

Minutes from the CED Board of Directors  
Executive Committee Meeting  
March 26, 2009  
CED Classroom

Attending: Steve Wiehe (chair), Anastasia Pucci, Kent Christison, John Fogg, Susan Acker-Walsh, Jason Caplain, Steve Nelson, Rich Harris, Greg Anglum, Mike Elliott (by phone), John Glushik, Mary Musacchia, Joan Siefert Rose (staff), Jim Ford (staff), Stephanie Dorko Austin (staff), Carol O'Brien

Steve Wiehe called the meeting to order at 11:40 a.m.

Joan Rose introduced Carol O'Brien, who has worked as a development consultant to CED, to discuss the results of her interviews with stakeholders about board composition and organizational sustainability. The report was distributed prior to the meeting, and several board members commented on the high quality of the work.

Carol reviewed the significant points in the report:

- Constituents have differing views of the nature of CED, with some viewing their relationship as strictly as business/marketing one, others as more philanthropic, and some as both
- There is a disconnect between what people think of CED's mission and what they expect from the organization in terms of economic development. In some ways, constituents see CED more as a trade association than a nonprofit
- There is good support for CED's mission and a desire to help the organization succeed, and a recognition that recent financial problems are being addressed

Carol also discussed findings about the composition of the board, which can have up to 65 members and currently has 51. She said that while many people consider the board too large to manage, they also saw the benefit of including diverse constituencies and stakeholders. Her interviews found there is a general understanding that the Executive Committee functions as the governing board, while the full board acts more in an advisory capacity.

She also pointed out that CED has been losing its connection to some of its founding members because there is no clear role for them once they rotate off the board. Carol suggested that CED create a role for these experienced leaders, either as an emeritus member of the board, a Board Fellow, or as part of a President's Council that can serve in an advisory capacity.

The Executive Committee discussed these findings. The observations on governance included a need to implement a more rigorous and transparent process of nominating board members, and for creating some role for long-serving board members who are rotating off the board but wish to stay engaged with CED. There was consensus on the need to clarify roles for both the Executive Committee as the true governing body of CED, and for individual board members. The Committee also recognized that some

board members will play a more active role than others, and that CED should accommodate these variations. The Committee discussed the possibility of creating standing committees and designating certain board seats for key stakeholders, but did not make a recommendation. Joan agreed to work with Mary Musacchia, as chair of the governance committee, to advance these ideas prior to the next Executive Committee meeting.

The Committee also spent time discussing the disconnect between CED's presumed mission and what people actually want to see happen as a result of CED's involvement. Carol urged Executive Committee members to get a better match between these two elements to better define CED's success, including developing a clear set of metrics.

Some Committee members pointed out that CED, working alone, cannot overcome all market factors to impact, for example, company formation and capital investments in start-ups. However, there was a strong sense that CED needs to measure its impact in these core areas and report the information widely.

Joan said that CED had been founded to help the region act more like Silicon Valley, and by that measure, it has fallen short of the mark. She asked the Executive Committee to help define CED's mileposts and measurable outcomes so the organization can put its resources toward achieving these results, rather than simply measuring organizational activity, or inputs. There was strong support from the Executive Committee to capture CED's value-added components and to promote the organization's role in the region's economic development. Some Committee members suggested that achieving these goals be part of individual CED employees' work plans.

The Committee also talked about CED's role in shaping policy, with some members suggesting that the timing of new administrations in Washington and Raleigh offered a unique opportunity to promote issues that are important to entrepreneurs.

The remainder of the meeting consisted of reports on CED's current financial position and steps that are being taken to reach a balanced budget for FY 2009. Jim Ford said that corporate sponsorships were coming in below projections, mostly because of the turmoil in the financial services sector, and that CED had adjusted its revenue projections accordingly. Jim also said that losses in the investment fund likely will exceed projected losses for the year, and recommended that the Audit Committee talk soon with the auditors to notify them of the expected changed position. There was a discussion on fixed costs and pay furloughs for the CEO and COO, with the Executive Committee expressing opposition to this idea. Jim agreed to provide regular updates on financials in an unpredictable economic environment.

The meeting adjourned at 1:20 p.m.

The next scheduled meeting is May 20 from 11:30 a.m. – 1 p.m. at CED's classroom.

