

*Harmony*TM

FORUM OF THE SYMPHONY ORCHESTRA INSTITUTE

NUMBER 14 • APRIL 2002

San Francisco: A History of Long-Tenured Board Leadership

To subscribe to *Harmony* or provide support to the Institute, contact:

Symphony Orchestra Institute

P.O. Box 1040

Deerfield, IL 60015

Tel: 847.945.3050 Fax: 847.945.1897

e-mail: information@soi.org

www.soi.org

San Francisco: A History of Long-Tenured Board Service

In December 2001, Nancy Bechtle “retired” as president of the San Francisco Symphony (SFS) following 14 years of service. She continues as a member of the orchestra’s board of governors. As part of our exploration of long-tenured board leadership, the Institute engaged Nancy and the SFS executive director, Brent Assink, in conversation. An edited transcript of that conversation follows.

Institute: Nancy, in order for our readers to have a context in which to read this conversation, give us a few “vital statistics” about the board.

Bechtle: The board is composed of about 85 people and it meets four times a year. The executive committee has 21 members and meets six times a year in addition to the regular board meetings.

A number of years ago, we engaged McKinsey & Company to help us with a study to determine what type of board structure would best serve the San Francisco Symphony. We ultimately decided on a structure of three-year terms for board members, with unlimited opportunity for reelection. We also decided to cut the size of the executive committee from more than 30 to 21.

As part of the study, we considered a structure that would have required individuals to rotate off the board for a year after a specified number of three-year terms. That’s a pattern one can find in a number of other orchestras. We decided against that idea because we did not want to lose people who were very valuable to our work. We feared that people would perceive their service to the orchestra as, for instance, a nine-year term and then move on to something else. The pattern of a specified number of terms also encourages complacency on the

part of the nominating committee, in that board members are allowed to serve for nine years whether or not they are fulfilling their obligations.

One result of the study was rewriting our bylaws. It is important to have bylaws that fit the organization, not an organization that tries to conform to an

“One result of the study was rewriting our bylaws. It is important to have bylaws that fit the organization, not an organization that tries to conform to an existing set of bylaws.”

existing set of bylaws. Bylaws are not immutable!

Institute: Does the board have an active committee structure?

Assink: It certainly does! And that's where the work actually gets done. We think that's the key to a successful governance structure.

Bechtle: There are five committees—executive, finance, investment, administrative compensation, and audit—that are elected by the voting members of the San Francisco Symphony, not the board. Voting members are people who donate at least \$350 annually and subscribe to at least three concerts in any regular season series. These are committees that can act on their own on behalf of the board. The other standing committees, such as marketing, artistic, development, and so on, are more advisory in their work.

Institute: Now that we know a bit about the current structure of your board, let's turn our thinking to this question we have about long-tenured board leadership, particularly that of the board president. Is there a history of long-tenured leadership in San Francisco?

Assink: The orchestra was formed in 1911, and the board has had 16 presidents. So that's an average tenure of nearly six years. Interestingly, on the entire list, there are two women, and they hold the distinction of having served the longest. Leonora Wood Armsby served from 1936 to 1953, coinciding almost exactly with the tenure of Pierre Monteaux as music director. And, of course, Nancy, who served from 1987 to 2001.

Bechtle: I had been on the board for three years when I was asked to become president, and I agreed to commit to five years as president. In the San Francisco Symphony's more recent history, board presidents have served between five and seven years. I'm not sure I know exactly how I ended up serving for 14 years. The best explanation I can give is that there was always something ahead, and Brent, or his predecessor, Peter Pastreich, would say, "Nancy, you can't leave now."

Over the past 14 years, we have faced some major challenges. We addressed the acoustic problems in a relatively new hall we didn't own. We searched for a new music director. We dealt with a strike and the healing process afterward. We conducted a major endowment campaign. And the board considered it unfair to saddle a new person coming in with something very complicated.

Institute: When you became board president, were there other board members you knew you wanted alongside you in leadership positions?

"The orchestra was formed in 1911, and the board has had 16 presidents. So that's an average tenure of nearly six years. Interestingly, on the entire list, there are two women, and they hold the distinction of having served the longest."

Bechtle: You mean my “indentured friends”? There were a couple of people without whom the job would have been very hard to do. Particularly the board members who have headed the areas of finance and development.

Assink: There are some people who stayed on or joined the board because of prior working relationships with Nancy. But what has been a hallmark of Nancy’s tenure are the strong relationships she built with people she met after they came on the board or during the interview process for coming on the board. Clearly there has been a recognition that close relationships among the board leadership group are important, and a recognition of Nancy’s investment of enormous amounts of time and passion. She is a leader from whom it is very difficult to walk away!

Bechtle: My style of leadership is really very collaborative. Although I was, as provided in the bylaws, the CEO, I understood that one cannot be a dictator in a symphony organization. There are so many constituencies that need to be brought together, to want to be together.

Institute: When you agreed to become president, were your expectations of the time that would be involved realistic?

Bechtle: Not really. I think what happens is that when you find something in which you are truly interested, you spend more and more time on it. And you don’t notice how many hours you are adding. There were times when we had big projects under way that it was really a full-time job.

Institute: Nancy, characterize for us the organization as you saw it when you became president. And then describe how it has changed over the years.

Bechtle: When I took over, I thought the organization could not go any higher. I thought the San Francisco Symphony had high artistic standards and aspirations. We had a great music director in Herbert Blomstedt. Our ticket sales were astounding, which at that time was probably true throughout the country.

But then the stock market crashed. San Francisco had a major earthquake. These events were external to the organization, but they were real eye openers. They challenged us to stay on target for the symphony.

Over the past 14 years, our budget has increased from \$21 million to \$47 million. And I’ve already mentioned some of our major projects—acoustic improvements for the hall, the endowment campaign. But what was important to me was to make sure that we were not just always adding. We needed to consider what we were doing and why, and it was entirely proper to decide that there were some things we were not going to do anymore, or do differently.

For example, the San Francisco Symphony spends nearly \$2 million a year on education and outreach programs. But the programs we fund today are very different from ones we used to do. Continuous assessment throughout the organization is an important board responsibility.

Assink: It has always been something of a mystery to me that the symphony orchestra field uses budget growth as a measure of success. To my mind, the most significant characteristic of Nancy's tenure as board president has been the artistic development of the orchestra. She is too modest to say it, but her dogged persistence in working to engage Michael Tilson Thomas as music director fulfilled an important vision that she had for the orchestra.

Institute: We've talked about why long-tenured board leadership can be important to an organization internally. Is it important that the external world also see the continuity?

Assink: I'll answer that one. There is no question that members of this community needed to see continuity within the board leadership in order to make the commitments they have made.

And I'd like to add a thought on the internal side, too. Long-term board leadership also sends a message to the musicians. We hear a constant refrain in the symphony orchestra field that it is the musicians, and they alone, who hold the institutional memory of the organization. And while, in many places, that is true, it is not true here. We have board members who have served for 40 years with distinction. That fact introduces a whole new dynamic to the relationship which I think is a healthy one.

“Long-term service of a board president and other board leaders allows a trust to develop. Musicians and board members know one another.”

Long-term service of a board president and other board leaders allows a trust to develop. Musicians and board members know one another. They have worked together under all kinds of circumstances. Our musicians know that they can contribute to the organization in areas that affect them most, such as tour planning or scheduling. And while they are certainly willing to pitch in on our fundraising efforts, they understand that the board will take the lead on governance and development. There is much more interaction between board members and musicians than ever before.

Institute: Let's turn our thinking to the ways in which you recruit new people for the board. Is long-tenured leadership a factor here, too?

Bechtle: It is very difficult to get someone to join a board when an organization is in trouble. That's true for any nonprofit organization. However, when the organization is doing well, when the newspaper headlines are positive, you can start recruiting good people. I also believe that one has to be very clever along the way and work to identify and recruit the up-and-comers before they become the heads of their companies. Although we were not always successful, we did have that success at the Bank of America and Chevron. I would also note that when you have formed a board that the community recognizes as composed of real leaders, others are eager to join.

Then, of course, you need to keep these people engaged. Real leaders don't just want to have their names on the letterhead. They want to be involved.

Institute: It sounds as though you have mechanisms in place for planned succession.

Assink: Nancy knew when she was going to step down several years before it actually happened. She had built strong support for her successor among her "kitchen cabinet." Those people were the opinion leaders on the board, so the transition has been absolutely seamless. I would go so far as to say one hallmark of strong board leadership is succession planning.

As some of your readers will know, I was general manager with the San Francisco Symphony when Nancy was president, and I subsequently left for another orchestra. When I interviewed to come back in 1999, one of the first things Nancy said to me was that she planned to step down in 2001 and it was likely that John Goldman would be her successor. John was on the interview committee, and when he and I sat down together, the conversation was one that recognized ours could be a board president to executive director relationship at some point.

Bechtle: Succession planning is important at the committee level, too. Although our bylaws suggest that committee chairs serve for only three years, they do not place an actual limit. I believe that committee chairs who are organizational leaders and have the trust of the entire organization should have long tenure. For example, our finance chair is in his seventh year. Although he is ready to move on, John Goldman asked him to stay as chair for one more year because we were all uncomfortable with losing the continuity.

Institute: Nancy, are there other aspects of your long tenure as board president that might be valuable for our readers to know?

Bechtle: I met every week for two hours with the executive director to talk through all of the issues that were coming up for the orchestra, because it is important that the working relationship between the board and management be a collaborative one.

Assink: That's important from my side of the desk, too. At a basic level, it's planning. It is wonderful to be able to sit down and not feel rushed, to be able to talk about dreams and aspirations, to imagine what things will be like for the San Francisco Symphony several years down the road, and to consider what steps we will have to take to get there. The weekly meetings also give me both reason and opportunity to gather my thoughts, and to be clear in my thinking about what I need from the president of the board.

"I believe that committee chairs who are organizational leaders and have the trust of the entire organization should have long tenure."

Bechtle: Those meetings also provided a regular way for me to give Brent feedback from the community. We like to think we are responsive to what we hear in the community, and it is very helpful to have a built-in way to share that information.

“The fact that I served for a long time allowed us to take some risks that I don’t think could have been taken if we had changed leaders every couple years.”

And let me add a couple of other ideas for your readers to consider as they think about long-term leadership. I have attended meetings for many years with people who chair the boards of orchestras all over the country. It is my observation that board chairs who serve for only two or three years will never have a major impact on their organizations because they can’t. Moving an orchestra is somewhat like moving a tanker. It takes a long time and a steady hand on the wheel to change direction. To really change the way an orchestra thinks about itself and does its work requires serious, time-consuming commitment from the board leadership.

My final thought on this topic has to do with risk. The fact that I served for a long time allowed us to take some risks that I don’t think could have been taken if we had changed leaders every couple years. The one that truly stands out in my mind is the acoustic renovation of Davies Symphony Hall. We raised \$12 million for a project that was initially very unpopular in the community because the hall was less than 10 years old, and everyone wanted to know why we hadn’t gotten it right in the first place. Our board really put its reputation on the line. And the outcome has been an unqualified success for the San Francisco Symphony. So although I have now handed over the reins, I am happy to make the case for board presidents to have long tenure.

Institute: We thank you both for your time in helping us to explore long-tenured leadership. It is quite apparent that the San Francisco Symphony has changed a great deal as an organization over the last 14 years. May the next 14 hold equally positive outcomes.