

Commentary by Irene Y. Hirano and Elaine D. Rosen:

A Year of Change

A letter from Kresge's outgoing and incoming Board of Trustees chairs.

January 1, 2007



For the January 2007 installment of the President's Corner, I am pleased to share a letter from the outgoing and incoming chairs of our Board of Trustees, Irene Y. Hirano (2003-06) and Elaine D. Rosen (2007):

The Kresge Foundation is changing. We realize that is something that can – indeed, should – be said of all organizations. In this venerable institution, however, change has evolved slowly – part of a deeply rooted belief system that consistency, predictability and quiet leadership are values we carry forward from our founder, Sebastian Kresge. Those values will continue to control, but the pace of change has picked up decidedly.

The first dimension of that change is in our executive leadership. We fondly said goodbye in June to our president, John E. Marshall III, who completed 26 years of leadership with the foundation. John defined those values of integrity, fairness and consistency for which the foundation sought to be known. He laid an indispensable bedrock for the accomplishments that will follow in the future. John was succeeded by Rip Rapson, who comes to us after a distinguished tenure as president of the McKnight Foundation in Minneapolis.

The second dimension of change is in our Board of Trustees, where we have continued to work to maintain a strong governance body. On Jan. 1, 2007, Irene stepped down as board chair, passing the torch to Elaine. A member of the board since 2003, Elaine most recently served as co-chair of the search committee, which led to Rip's selection. Elaine's career has included leadership with the Unum Corp. as that organization's executive vice president, as well as director and then president of the Unum Life Insurance Co., the

corporation's largest affiliate. We also want to thank retiring Trustee Robert Larson, who served with great distinction on the foundation's board for 14 years, and our very distinguished retiring Investment Committee members, Alan Schwartz and David Page.

The third dimension of change is physical. In January, we moved into our new "green" headquarters. Stunningly designed by Valerio and Associates in Chicago, the building not only permits us to "walk the talk" of green design and construction, but also serves as an ongoing laboratory to measure the true costs and benefits of living in a building intended to be as environmentally sustainable as possible.

The fourth dimension of change is our exploration of how to redesign our grantmaking to ensure greater impact. The trustees and staff have taken time in 2006 to examine the values and context that, experience tells us, are essential to the nonprofit sector's strength, vitality and effectiveness. We have worked deliberately to erect a new framework for our programs that is based on the proposition that an organization's mission, strategies, tactics and efficacy need to be part of our grantmaking calculus. It is a seemingly straightforward proposition, but one that has profound implications for a portfolio that has focused largely on fundraising capacity.

The fifth dimension of change is our aspiration to become more engaged in national fields of interest. Whether in green design, community development, higher education or health care, we hope to identify arenas in which we can add value by strengthening intermediaries, enhancing networks, supporting research agendas or promoting sound public policy.

The sixth dimension of change is building on our long and strong commitment to the health and vitality of the Detroit region. The foundation is justifiably proud of the role it has played as a civic leader in Detroit, from catalyzing investments along the riverfront to helping spur the creation of the Southeast Michigan Community Foundation. From buttressing the community's cultural anchors to encouraging innovation at leading human-services agencies. From supporting neighborhood redevelopment efforts to helping capitalize the regional greenways system. The board and staff recently agreed to expand on this extraordinary legacy by committing to a long-term, multifaceted, cross-sector approach to helping Detroit regain its economic and social vibrancy.

The seventh dimension of change is retooling our foundation's internal practices and policies to enable us to work differently. We have introduced a new organizational structure and expanded our staff. We have created subject-matter teams that will permit us to develop greater expertise, expand our philanthropic

networks and draw more extensively on outside expertise. We are reimagining our “information workshops,” which provide invaluable opportunities for us to connect with local foundations and nonprofits throughout the country. We have eliminated the “appointments” process, in which nonprofits were expected to travel to our headquarters for one-hour consultations with our program staff, in favor of more flexible ways of interacting with, obtaining information from and counseling prospective grantees.

We’re proud to say that the change has been a collaborative effort among board and staff and led by our new CEO, Rip Rapson. We’re excited by each of the dimensions and by their cumulative impact. We look forward to an exciting and productive 2007.

Irene Y. Hirano

Elaine D. Rosen