Sunsetting a Foundation

MEM DRYAN BERNSTEIN

In 1984, when my husband, Zalman Chaim Bernstein, *z"l*, first conceived of the AVI CHAI Foundation, he drew on the business model he had used when creating Sanford C. Bernstein & Co., a private investment firm. Succession at Bernstein & Co. had always been smooth and seamless, and he wished to ensure the same kind of transition for the foundation. It was, therefore, no wonder that the foundation's original bylaws outlined how succession was to take place.

AVI CHAI was established with three founding members: my husband, Samuel (Buddy) Silverman, and Arthur W. Fried. They were to serve as chairmen in order of seniority, extending out for 30 years, thereby ensuring succession and continuity. The expression "Man plans; God decides" took effect when my husband died early in 1999. It had been assumed that Buddy Silverman, the senior founding member next in the line of succession, Zalman's longtime friend and colleague, and a successful businessman and philanthropist, would succeed him. But Buddy had aged and did not feel up to the task. Therefore, the next in succession, Arthur Fried, assumed the position of chairman and CEO. Arthur was intimately familiar with all of the workings of the foundation. He embodied its spirit and culture, and he identified with the mission and goals of AVI CHAI. The bylaws were amended to provide that after Fried had served fifteen years, I would become chairman until our sunset in 2020.

AVI CHAI's succession plan ensured that

the foundation would continue to embrace the benefactor's vision and spend its considerable endowment toward achieving the foundation's goals.

My late husband encouraged his successors to consider expending the foundation's resources during the lifetime of the trustees who knew him. And, following his death, the board decided to sunset the foundation — that is, to spend down all resources — by 2020.

Transition can be sticky and difficult — especially when the leadership is committed to achieving philanthropic goals with a bare minimum of mission drift.

A set of simple rules governed how the foundation determined its future:

- thinking far in advance about a succession plan,
- ensuring continuity of purpose and mission,
- determining the personalities and the character of those who could best ensure achieving the benefactor's goals, and
- working closely with each successor to enable him or her to imbibe the principles and practices that would ensure that the foundation remains as effective as possible.

Zalman's vision continues to be embraced by everyone associated with the foundation. This is, in no small part, a byproduct of the succession program — which includes the goal of sunsetting — that was created during the foundation's earliest days.



Mem Dryan Bernstein, a venture philanthropist, is a trustee of three major foundations: the AVI CHAI Foundation, a leader in Jewish education; Keren Keshet - The Rainbow Foundation, whose signature project, Nextbook, promotes Jewish literature, culture, and ideas through the Jewish Encounters books series and its website, www.tabletmag.com; and the Tikvah Fund. Bernstein is the author of two books, Aging Parents and You published in the United States and The Sandwich Generation, published in Israel.

The Art of Stepping Aside

SID SCHWARZ

have had the good fortune to have founded both a synagogue (Adat Shalom Reconstructionist Congregation in Bethesda, Md.) and a national Jewish nonprofit (PANIM). I served as the rabbi of the synagogue for eight years before stepping down to focus my time on growing PANIM, a nonprofit whose mission is to inspire, educate, and train the next generation in the areas of leadership, activism, and service. I was the president/CEO of PANIM for 21 years before stepping down in the summer of 2009.

Over the years, I have become a serious student of organizational systems and the art of leadership. Initially, I did so out of necessity, as little in my graduate work or seminary education prepared me for the challenges of founding and running an organization. I learned on the job and supplemented those experiences by availing myself of the plentiful literature on both topics and periodic conferences where I could compare notes with colleagues and learn from experts in the field. While I made plenty of mistakes, most would consider both

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