

Transition to Self-Sufficiency and Collateral Issues

Q. The 2004 – 2007 strategic plan has ended. Are we creating another one?

A. The 2004 – 2007 strategic plan will remain in place until the transition to self-sufficiency is completed on June 30, 2008. A new strategic plan process will be initiated in July 2008 after the incorporation of the BUs as 501(c)(3) organizations, our reason being that the new plan ought to reflect the new status and involve each Affiliate's new board of directors.

Q. Can we get an updated timeline for self-sufficiency, including specific task completion?

A. An updated timeline for self-sufficiency is posted on the Life Steps Foundation Web site under "Self-Sufficiency Project: Entrepreneurial Leadership."

Q. How far along is the development of the contract? When will BUs be able to review it?

A. A draft will be disseminated for comments in April 2008.

Q. What is the difference between a franchise and an Affiliate?

A. A franchise is a model used with for-profit corporations, but is not applicable to 501(c)(3) organizations.

Q. Is the 17 percent negotiable if we are not receiving competent services from the corporate support units?

A. The management fee of 17 percent is non-negotiable. This is the amount needed to cover corporate expenses, since generated surplus will go directly to each Affiliate's operations. There will be a standard for service quality provided by the support units and if not met, steps will be taken to correct the problem up to personnel replacement.

Q. What recourse does a BU have if their needs are not being met by the corporate support units?

A. A protocol will be in place for Affiliates' use whenever there is a consistent problem that is not remediated after the third time. A corrective plan will be implemented within five working days, the goal being to achieve it. If the problem persists, steps will be taken, including personnel replacement.

Q. How is the 17 percent calculated?

A. The management fee of 17 percent is calculated on actual monthly gross revenue. The projected figure is used as a comparison base, like any other in the projected budget for meeting goals.

Q. What is the training plan for the BUs for each stage of the implementation (e.g., board development, developing bylaws)?

A. Some of the steps do not require any training of the BUs, e.g., development of bylaws, since we already have the material available from Life Steps Foundation. Affiliate bylaws have to be within the same purpose and mission. In other cases, such as paperwork for incorporation, the BUs have been asked to provide some of the data; Life Steps Foundation will process the filling of them. The tax ID number is a direct result of incorporation. In other cases, such as developing a board of directors, the BUs have been given tools to use, which are easily accessible through the master document folder, under “board of directors.”

Q. What is the role of a board of directors in the Affiliate structure? What is the scope of their decision making authority?

A. The board of directors of an Affiliate has the same authority given to any governance board. Please review duties and responsibilities within the Board Training Manual. As an incorporated not-for-profit organization, the Affiliate is bound to the covenant made with the Life Steps Foundation Group but otherwise independent. In other words, the Affiliate can plan and decide with its board about strategic planning and growth; fundraising initiatives; macro-policies particular to that specific Affiliate operation, e.g., increased match bonus for the retirement fund of its partners; board resolutions for new government grants; and developing new services or programs, etc.

Q. What is the best way to communicate our needs and questions as they evolve?

A. We are in the process of deploying SharePoint to facilitate the process. It has the capability of facilitating discussion boards, questions and answers, customized pages, and archiving, among other capabilities, and thus ensuring an effective way to communicate clearly, quickly and concisely. We also have the monthly forum meetings (open to all partners who wish to participate), summit meetings with all support units, and taskforces/quarterly visits by support units to all BUs. You can also call me or e-mail me directly.