

How did you form a vision for the Red Cross after taking over? How much time did you have to engage everyone in the mission? To what degree did you feel pressure to deliver immediate changes and results?

Evans: We used the strategic planning process as a means to unify stakeholders. The process was built around the consensus that if we ever have another disaster like 9/11, we need to be in a position to do better. We engaged over 6,000 people in the planning process through meetings with focus groups and online interactions. Kits were sent to the boards of all of our chapters so that they could engage stakeholders at the grassroots level throughout the country, and I went on the road for five months to

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meet with people throughout the organization. The national plan provided a vision and framework for local chapters to go deeper. The core question: What are the vital few things that we need to be doing based on how the world has changed and the core responsibilities that the Red Cross has?

We organized our strategy around a core focus on preparing for and responding to disasters. This gave us the framework to make tough decisions about which programs needed to be built up and which needed to be eliminated or spun off.

You've said that the Red Cross was ready for change when you took over, but we imagine that there must have been many competing visions about what sort of change was needed. How did you build consensus around the change agenda?

Evans: Our strategic planning process gave our stakeholders the sense that they own the direction of the Red Cross. The experience produced an incredibly powerful bonding of the national organization and local chapters. Indeed the process was as important as the product—although the restructuring of governance and management that resulted was certainly significant. The nature of the planning process made it possible for the organization to implement difficult or potentially controversial changes because we had made a compelling case to restructure and reorganize.

The Red Cross operates under a single 501(c)(3) ruling. Chapters had increasingly become independent actors, and as a result, some processes had become inefficient. The planning process led us to a more tightly aligned organization, with local chapter executives reporting directly to the national organization. We wanted chapters to have a certain level of compatibility in terms of the compatibility of their activities, and we wanted to hold chapters accountable with measured standards in their geographic focus and role in the disaster response process. For our strong chapters, there was an understanding that we are all only as strong as our weakest chapter, so the implementation of operational standards was embraced.

Just as the nation seemed unprepared for the Sept. 11th attacks, it seemed unprepared for the true costs of the aftermath—the infrastructure that needed to be created to process millions of dollars of donations, to mobilize thousands of volunteers, and to implement an unprecedented emergency response system. To what degree have you had to manage expectations externally while raising expectations internally?

Evans: In the focus groups that we organized for families of 9/11 victims, people expressed surprise and gratitude at what the Red Cross was able to do. On the other hand, we found how hard it was for people to get services because of turnover of volunteers, repetitive paperwork, and the need to tell their stories to different people over and over. We're changing our practices so that the strings aren't so tight for victims.

For example, rather than giving a family a voucher that they can only use to buy a certain brand of diapers at Wal-Mart, for example, we're giving them a debit card and trusting them to use it responsibly to meet the needs of their families.

Trying to become good at responding to a major terrorist event is going to be a challenge, one that is very different from managing through natural disasters. We believe that getting better at our core work will better prepare us, but we're just at the front end of learning as an organization.

Do you think the public has come to lose trust in charitable organizations? To what degree do you see this as having been based on experience vs. perception, and how did you as a leader of the Red Cross respond to both experience and perception in building trust in the organization?

Evans: It is important to note at the outset that no dollars donated to the Red Cross after September 11th were ever lost or misdirected from the purpose directed by the donors. If there was a failure in the wake of September 11th, it was in the Red Cross' inability to turn the perspective of the media around.

Your first task as a leader coming into a situation like this is to find out what you're coming in to. I had the same information available externally about the Red Cross as you. So I had to do the due diligence and distinguish perception from reality. Then I had to deal with the raw feelings of our dedicated staff and volunteers as well as all of the people associated with our chapters, who had just been through an awful time that was not their fault. They had continued to work and respond to disasters through all of this. I had to acknowledge their sacrifice and take actions that could quickly give people hope.

When I arrived, we had several open slots at the senior management level, so we had to build a team that could be part of a guiding coalition for the organization. With this team in place, we went out building bridges to the 1,100 chapter leaders and volunteers who, correctly, felt that they didn't deserve any part of the invective that was being directed at the organization. We also built bridges to the external supporters who would be critical to our success, such as donors and lawmakers.

You headed up the Navy Recruiting Command during your tenure as Rear Admiral. What do you see as the challenges to recruiting and developing talent in the nonprofit world, and how do they compare with your Navy experience? What has been your experience in hiring candidates who have bridged from business, government, or the military?

Evans: Navy recruiting was a buyer's market because Naval Academy, Officer Candidate School, and ROTC all offered wonderful opportunities that were highly sought. Recruiting senior leaders in the

nonprofit sector is a bit more challenging, but we've been able to attract a rich pool of candidates to the Red Cross.

The Red Cross isn't that different from the military. Both are based on volunteers and sacrifice. Both are focused on building teams of people to do heroic things. Both organizations have strong values, a sense of mission and a culture of putting others ahead of oneself. Compensation is less competitive than in the private sector, but there is a payout in psychic income. There are similar planning and logistical demands.

That said, for people coming from the business world, the challenge is to cope with a 124 year-old organization and an established culture, while bringing a fresh set of eyes. We've been extraordinarily fortunate with the people that we've brought in from both business and the military, who want to make a difference. When we recruit, our candidates spend a lot of time with the organization before they are hired, and that investment has paid off.

Bridgestar (www.bridgestar.org), an initiative of the Bridgespan Group, provides a nonprofit management job board, content, and tools designed to help nonprofit organizations build strong leadership teams and individuals pursue career paths as nonprofit leaders.