

Case Study *Are We Working As A Team?*

International School of Akash is a non-profit, pK-12, American curriculum program offering both AP and IB DP in the high school. Established in 2002 and fully accredited by CIS/NEASC since 2005, ISA has developed into the school of choice for the expat and affluent local communities in this emerging city in the MidEast.

The board is a seven-member blended board; five elected positions, one board-appointed position, and a US Embassy appointed position. ByLaws require that the elected positions be filled by parents and four of the seven members must be Americans. The Director is a non-voting member of the board. This year was a high board turnover year - only two returning members, Board Chair Ann Martin and a parent, Roberto Noriega.

Growth had been constant since the school opened, with enrollment reaching 650 last year. A promising future had lured the founding Board to incur a substantial debt to build a state-of-the-art campus on the southeast section of town, confident that the "build it, they will come" phenomenon would mitigate any financial risk.

Unfortunately, the steady growth had not been sufficient to keep up with the rising costs of running a school in Akash AND pare down the debt. While not yet a crisis, the goal of accelerating growth was definitely on the Board's agenda for the coming year. In fact, the Chair had already discussed with Director George Olson the need to explore more aggressively that goal, and it was placed on the Executive Session Agenda for the September Board meeting.

The night of the meeting, the Board moved into Executive Session and Ann introduced the topic as a general, background discussion item only; no action to be taken. George gave a brief overview of the situation, recounting the financial history of the school and the current challenge, suggesting that the Board consider, as a formal goal for the school year, developing a strategic plan for addressing the debt.

Discussion ensued, dominated by Treasurer Vlad Kaminsky's enthusiastic support and desire to start tomorrow! In fact, Vlad was so excited about the prospect of shoring up the financials that he could hardly stop talking..., so much so that Ann considered intervening. That wasn't going to happen, though - the ISA Board meeting culture was much too free-flowing to permit that kind of "control." The only other Board member to get much more than a word in was Seong-Ah Cho, who clearly was interested. Sally Barton and Bill Peters asked a few questions, mainly about process, and communicated some interest. Roberto Noriega and Karl Svensen never said a thing. Frankly, this was not terribly different from a typical Board meeting - Vlad dominating, Seong-Ah taking notes, and the rest of the Board reluctant to join in.

After 20 minutes of Vlad's dominating the conversation, Ann finally intervened, summarizing the discussion as indicating that the Board did have interest in pursuing the goal of addressing the debt, and clearly they needed more information. She suspended further discussion of the matter and suggested that George research a list of the range of solutions other international schools in the region had used effectively. Everyone agreed that was a good idea. She then affirmed that this matter would be prioritized, and picked up where they left off in the Executive Session agenda of next month's Board meeting, thanking members for their input tonight.

Fast-forward a month - George had confidentially surveyed his peers in NESAs and provided the Board with a two-page fact sheet listing seven categories of intervention schools had taken to address lingering financial issues and Ann had put the topic on the agenda again, with a goal of designating a task force to further explore options confidentially.

No sooner had the Executive Session begun when Vlad proudly and excitedly shared that after last meeting, he had arranged a meeting with Sally and Bill, included two of his associates from the finance department at his office, and the five of them had come up with a plan to restructure the debt with a new bank in town. In fact, he had already checked with the bank and found that they were very interested. Sally and Bill seemed a bit surprised that Vlad had gone forward with what they thought was just a friendly glass-of-wine conversation at Vlad's home that evening. Ann and George looked stunned, and Roberto and Karl withdrew even more.

And then Seong-Ah spoke up. Dismissing Vlad's plan as insufficient, she confidently assured all that the solution was at hand. She had spoken to her husband, General Manager for Daelan Construction, a huge Korean firm that was in the process of bringing 200 employees and their families to their compound northeast of the city, and they would be happy to negotiate with ISA an agreement to open a satellite campus in Daelan-town, with a profit-sharing clause that would benefit both parties. Seong-Ah shared that the Korean community was very excited about the prospect and she had even informed the social committee at the neighboring golf club, the hub of expats living on the northeast side of town, that ISA might be expanding.

Ann and George's "stunned" look now changed to disbelief. Vlad sat upright in his chair, game for the challenge; Sally and Bill looked completely confused; and Roberto and Karl seemed to disappear beneath the table.

Ann gathered her wits about her, took a deep breath, and calmly asked Vlad and Seong-Ah why they had taken a still-confidential issue beyond the boardroom. Vlad was not taken aback, "Oh, Ann, are you forgetting that one of our goals this year is being more transparent with our community? I'm sure Seong-Ah would agree that we were simply communicating with key elements of our community. 'Transparency,' remember???"

1. What are the issues here?
2. How did this happen?
3. What should Ann say next?
4. How does a Board "discipline" itself, either when a member inadvertently strays from the proper role of a trustee or when he/she deliberately violates formal or informal board norms?
5. What could have prevented this situation?