

White Paper

REVERSING THE MEMBERSHIP DECLINE IN GIRL SCOUTING WHILE REGAINING THE TRUST OF THE MEMBERSHIP AND MOVEMENT

Wouldn't you like to be remembered as the board that saved the Girl Scout organization and turned around the hemorrhaging of members? Wouldn't you like to be remembered as the board that brought the organization back to greatness as it moved into its second century of serving girls? Wouldn't you like to be remembered as the board that had the courage and vision to admit past mistakes and take bold action to strike the balance between honoring tradition and innovating for the future?

Juliette Gordon Low needs this board to be courageous and strong NOW and return to its original vision. That doesn't mean stepping back into the past. Instead, that means valuing the foundation of the organization with a 21st century spin. As you must recognize, although the Girl Scouts is an icon, a national treasure and the 17th most recognizable brand in the world, it is on the tipping point of collapse. I ask that you read this White Paper and join with me to roll up your sleeves and do what is right to push that tipping point to unprecedented success.

"The work of today is the history of tomorrow, and we are its makers." – from Juliette Gordon Low to YOU.

I have been the CEO for the Farthest North Girl Scout Council embarking on my 14th year. When I entered the position I had a lot to learn. I attended the CEO training at Edith Macy, eager and enthusiastic with eight other individuals, all but one of which are have moved on. My council has experience unprecedented success, despite the national devastating transformation of this beloved organization, mostly due to my cautious nature to only implement changes that made sense. GSUSA, on the other hand, has suffered devastating losses of membership, experienced a decade of unrelenting bad press and a series of lawsuits. Facebook groups have attempted to unite faithful members in their grief of the loss of their beloved organization and to plead with GSUSA decision-makers to save us. This new reality GSUSA is facing is all due to eleven years of mismanagement, a culture of hiring uninformed consultants and a loss of our core compass through hiring staff without a genuine, heartfelt devotion and loyalty to our mission. Note the excessive turnover rate of your national leadership staff.

I am one of a handful of CEOs across the country who experienced the decade known as the Core Business Strategy ("CBS") started in 2004 and the subsequent fallout with its failure. As I listened to the faulty research from the "gap teams," faulty data impressions from demographers, and well-meaning people attempting to re-brand our organization, I was worried. It seems a crisis was being communicated when there wasn't one. In fact, in 2004, the Girl Scouts were experiencing a 25-year high in membership. Despite the real facts, the "gap teams" were suggesting unprecedented and unnecessary changes to six core areas: (1) Girl Program; (2) Pathways of delivery; (3) a new Governance Structure including radical changes to the jurisdictional boundaries of councils, also known as Realignment; (4) a new Funding Model; (5) an entirely different method to on-board and support

Volunteers; (6) and, a new Culture for the organization. GSUSA also believed that changing all of these categories, at once, without phasing-them-in, was the best way to rip off the band aid and quickly flip the organization into a 21st Century success. However, the shock to the collective system did more damage than good and the damage has resulted in this organization hemorrhaging membership, both adults and girls; loss of knowledgeable staff leadership (both locally and nationally); disruption to value of the brand; and, creating a state of total distrust, amongst councils, volunteers and community constituents, towards the national leadership.

Here is specifically where we went wrong. First, GSUSA needed to "sell" this new organizational model to 312 councils, CEOs, Board Chairs, members; a monumental task. At that time, CEOs were career-Girl Scouts, in it for life and had worked their way up in the organization for decades. Their staff and boards were just as experienced. At that time, our membership had a voice and decision-making powers, and exercised them locally at annual meetings and nationally at the National Council Sessions. Sweeping changes could not just be handed down and demanded upon councils with this kind of experience and power. GSUSA was well aware of this and systematically forced out the old, pressured any resistance and played the "sisterhood" card as often as possible. Offering an irresistible, unaffordable national retirement package for CEOs and their senior staff helped tremendously and much of the opposition walked out.

Reinterpreting the Blue Book of Basic Documents came next. The GSUSA board of directors through direct wording changes and through assertions of interpretation, announced they were making decisions that normally would be vetted through the council delegates "in the interest of moving at a faster pace." Asking permission of members/councils to raise membership dues or re-organize councils by one-third was deemed slow and cumbersome to the movement. As a result, GSUSA now hands down movement-wide decisions and council delegates gather every three years for housekeeping changes to organizational documents or to keep past board presidents out of the board room. At any rate, it worked. The Core Business Strategy was "sold" as the saving grace that would propel Girl Scouts into unparalleled success into the 21st Century.

Moreover, GSUSA needed to implement the CBS in just a few short years (approximately five years). The lions-share of the heavily lifting came from councils who needed to merge with a half-dozen of their neighboring councils (serving much larger geographical areas), attempt to balance budgets and create a cohesive team of staff peppered across thousands of geographic miles. This alone took its toll and council CEOs were averaging less than a year on the job before throwing in the towel, unloading the impossible task of managing their "high capacity" council onto another executive just as inexperienced. This turnover continues today.

To add to the confusion, councils had an entirely new program for girls and a new delivery system to conquer. Every book and badge that girls and volunteers and staff had ever known was gone. What replaced the program was something foreign to anyone with Girl Scout experience and history. Inexperienced council staff attempted to teach disheartened volunteers the Journeys that were quickly rejected by both the volunteers and the girls. The supplemental Girl Guides to Girl Scouting weren't enough to turn things around. Simultaneously, GSUSA concluded that the troop model wasn't fresh and the membership focus should be on short-term Pathways for member participation. Councils should invest in six-week series opportunities or virtual groups of girls doing online Girl Scouts. None of these

were ever fully developed or addressed the issue of how the Cookie Program would be effected by short-term Girl Scouts.

The remainder of the Core Business Strategy initiatives were never fully developed, such as elevating fund development, how to measure the new outcomes-based program for girls, creating a nation-wide membership database, a successful alumnae program or the new system to onboard volunteers quickly. And, for unknown reasons, the idea of improving the organizational culture was dropped. The fact that the Core Business Strategy initiatives were never finished became irrelevant as councils were already overwhelmed with disenfranchised volunteers, a program that wasn't effective and jurisdictional boundaries that were unmanageable. With operational reserves depleted and unrealistic budgets impossible to balance year after year, council CEOs left as did talented board members.

Then, the pension plan debacle, on top of the growing financial burdens, council's began to tailspin into chaos and struggled to pay the bills. For Councils, selling assets, especially expensive camps which were depleting budgets, became necessary. However, this only distanced the membership further from their councils, questioning management's commitment to the core values. Volunteers, once again rallied, and sought the voices of their local, state and national leaders to stop a "bill paying" strategy that called for the sale of precious real estate.

When GSUSA management changed in 2011, there was an opportunity to implement change that could have reversed this unimaginable spiral downward, seemingly out of control. The critical component missing was a failure to admit the Core Business Strategy was a mistake and take steps to reverse the damage done. Instead, GSUSA propelled forward into new initiatives, patchwork fixes and an even larger corporate mentality. As a result, the membership declines, overall health of councils, Girl Scout image with the media and legal battles in the last four years have been far worse than with implementation of the "CBS".

So, what is the GSUSA plan to turn this all around? Four new initiatives: (1) Digital Cookie; (2) the Outdoors; (3) Council Enterprise Initiative ("C.E.I."); (4) and, the Council Dashboard. These and several other patchwork fixes. Let's take a closer look.

Digital Cookie in the test year, despite the GSUSA pep rally, was a failure. For the \$13 million cost, there were far too many hiccups for councils to want to pay for it themselves and in year two, councils demonstrated that they had no faith in the product. The cookie companies would do a better job of facilitating this initiative and it should be turned over to them. Furthermore, GSUSA has not explained how digital cookie will gain more members or how that will be measured.

The Outdoor Initiative is only on the list due to extreme pressure from the membership through Facebook pages like the Outdoor Girl Scout Project. It is true that the Journeys and Girl Guide books do not have an outdoor emphasis like books of the past. Worse, adding five new Outdoor badges is hardly an initiative. The program is lacking in everything, every subject, every activity because the badge-books were gutted. Eliminating the Journeys and changing the program back to a badge-work focus is key and then perhaps the members will return. Repackaging the current program into "modules" is not a solution, just another bandaid. Moreover, GSUSA should assist councils in keeping and expanding camp

properties and the members will return. As with digital cookie, I have yet to see the measurable tie between the Outdoor Initiative and increased membership.

The Council Enterprise Initiative is another elusive program that has taken years to develop and even longer to pilot. The timeline continually changes and apparently council staffing structures need to change to implement it. GSUSA has yet to explain how it is tied to the membership system, Personify or SalesForce. No councils have come forward to tout the benefits and how their membership has increased due to its implementation. The only updates talk about pain points and learning opportunities.

And finally, the Council Dashboard is the latest endeavor to capture council data designed to help us make better decisions. Before the start of the Core Business Strategy, this was collected annually by GSUSA, through financial reporting, membership reporting and the chartering process. GSUSA had the data and the talent to analyze council trends both nationally and locally. Why did that stop? Furthermore, the information being requested for the dashboard is already used in local recruitment efforts in councils. The Council Dashboard approach isn't going to enlighten us on "why" we're losing members or "what" to fix at the council level to recruit more.

And, most recently, GSUSA announces it is selling assets on 5th Avenue in New York to slowdown financial hemorrhaging, and renovate its office space and to create "mission space." Even more concerning, the most recent three-year strategy presented last week suggests another bandaid fix to our unpopular program materials, and a delivery model to use external vendors (without a cost analysis proving it will succeed and be affordable). Keep in mind, the rationale for the 2004 CBS was to shore up our volunteer model to keep councils from using paid staff, a model that proved too expensive to sustain. Finally, GSUSA is recommending a funding model to share revenue between independent franchisees (councils) and the franchisor (GSUSA). Be careful.

After ten years of failures, can this be fixed? All measurable data to gauge the success of Girl Scouts nationally is showing an organization that is failing at an alarming rate. The four current GSUSA initiatives are not going to fix the past 12 years of mistakes. My optimism tells me this can be fixed and this is my call to action. I am confident this organization can be brought back to its former glory with a true appreciation and humble respect for its original mission to be a movement directed by its members. How do we get there? I have a 10-step winning proposal to make that shift and honor the original vision of Juliette Gordon Low.

THE PLAN: BACK TO BASICS

1. Sell the GSUSA headquarters in full and move national headquarters to an affordable location in the US. The days of needing to prove to corporate and governmental America that we are a player with power are over. The funding model of Girl Scouts rests with the members and they are the only ones we need to impress. Moving out of the highest real estate market in America will not only provide a sizable bank account to be reinvested into the movement, but annual savings in personnel costs will show long-term fiscal responsibility by cutting personnel costs in half. An analysis of GSUSA revenue for the past 30 years will show that residing on 5th Avenue has not changed the GSUSA revenue landscape with game-changing corporate donations, and, that membership dues will always drive the GSUSA budget. Moreover, the discussion of shared corporate and individual giving with councils will become a moot point.

2. Provide capacity building grants to councils using the proceeds from the sale of the GSUSA headquarters in New York. Some money would need to be used for relocation, some for a reasonable investment plan for future grants and a majority of the funds to boost councils to find innovative ways to recruit, promote retention and educate disenfranchised former members to return. This would be an equitable allocation to all councils as well as emergency funds for those in severe jeopardy. This money would be allocated by a committee selected by council CEOs and with email input from all CEOs. True transparency would be the focus in all decisions with a deliberate focus to regain the trust of councils and members.
3. Transform the GSUSA staff into a team of dedicated people, mission-focused from the CEO to the mail room. Each position at GSUSA would be evaluated and reworked. Every staff position and department would need to directly support councils or be sizably cut, if not eliminated. Furthermore, every person would need to show a personal commitment to the mission with an emphasis in Girl Scout experience. All senior staff in charge of a department would have a team of council CEOs that give input to their strategic direction and evaluate their progress. Top talent at top salaries with no long-term commitment to the organization would be a thing of the past.
4. The original Governance Model that Juliette Low envisioned would be reinstated. The national delegates would be instrumental in all major changes to the organization. This would be accomplished through communication with councils with enough time to vet ideas with council delegates. Triennial meetings would have substantive proposals for delegates to debate and choose the future course of the movement. The franchise relationship with councils would also be strengthened by creating a chartering process that better examines the business model of Girl Scouts and collects data and best practices that could be shared across all councils.
5. Transformation of the Girl Scout program would be a top priority, divorcing the organization from the words Journeys and Girl Scout Leadership Experience. Short-term efforts would focus on promoting and enhancing the Girl Guides into a program the members like and remember. The long-term plan would involve true and genuine collaboration with councils and members to create Girl Scout handbooks and badge books that meet their needs. In short, handbooks would bring back traditions of Girl Scouts and an experience for members that resembles the program of the past 100 years, honoring the fact that most of our members join to have the next generation of girls experience Girl Scouts as they did. In an effort to stay relevant, program enhancements would be the right place for technology investments. Examples of this could include program books accessible online (an alternative explored and rejected during the last CBS) and cutting edge communication tools to connect volunteers with each other virtually. Overall, this program transformation would emphasize traditions, outdoor programs, skill-building (to include a technology component) and community service; all within a badge-work foundation. In addition, the older girl program would be reviewed and revamped to emphasize the higher awards and larger goals which is why girls of that age stay in Girl Scouts and are inspired to greatness.
6. Girl Scouts needs to return to the Troop model for our girls with an emphasis on recruiting year-round Troop Leaders. Girls are most impacted positively in this model while Troop Leaders also have a more meaningful experience through long-term relationships. Technology can be a valuable communication tool for the troop experience and for the Troop Leader, but would not be a substitute for hands-on support from the council. Transitioning girls every two years at the younger levels has not helped membership, only hurt. Girls were more likely to stay in Girl

Scouts when they only bridged every three years (same with retention of adults), especially between Juniors and Cadettes. Suddenly GSUSA is puzzled why girls are leaving Girl Scouts in the sixth grade. There used to be a large loss in the seventh grade due to many factors inherent to teen-age girls, however by changing the bridging grade-level for Juniors to the fifth grade, we hastened that departure. Financial factors for families buying uniforms every two years cannot be ignored either.

7. Volunteer and council support would bring back a meaningful experience that attracts and encourages retention of our necessary volunteer pool. Councils would be smaller, assessible to members and give a personal touch. GSUSA would bring back gestures that made members and volunteers feel special such as membership cards, the Leader Magazine and a national Girl Scout welcome booklet that explains the essentials of Basic Leader Training. Councils could count on GSUSA support with national publications such as guidebooks for volunteer on the basics of Girl Scouts, safety standards and monographs (publications with best practices in all facets of the Girl Scout business). Many other consistent, national trainings would be offered regionally and at Macy to encourage council staff and volunteers in all departments to learn from one another.
8. Council boundaries need a second look. In 2005, GSUSA insisted that 312 councils needed to become 109 (ultimately 112 when three councils refused) high-capacity councils to better serve the girls and volunteers. That hasn't happened. To that end, the council boundaries would be examined, this time for the council's ability to reach all segments of their jurisdiction. Most likely this would result in dividing unrealistically large councils into manageable sizes. This could only be accomplished by council and member communication and decision-making to determine the best outcome, not top down. In addition, financial support would be offered to strengthen councils to the optimal size. This restructure alone would go a long way to repair strained relations with disenfranchised members, both current and former, and bring them back into the fold.
9. The pension plan debacle needs fresh eyes. The GSUSA relationship with Mercer as the actuary would be examined, reconsidered and sent out for bid. Many opinions for solutions would be sought including an independent administrator, potentially unfreezing the plan or other out-of-the-box ideas. Pension relief to councils would be top priority, including and exceeding the \$60 million in liabilities added to the plan due to the early retirement offered by GSUSA. The GSUSA obligation to solving the financial burden and unnecessary drain on council resources would drive the GSUSA budget until the plan is fully funded. This would include a stable and sustained support to the plan far greater than the past five years. In addition, all GSUSA surpluses annually would be added to pension relief.
10. Communication with and between councils to create a strong, supportive relationship between GSUSA and councils would be a focus. The priority would emphasize a communication platform connecting Girl Scout councils to share best practices and learn from one another. This would be a two way street to gather input at GSUSA from councils to influence decision-making nationally and provide targeted support to councils. Transparency would become more than a buzz word. It would be a deliberate effort to gain trust from councils, local and national delegates and all current and former members.

To the GSUSA Board of Directors, I respectfully submit this White. I implore you to be the leadership for the movement and to thoughtfully examine the current state of this organization. As a CEO who has watched the failure of one Core Business Strategy, I am voicing my opinion that we are about to see history repeat itself. Consider having a dialog with ALL council CEOs (your customer) and determine what initiatives and strategic plan will address the issues mentioned here. I am passionate about the mission and purpose of the Girl Scout organization and wake every morning ready to serve. This White Paper is a bold stand, but in the words of Juliette Gordon Low, "Right is right, even if NO ONE ELSE does it."

Suellen Nelles
CEO, Farthest North Girl Scout Council
Fairbanks, Alaska
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