

## Board Fellows

### Celebrating a GSB Legacy of Nonprofit Board Service

JENNIFER RATAY

**E**cumenical Hunger Program (EHP), an East Palo Alto-based nonprofit that works to eliminate hunger and break the cycle of poverty, possesses a passionate and talented board of directors. At the same time, like most Bay Area nonprofits, EHP faces constrained human and financial resources.

Last year, EHP Board Chair Hudi Podolsky turned to the Stanford GSB's Board Fellows program for assistance. Having served on EHP's board for eight years, Podolsky liked the idea of "contributing to the education of future community leaders." Also intrigued by the prospect of having MBA students address

the organization's core strategic issues, she applied to Board Fellows and pledged to mentor two Stanford MBA students as junior board members. As part of their board service, the students completed project work on the organization's revenue growth plan.

In addition to moving EHP forward in this critical area, Podolsky lauded, "our Board Fellows brought a wonderful, fresh perspective, excellent skills, and a breadth of vision that greatly enhanced our board. We also got an outstanding [permanent] board member who will add to the organization for years to come."

#### The Board Fellows Partnership

Through the PMP's Board Fellows program, Stanford MBA candidates are matched with Bay Area nonprofit boards of directors for eight-month apprenticeships.

This facilitation alone has been of value to students and nonprofits alike. In a recent survey, 75 percent of Board Fellows said the opportunity for nonprofit board service would have been difficult for them to obtain on their own.

Once matched with a board, Fellows work closely with trustees and executive directors, attend board meetings, serve on committees, and work on special projects with the board and staff. Students gain a unique inside view of the challenges and rewards of nonprofit board service. This exposure opens doors that serve as a bridge to future involvement in the nonprofit sector: 83 percent of Fellows reported an increased understanding of the nonprofit sector as a direct result of their Board Fellows experience,  
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Dean Bob Joss and this year's Board Fellows student leadership team



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### Board Fellows Student Leadership Teams

#### 1997 - 1998

Josh Becker  
 Andy Fenselau  
 Monica (Houle) McGurk  
 Ben Klasky  
 Jennifer (Neill) Selby  
 Steve Neptune  
 Chris Wheaton

#### 1998 - 1999

Josh Becker  
 Andy Fenselau  
 Elisabeth (Morse) Giovine  
 Trey Pruitt

#### 1999 - 2000

Kasey (Craig) McJunkin  
 Suzanne (Grover) O'Brien  
 Lynn Liao  
 Bill Tucker

#### 2000 - 2001

Lauren (Pressman) Greenfield  
 April Chou  
 Alvaro Fernandez  
 Alan Peyrat

#### 2001 - 2002

George Hu  
 Dan Kalafatas  
 Laura Loker  
 Jennifer Tye

#### 2002 - 2003

Colleen Allan  
 Lisa Carpenter  
 Christine Kawakami  
 Jung Yoo

#### 2003 - 2004

Tim O'Hara  
 Alexis Hanneken  
 Elizabeth Hanson  
 Delaney Steele

#### 2004 - 2005

Carey Jennings Wintroub  
 Katie Rahm  
 Andy Rourke  
 Catherine Wang  
 Amanda West

Total number of  
 Board Fellows to date: 533

*Continued from page 1.*

making them more effective and confident future board members. As one student commented after completing the program, "Board service is not a big mystery anymore. It's no longer intimidating."

The potential of having an MBA student complete a useful project is one of the primary reasons Bay Area nonprofits participate in Board Fellows. In addition to participating in board and committee meetings, students work on a wide variety of projects, ranging from marketing and strategic planning to performance measurement and fundraising strategy.

Participating host organizations thus far are pleased with the mentorship program: 98 percent of 2003-04 host organizations said they would recommend the Board Fellows program to other nonprofits.

In addition, students acquire valuable professional experience as non-voting board members and the opportunity to develop relationships with Bay Area professionals and philanthropists who prioritize nonprofit service. Board Fellow alumnus **Hunter Walk** ('00) valued getting to know "fellow directors who became important professional role models – top Silicon Valley executives who found time to balance their commitment to their company and to their community." For **Trey Pruitt** ('99), the program was a highlight of his

**Board Fellows has served as a national model, one that's had substantive impact well beyond Stanford and the Bay Area. At least seven other business schools have already followed Stanford's lead, and additional programs are being launched at Columbia, Harvard, Wharton, and Yale in the 2004-05 academic year.**

GSB experience: "As a full-time business person, nonprofit board service is one of the principal ways I contribute to the community. And I have no doubt that I'm a more effective board member today because of the program."

#### A Case Study on Social Entrepreneurship

In 1997, the Board Fellows program began with the vision of a small team of PMP students. Led by **Ben Klasky** ('98) and **Chris Wheaton** ('98), fellow PMPers **Monica (Houle) McGurk** ('98), **Jennifer (Neill) Selby** ('98), **Steve Neptune** ('98), **Josh Becker** ('99), and **Andy Fenselau** ('99) founded Board Fellows with two primary goals. First, they were eager to show their fellow classmates that GSB students could add value as nonprofit board members, even at an early stage in their careers. Second, they saw board apprenticeships as a way for students to learn about nonprofit board service and to cultivate an interest in future social sector service.

Like many social entrepreneurs, Klasky and Wheaton chose to start small to field test their idea. The founders initially focused on building momentum and creating buzz about the board apprenticeship concept throughout the GSB student body. They increased the nascent program's prestige by instituting a competitive application process, and emphasized cultivating strong relationships with nonprofit partners.

During the program's inaugural year, Board Fellows selected and matched 29 student-board pairs. Participating organizations included United Way, American Conservatory Theater, and Teach for America.

Klasky and Wheaton had hit upon a winning concept. Rather than fading away after the original leadership team graduated, Board Fellows proved to be a relevant and enduring idea. Since Board Fellows was founded seven years ago, the number of students participating in the program has grown by 24 percent annually. During the 2003-04 academic year alone, over 100

students were matched to 75 nonprofit boards and Fellows contributed over 5,000 hours of volunteer MBA student time to Bay Area nonprofits. Today, despite the intense academic demands of the GSB's core curriculum, more than one-fourth of each entering class joins in this social sector leadership development program.

### Practicing Social Impact Leadership

Klasky and Wheaton passed on their fledgling program to subsequent generations of PMP student leaders (see box at left). As the Board Fellows program matured, new leaders shored up the infrastructure around the founders' vision, helped make overarching policy decisions related to Board Fellows, and handled the day-to-day management of the program. Faculty supporters, such as Professors **Bill Meehan** ('78) and Jim Patell, have offered thoughtful guidance to student leaders along the way.

The current Board Fellows leadership team's top priority is to ensure a quality experience for all Board Fellows and host organizations. Toward this end, they have instituted a new mandatory fall training session for all student applicants, and have carefully screened applying organizations to ensure that each one has committed mentors and well-thoughtout projects for its Board Fellow(s). This year's leadership team

believes improved communications between Fellows and their boards will result in more appropriate, realistic expectations on both sides regarding the time and scope of students' project work (see box at right). Two Board Fellows have been assigned to each board whenever possible, with special emphasis placed on pairing an MBA1 and an MBA2 to promote increased student-to-student mentoring.

### PMP: An Incubator for Social Innovation

Board Fellows is just one example of student-inspired and student-led programs that have become core parts of the GSB's community-minded culture. The Stanford Management Internship Fund (SMIF), I Have a Dream (IHAD), and Start-Up are other examples where the PMP has served as an incubator for social sector innovation within the MBA student body.

Like SMIF, Board Fellows has taken hold as a legacy experiential service-learning opportunity within the Stanford MBA program, and a chance for students to put their core curriculum and PMP elective coursework into practice outside the halls of the GSB.

Board Fellows has served as a national model, one that's had substantive impact well beyond Stanford and the Bay Area. At least seven other business schools have already

followed Stanford's lead, and additional programs are being launched at Columbia, Harvard, Wharton, and Yale in the 2004-05 academic year. Despite the GSB's smaller class size, Stanford's program remains the largest MBA board apprenticeship program, matching roughly twice the number of students and boards as other business schools.

GSB Dean Bob Joss's vision for a comprehensive, integrated, and relevant MBA education embraces training the leaders of tomorrow to create sustainable social solutions. As one of the GSB's "managerial mindset pillars" (the others are leadership, entrepreneurial, and global perspectives), creating social impact and training the next generation of social sector leaders has been at the core of the PMP for decades. Board Fellows is a clear manifestation of the School's commitment to provide students with the tools and experiences to make positive social impact in their careers and communities.

Our hats are off to past and current Board Fellows leaders who shepherded and defined this hallmark program, as well as to the student and organization participants who continue to make this program a success. ■

*Special thanks to PMP alumna **Bryna Chang** ('03) for her work leading a comprehensive Board Fellows program evaluation this summer, and to Board Fellows alumni who generously offered their time and thoughtful perspectives to the study.*

### Board Fellows 101

MBA students and the nonprofit boards on which they serve must pledge to uphold several commitments during the eight-month Board Fellows apprenticeships:

#### Student Commitments

- Attend all board meetings
- Work with organization to identify appropriate project
- Complete project by June
- Attend Board Fellows-sponsored training events
- Update Board Fellows Leadership Team on progress and issues
- Provide copy of project deliverables to Board Fellows program

#### Board Commitments

- Select a board member or Executive Director to be Fellow's primary contact and mentor
- Invite Fellow to all full and advisory board meetings
- Orient the Fellow to organization and board
- Work with Fellow to identify a suitable project
- Provide necessary data for project
- Update Board Fellows Leadership Team if issues arise

Students typically dedicate over 50 hours per academic year on projects and board meetings, with approximately 20 of these hours spent in board or committee meetings and 33 hours spent on project work. Organizations also invest significant time with their Board Fellows; organizations' staff members spend roughly eight hours of their time, and board members spend six hours of their time, on average, outside of board meetings.

## DIRECTOR'S NOTE

## Dear Friends,

I have been writing these letters to you for a few years now and every time I start by telling you that things have never been busier, that participation has never been greater, that clubs membership has never been as high, and on and on. I'm starting to feel like a broken record, but once again, the same story is true. This continues to be a wonderful time for students interested in the social sector to attend the GSB.

Our 12 PMP clubs provide ample opportunity for students to delve deep into specific issues and network with leaders in that field. More than 20 PMP elective classes provide a strong foundational knowledge on a range of topics from environmental entrepreneurship to philanthropy to international development. And the PMP continues to be one of the primary reasons many students choose to come to Stanford.

We, the PMP staff and faculty, continue to try to improve and expand opportunities for learning as well as the quality and rigor of the program. Faculty members have added new courses this year, including Entrepreneurial Design to Eliminate Poverty, Public and Nonprofit Debt Financing, and Projects in International Development. In addition, starting with the Class of 2005, graduating MBAs will face increased and more meaningful Certificate requirements.

We also have focused attention on improving oversight of two of our most prominent programs, SMIF and Board Fellows, to ensure that both students' and organizations' investments are maximized. The quality of this reciprocal learning between students and organizations is critical to our mission: preparing students to effectively apply their management and leadership skills to social problems.

Stanford's Center for Social Innovation (CSI) is providing students with more exposure to thought leadership in the social sector: PMP students serve on the editorial board of CSI's *Stanford Social Innovation Review*; we've forged more connections between PMP students and CSI's executive education programs for nonprofits; and CSI continues to offer students access to conferences covering topics such as education reform, philanthropy, and environmental sustainability.

As always, we welcome your news, your participation in our programs, and your expertise. Do not hesitate to get in touch with us at any time.



Peggy

## Editor's Note

The constant infusion of fresh ideas, energy, and passion brought by each successive generation of PMP student leaders always amazes me. This year is no exception.

In these Forum pages, I invite you to reconnect with these leaders past and present. Celebrate the legacy of the Board Fellows program with us. Let yourself be encouraged by the number of PMP students using their management talent to change the world through international development service. And root for the 50-person GSB delegation to the annual Net Impact conference at Columbia, a dedicated first- and second-year team that is already busy laying the groundwork to host Net Impact 2005 at Stanford November 11-13, 2005.

Your passion to create positive social change didn't stop at GSB graduation, nor did it stop for our most recent PMP graduates. On p. 8, "A Tale of Two PMP Co-Presidents" shows us how two recent PMP leaders are pursuing their social entrepreneurship dreams. Our story on Evergreen Lodge in Yosemite highlights alumni who are using the power of business to drive their social mission of providing opportunity to disadvantaged young adults.

Our PMP staff team also recently gained fresh energy and new momentum from two familiar faces. We are delighted to have former SMIF leader **Bryna Chang** ('03) directing the Net Impact 2005 conference planning team, and Kimberly Solheim, from the *Stanford Social Innovation Review*, as our part-time Program Manager.

Finally, as the editor, it's vitally important to me that this publication is meeting your needs. In that spirit, I ask for your help. The Forum has been in production for over 13 years now, chronicling your achievements, helping you stay connected to the PMP, and inspiring your investments in the social sector. In the coming weeks, you will receive an electronic survey from [PMP\\_Forum@gsb.stanford.edu](mailto:PMP_Forum@gsb.stanford.edu). Please keep an eye out for this email and begin thinking about what you have liked most over the years, what you have liked least, and what changes we can make to meet your dynamic needs. On behalf of the Center for Social Innovation and the PMP, we thank you in advance for sharing your thoughts and ideas with us.

In the meantime, I hope this edition brings continued inspiration to your work.



Jennifer

# THE Evergreen Lodge

SHELLEY RATAY ('05)

*Welcome to the first interview of a two-part series featuring PMP alumni leading for-profit social purpose enterprises. As more and more GSBers launch and work in such organizations, we can learn from these alumni who balance the double bottom line of social and financial returns in their daily work.*

The most powerful lesson that **Brian Anderluh** ('94) has learned since graduation from the GSB is how lucky many of us are to have had rich opportunities and experiences growing up.

Anderluh and his business partner, **Lee Zimmerman** ('94), own and operate the Evergreen Lodge ([www.evergreenlodge.com](http://www.evergreenlodge.com)), a mountain resort and recreation destination nestled in the pine forests just outside of Yosemite National Park. The Evergreen, which includes 68 private cabins, a lodge, restaurant, and an event hall, and offers various recreational activities to its guests, is staffed in part by disadvantaged young adults from the San Francisco Bay Area.



*You need a solid business to support the social mission. If the business fails, the social mission fails along with it.*

“The youth interns that are part of our program are great, high potential kids. However, they have faced serious obstacles in their lives giving them very little chance to succeed,” Anderluh explained. At the Evergreen, the interns experience what it’s like to live in a supportive, healthy community, sometimes for the first time in their lives.

“In addition to providing job training for the interns, we help

them address their personal needs and prepare for their next steps in life,” Zimmerman said. “Our full-time Youth Development Manager works with them to create goals and make career, educational, and life plans so they can maintain the positive momentum after they leave the lodge.”

The youth interns also benefit from a program of varied outdoor experiences that challenge and inspire them. “Ongo-

**Guests and staff of the Evergreen Lodge enjoy the natural wonders of California’s Yosemite National Park.**

ing exposure to nature and outdoor recreation is a key element of our program, as it helps youth gain self-confidence, develop healthy habits and relationships, and expand their vision of life’s possibilities,” Zimmerman said. Most interns stay four to seven months, and a handful of them have been hired into permanent positions.

Ten years ago, when Anderluh and Zimmerman had just graduated from the GSB, they had no idea they would end up here.

“I’ve changed a lot since then,” said Anderluh, an engineer in the oil industry before business school and a consultant at Booz Allen just after. “My first step in this direction was working for two technology start-ups after Booz Allen. I learned there that I love small business. I also learned that I wanted to feel more connection

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to what I was doing, I needed more social content.”

Zimmerman, who had previous nonprofit experience, was working in a venture capital-backed restaurant start-up and also sought a more satisfying career. After taking some time off to travel together and think about a change in career, the pair secured two Farber Fellowships from REDF, a high-engagement philanthropic organization that strives to move people out of poverty. The fellowships enabled Anderluh and Zimmerman to spend a year developing a business idea in partnership with the nonprofit Juma Ventures, where Zimmerman had previously worked.

“When we began our Farber Fellowships, all we knew was that we wanted to start a for-profit social enterprise with an engrained youth development and employment program,” Anderluh said. “To determine what the enterprise should be, we focused on the intersection of what we liked, what we were capable of doing well, and what would have high youth impact. Purchasing and expanding the Evergreen Lodge was the result of that analysis, and we feel lucky to now have a business that is fulfilling on many levels.”

It was their third partner, Dan Braun, who knew of the Evergreen Lodge and knew that it was for sale. “It was a nice little mom and pop busi-



ness, with expansion rights in place and room for on-site housing to support the youth program,” Zimmerman explained.

The tools and relationships that Anderluh and Zimmerman built at the GSB have served them well in building their business. “Clearly, we couldn’t have written our original business plan or developed our financial model without the skills we learned. At a higher level, however, it’s more about problem solving and organizational development. We’ve also benefited tremendously from the GSB network and from the GSB’s focus on the social sector,” Anderluh said.

Anderluh and Zimmerman view the Evergreen as a social-purpose enterprise rather than a socially responsible business. “The difference is that we developed the business with the social mission as a core component. The youth development piece was integral from the start. We’re a double-bottom-line business. All of our investors are committed to sup-

porting both the social and the financial mission. We’re all taking a dilution in [financial] returns,” Anderluh explained. “The return is probably 60 to 75 percent of what we might otherwise get,” he said.

In addition to measuring financial return, Anderluh and Zimmerman track the social return of the youth development mission through a formal outcome-tracking program. Although the sample size is small, initial results are very promising. To date, about 20 young people ages 18-24 have been through the youth program during its first three seasons. The recent expansion of the Evergreen from 18 to 68 cabins, and the associated move to year-round operations, will allow for a four-fold expansion in the number of youth served each year.

The pair highlighted that while decisions must be made each year about how much to invest in the social mission, the beauty of the model is that through a single fundraising round they were able to estab-

lish a self-sustaining endeavor that provides social impact year after year. They hope to demonstrate how well the model works so that more people will be inspired to start social-purpose enterprises.

Anderluh’s number one piece of advice to others who want to start a social-purpose enterprise is to make sure that the business works. “You need a solid business to support the social mission,” he said. “If the business fails, the social mission fails along with it.”

“We’ve clearly created more risk in our business by quadrupling its size,” Anderluh continued. “However, at its core, we are building a stable, profitable entity that can support our ambitious youth mission.”

Anderluh is hard pressed to pinpoint the one thing he likes best about his job. “To be honest, I like the whole package. I am excited about our business and our youth mission. I like the big picture issues we face as well as the hands-on details. We’ve built an amazing community with 50-plus staff living on site and up to 200 guests staying with us nightly. Our guests get to enjoy a wonderful Yosemite experience at affordable rates, while supporting a great cause. Now that we’ve completed our major expansion, I look forward to turning our full attention to further developing the business and our youth program.” ■



## Club Focus

# International Development

STEVE WALSH ('05)

**Y**ou hear and read the statistics: Half of the world's population lives on less than \$2 per day and a full one billion people live on less than \$1 per day. But what do these numbers really mean? And, what can we do about it?

To a growing group of people around the world and at the GSB, it means an opportunity. It's an opportunity to apply our leadership and management skills to what is arguably the world's most important issue – international development.

International development is a broad term that generally implies helping those who, through no fault of their own, are born into circumstances with less opportunity than most. Beyond that, it gets much more complex. It covers such diverse issues as the fight against HIV/AIDS and malaria, education, the role of the World Bank/IFC, the role of multinationals – and the list goes on.

With international development such a hot topic, it's no surprise that it's on the minds of many students. In 2002-03, Sustainable Economic Development was the Public Management Initiative. And last year, students formed the GSB International Development Club (IDC).

From 60 members last year, the IDC has grown to include nearly 100 students this year. The club has divided its activities into three areas: education, experience, and community building.

*Educational events* focus on bringing knowledge to the GSB and giving people a chance to discuss and question different approaches. In February 2004, we hosted an event titled "International Development 101," bringing back four alumni – **Kanika Bahl** ('02), **Benjamin Cook** ('01), **Alvaro Fernandez** ('01), and **Aaron Slettehaugh** ('02) – who work in different areas of interna-

tional development to share their perspectives. We also held a panel with students who have worked at the IFC and the World Bank; two sessions on microfinance, one of which included **Monica Brand** ('97) of ACCION; and a dinner discussing entrepreneurial activities in the developing world, with **Debbie Hall** ('81), a board member of Village Enterprise Fund.

*Experiential events* focus on providing GSB students with hands-on learning. Twenty IDC members spent time last summer working with a wide range of international development organizations. Last year, a group of nine students worked on a project with IGNITE

Innovations, founded by GSB students **Matt Scott** ('03) and **Darren Johnston** ('03), along with two Stanford engineering students. IGNITE developed a solar-powered LED lamp intended for parts of the developing world without access to electricity. These GSB students worked with IGNITE to develop plans to roll out the solar light to new markets, and two groups of students went to Vietnam and Guatemala to test the idea on the ground. Additionally, the IDC has been working with Professor John McMillan to develop a new course in which students will work on a international development project for academic credit.

*Community building events* include getting together for dinner to hear about fellow students' past experiences and current interests. Some are interested in careers in the field immediately after the GSB, some are thinking later down the line, while others recognize this as a critical responsibility that they need to understand to be successful and responsible leaders in the world today. ■

**Chris Bradford** ('05) and **Fred Swaniker** ('04) work to open a new school in South Africa.



# Tale <sup>A</sup> of Two PMP Co-Presidents

BRYNA CHANG ('03)

**F**or 33 years, the PMP has relied on the dedication of its student leaders to innovate and bring vitality to the program. This issue, we focus on where two leaders from the PMP classes of 2003 and 2004 are today.

## Carl Palmer

**B**ushwhacking through sagebrush ranchland on the eastern edge of California's Sierra Nevada is not where most GSB graduates would be found on a regular workday, but it is where you might find **Carl Palmer** ('03).

Since November 2003, Palmer has been managing the 3,750-acre Adobe Ranch as President and CEO of Greenbridges, LLC, a real estate investment company he formed that seeks to "generate good financial returns for investors

while preserving biodiversity and open space."

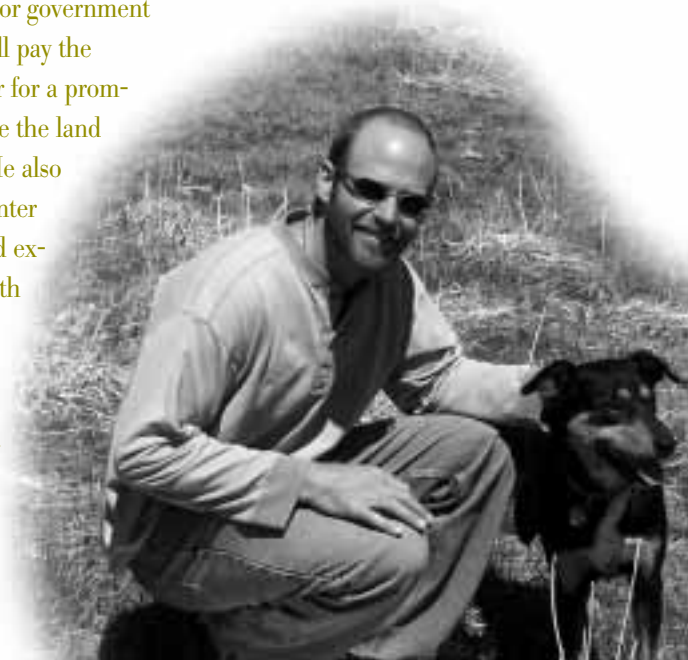
Adobe Ranch is Greenbridges' first investment, where Palmer hopes to fulfill his dream of "bringing market forces to bear for conservation." Palmer expects to generate double-digit returns for his investors by maintaining the working ranch while exploiting untapped revenue streams, such as charging recreational fees for hunting and fishing, or the restoration of wetlands and sale of resulting mitigation credits. "The thing that's most

gratifying for me is that the conservation is happening. We're only 10 months into the investment and it looks like we'll be able to protect 90 percent of the property in the first 24 to 36 months. On top of that, the economic model looks really good."

Palmer will recapture a portion of his initial investment by putting ecologically valuable parts of the ranch under conservation easements, where a nonprofit or government agency will pay the landowner for a promise to leave the land unused. He also plans to enter into a land exchange with the Forest Service, thereby protecting important

habitat surrounded by National Forest and recapturing additional principal.

Greenbridges was the product of a successful class project for Lecturer Joel Peterson's Real Estate Investment class. As a passionate conservationist, Palmer always hoped he would find an entrepreneurial, conservation-oriented venture to pursue after school. Palmer and 2003 classmates **Emmy Cattani**, **Misha Palecek**,



**Kristen Kane, and Jennifer Stanley** pitched a project that received overwhelming support from fellow classmates.

“This was off-the-wall kind of stuff. We’re dealing with six to seven government agencies, tax codes, and wetland mitigation. We figured we’d present to the class and no one would even understand it, much less want to invest. At the end of all this, 56 people out of 60 in the class wanted to invest in our idea. That was incredible validation for us.” The project came to life when real estate investor Arnold Cattani, Emmy’s dad, invited Palmer to start the business together.

With the Adobe Ranch and a newer second investment under his belt, Palmer will soon embark on a search for outside investors: “There’s a growing interest in socially responsible investing, a growing desire for people to put their wallet where their hearts are. We’re hoping this trend will help us go out and raise the capital to continue doing what we’re doing.”

Palmer hopes that future projects can replicate the success of Adobe Ranch. “If I’m successful, Greenbridges will be a new economic model: one that proves conservation and profit are not at odds, but instead are mutually reinforcing.” ■

*Currently, Palmer is living in Pacific Grove, CA, where his wife, Carrie Kappel, is finishing her PhD at Stanford’s Hopkins Marine Station.*

## Eric Westendorf

As the founding director of a new nonprofit called the National Teaching Academy (NTA), **Eric Westendorf** (’04) is pursuing his dream of “making the teaching profession more attractive, especially in low-income communities, by supporting the success of new teachers while rewarding the expertise of outstanding teachers.”

Westendorf was a teacher before coming to the GSB and always knew he wanted to “do something entrepreneurial in education.” He developed the idea for NTA with classmate **Barak Ben-Gal** (’04) and a few students from the School of Education as part of the Business Opportunities in Education class he took at Stanford. In search of capital to help develop his idea, Westendorf applied to Princeton Project 55’s Social Venture Fund. After a month of due diligence, the fund decided to invest in Westendorf’s nonprofit venture; he is now working full time to create his vision.

With almost 50 percent of new teachers leaving the profession in the first five years,

Westendorf wants to build a system that breaks that pattern. “The trend among alternative training programs has been to recruit bright young teachers and get them into the classroom immediately, but often they don’t get the support they need to be successful. It’s not enough to recruit talented individuals. We

have to provide incentives to stay in the profession and connect them to a broader community of educational leaders,” noted Westendorf.

NTA will offer a Master’s degree and teacher certification program, in partnership with accredited universities and promising public schools. New teachers will spend a year under the tutelage of a “Master Teacher,” an educator with a track record of excellence and the ability to mentor.

Master Teachers will earn \$4,000 to \$5,000 a year for sharing their expertise. “The idea is to create a career path within the profession,” said Westendorf. “Great teachers should be rewarded for their expertise. NTA taps into this expertise and then compensates those who have it, creating an incentive for them to stay in the classroom.”

Westendorf’s strategy is to start a pilot program in Washington, D.C., initially partnering with charter schools. His goal is to reach 10 states within 10 years and eventually educate 1,000 new teachers each year.

Unlike most nonprofits, NTA will not depend on fundraising to sustain itself beyond the initial start-up phase. NTA will generate revenue through tuition and school district partnership fees. Westendorf estimates that, initially, participants will pay \$12,000 to \$17,000 in tuition and partner schools will pay \$2,000 to \$5,000 per student teacher.

So far, his biggest challenge has been finding a university partner. “I am looking for a university that is open to innovation and wants to help pioneer a new approach to teacher preparation. I am optimistic, but it’s challenging to move an institution to take on a new partnership.”

Westendorf credits the entrepreneurial spirit at the GSB with motivating him to start NTA, saying, “The PMP and GSB in general introduced me to so many individuals who were taking risks in an effort to create value in the world. It inspired me to think about how I could create value for teachers. NTA is the fruit of my PMP and GSB experience.” ■



# SMIF Perspectives

## MARINE AQUARIUM COUNCIL: DEVELOPING A SUSTAINABLE SUPPLY OF AQUARIUM FISH

ALEXIS KRIVKOVICH ('05)

It was in the final days of my SMIF internship that I found myself stranded on a remote island in the Philippines riding out a typhoon and looking for a passing fishing boat to hitch a ride home. While I might have reacted differently to such a situation 10 weeks earlier, I was relatively calm. By that time I had gotten used to the water and familiar with the fishing boats. This past summer, I went to the Philippines to conduct an evaluation for the Marine Aquarium Council (MAC), an international nonprofit focused on reforming the aquarium fishing trade to conserve coral reefs.

The aquarium supply is largely sourced out of poor, rural communities in developing countries, creating an important livelihood for subsistence fishermen. However, faced with decreasing supply, rudimentary equipment, depressed prices, and unsafe diving conditions, many fishermen resort to destructive practices to catch fish (often using

cyanide). This has led to widespread destruction of some of the most pristine coral reefs in the world.

MAC is focused on developing a sustainable supply of aquarium fish by creating standards and certification for collectors, exporters, importers, and retailers. MAC accomplishes this through a complex set of activities that include training, conservation management, and business development at the local level. My task was to evaluate their effectiveness and develop recommendations to assist them in scaling up from five to over forty sites in the next three years.

So I set out on a journey that would take me to some of the most remote areas of the world, in search of key success factors and obstacles. I traveled by plane, ferry, motorcycle, tricycle, bamboo boat, and foot. Often armed with little more than a notebook and pen, I interviewed project staff, government officials, local businessmen, and countless fishermen, engaging in an elaborate version of telephone while my questions were trans-

lated two to three times and the answers translated back again. I observed collection practices, pored over log books and order receipts, analyzed shipping economics, and evaluated exporter relationships.

I was surprised to discover that, despite the significant differences between the U.S. and the Philippines, all of the challenges I had grappled with in my finance, strategy, and operations classes at the GSB existed in these communities as well. I learned that before you can develop viable local businesses, you must build business capacity, which is no easy task. I discovered the challenge of teaching operating capital and capital reinvestment concepts to subsistence fishermen, the difficulty of managing procurement and buyer relationships without a phone, and the need for alternative financing mechanisms to assist communities with no savings.

I put modeling and economics to work for evaluating site financial performance and project investment requirements to assist staff in developing stable and sustainable enterprises. In addition, I conducted a cost accounting analysis to evaluate project impact and return on investment. All of this culminated

in a final report outlining the critical success factors of replicating local business models in sites throughout South East Asia.

One of the reasons I came to the GSB was the school's remarkable dedication to developing leaders to serve all sectors of our society. The SMIF program delivers on that objective. It gave me the opportunity to experience the challenges and rewards of nonprofit project implementation firsthand with an organization that could benefit from my management expertise. And as I spent my final 24 hours in the Philippines huddled under a tarp on a fishing boat in the pouring rain slowly working my way toward home, I reflected on the amazing experiences of my summer internship, the opportunity of a lifetime. ■



# SMIF Perspectives

## COVENANT HOUSE ALASKA: SUPPORTING AT-RISK YOUTH

COLIN DWYER ('05)

Anchorage, Alaska: The Last Frontier, Land of the Midnight Sun, Bear Country... For 10 weeks, I worked with Covenant House Alaska (CHA), a nonprofit organization serving over 3,000 homeless and runaway teens annually. CHA's clients range from angry kids having trouble at home to teens who have been severely physically or sexually abused and who are trying to survive on the street. CHA offers both crisis intervention and long-term transitional living programs. Crisis intervention provides food, shelter, education and job counseling, and basic health-care. CHA's long-term programs help transition teens to stable, independent living and teach young mothers effective parenting skills.

Why did I choose to do a SMIF internship with CHA? I wanted to enhance and apply my skills and experience toward generating tangible benefits in other people's lives. My career prior to the GSB was in



*I see my SMIF internship as the first stage of a commitment to the nonprofit sector that will last the rest of my life.*

biotechnology venture capital. Though I enjoyed working with companies developing drugs that ultimately raised the quality of care, I often felt that any value I created was very far upstream from the people I might be benefiting. My SMIF internship allowed me to transfer my for-profit skills directly to a nonprofit organization. Most satisfying of all, I got to spend every day with the kids who benefited

from my work; I got to know who they were and to see firsthand how their lives were changing.

My project for CHA was to complete a detailed financial analysis of CHA, and then use that analysis to design a 5-year strategic plan for both fundraising and expense control. Topics we cover in the first year at the GSB came to life in interesting ways. For instance, in nonprofit, "opportunity cost" is a difficult concept to digest. Forgoing expendi-

tures today for the sake of investing in the future can mean providing fewer services to people who need help now. However, nonprofits must have the discipline to build organizational infrastructure and maintain financial health, or they will not be around to benefit future generations of clients.

Other elements of my project for CHA called upon more sophisticated skills I've gained at the GSB. An incentive compensation structure I proposed for the executive director was drawn directly from my coursework in personnel economics.

I see my SMIF internship as the first stage of a commitment to the nonprofit sector that will last the rest of my life. Though I'm back at school, I continue to assist CHA. Furthermore, I intend to continue working with nonprofits serving homeless and runaway teens as a pro-bono consultant, volunteer, or board member.

I am extremely grateful to my classmates and other donors who made my SMIF internship possible. Sending an MBA to a nonprofit lacking for-profit skills is about the most effective charitable contribution they can make. ■

# SMIF Perspectives

## UNITED NATIONS DEVELOPMENT PROGRAM (UNDP) VIETNAM

CHI NGUYEN ('05)

I was thrilled when I was accepted as an intern at the United Nations Development Program (UNDP) in Hanoi, Vietnam. On a professional level, I wanted to better understand the field of international development. On a personal level, I was excited to return to my native country and contribute to its development, 25 years after escaping as a political refugee. With the support of the Stanford Management Internship Fund, I spent 10 weeks working in the Poverty and Social Development Cluster on HIV/AIDS and gender equality issues.

As an intern, I worked with the Ministry of Health, bilateral donors, and international NGOs on a number of HIV/AIDS initiatives, including analyzing the socio-economic impact of HIV/AIDS in Vietnam; crafting a media/communications strategy to reduce stigma and educate the public; and writing a concept note for a new \$4 million UNDP program on “Strengthening Leadership for an Effective Multi-sectoral HIV/AIDS Response.”

Much of my work involved meeting with key stakeholders, including people living with HIV/AIDS, and drawing from international best practices.

A great benefit of being in a UN country office was the opportunity to work closely with Vietnam’s UN Resident Representative (who coordinates all UN agencies in Vietnam) as well as key government officials. I learned that the most powerful messages come from public officials who, through their words and actions, lead by example. For instance, the UN worked behind the scenes to help arrange an event where the President of Vietnam went to visit HIV/AIDS patients in a hospital. That may not sound like big news in the United States, but it was a historic event in Vietnam because no public official had ever previously been seen or photographed with an HIV/AIDS patient. In a country where stigma and discrimination against victims of HIV/AIDS is rampant, this small act probably had more impact on the population than hundreds of policy papers.

After being in Vietnam for the summer, I have realized that development work is filled with well-intentioned people trying to budge a massive, inert system. The potential impact is huge, but so are the frustrations along the way. Some lessons that I’ve learned:

**1. Be patient.** Take any big issue – poverty, education, HIV/AIDS – and you soon realize that the time horizon for results is much longer than anything you encounter in the



private sector. Initially, I was frustrated by the slow pace of change. But once I realized that my 10-week internship was just a small blip in the context of the UNDP’s 3- to 5-year program cycles, I could recalibrate my expectations and appreciate the incremental progress that was being made every day.

**2. Do not forget capacity building.** Before I went to Vietnam, I spent a lot of time thinking about the best strate-

gies to alleviate social problems; I did not give much thought to how to strengthen existing institutions. After working in Vietnam, I realize that the biggest obstacle to achieving results is usually not bad strategy, but bad execution caused by a lack of capacity within government agencies and NGOs to manage large and complex projects.

**3. Relationships are crucial.** In Vietnam, there is an adage about the two sources of influence: money and relationships. Compared to bilateral donors, the UN does not have a lot of money to give out. Yet its influence far outweighs its pocketbook because the UN has the longest-standing relationship with the Vietnamese government and has become a trusted advisor.

**4. The “how” is just as important as the “what.”** In development, process is just as important as substance. The challenge of development work is that it usually involves many different stakeholders, and issues such as transparency, consensus-building, and fairness can undermine efficiency. However, as I came to see, the upfront investment in getting the process right can pay huge dividends when it is time to implement. ■

**T**hank you to all those whose generous support of the 2004 Stanford Management Internship Fund (SMIF) program enabled 33 GSB students to make a difference in nonprofit and social sector organizations around the world this past summer. On behalf of the 2004 SMIF student leadership committee, student recipients, and participating organizations, we thank you!

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