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'Gun for hire' aids nonprofits

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RON TARVER / Inquirer Staff Photographer

Kevin Howley, who served as interim director of Centro Nuevo Creacion and now works as a consultant there, with a mural painted on the side of the organization's building. When he was hired, he says, "I had to stir up the pot and find out all the problems."

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By the time Kevin Howley got to the Centro Nuevo Creacion, the tiny North Philadelphia nonprofit was a mess. Hired in a hurry after the agency's beloved founder had moved on, a replacement executive director eventually had left on bad terms. Employment taxes hadn't been paid. Little money had been raised, and the agency's reserve was spent down.

Board members were exhausted and in despair, laying off workers and sweating out each week's payroll, board chairwoman Kristy Buzard said. Funders began to lose confidence. So Howley, 47, pulled on his hip boots and waded in.

"They thought they were dead, and they were close to being right," he said.

Howley is an interim director - or, as he says, a "gun for hire" - who comes in after an executive director has left, and cleans up the mess or stabilizes the organization while the board takes a deep breath and figures out what to do next.

Although Howley did this kind of turnaround work for years in the for-profit world, he represents a new trend among nonprofits, one that will become increasingly important as the baby boomer generation of nonprofit executive directors gets ready to move on.

Unlike consultants, interims have real responsibilities.

And they aren't auditioning for the part. Everyone knows, from the start, that it's a temporary post. "I can do things a new executive director could never do, because I have no long-term stake in the game," Howley said. "I don't care about losing my job. My job is going to go away."

That attribute came in handy at Centro.

Howley laid off more staff, resolved a factional dispute, and pushed the board to focus on just a fraction of what it used to do. "But now it's sustainable," he said.

"Kevin started straightening things out," Buzard said. "We were holding the thing together with duct tape. It wasn't going to last much longer and we weren't going to last much longer."

After graduating from college, Howley took on increasingly responsible jobs in the private sector. At one point, he handled 25 acquisitions worth \$1 billion in 15 months. "I loved it. It was exhilarating. Late nights. Deals," he said, snapping his fingers.

Mostly, though, "I'd come in as the guru for finance or operational issues to support the founders or chief executives," he said. They had the ideas, "but I'm the guy that puts the reality around it." Often, his task would be to integrate companies, and as he did, he found that "I worked myself out of a job."

The last time, he stayed out.

He had grown weary of the travel and long hours. His most recent job had brought him to Philadelphia, and he and his adopted son settled in. Howley took 18 months to figure out a new life. "I wanted to do something where I made an impact," he said. He decided to use his for-profit skills in the nonprofit world, and joined the Nonprofit Finance Fund in Philadelphia as regional director.

Meanwhile, in 2004, just as Howley joined the fund, Centro was going through its own changes. Patrick and Luisa Cabello Hansel, Centro's dynamic founder and his wife, announced that they were moving on. They had built up an after-school program and a summer camp. On April 7, the "Goodlands" exhibit of photographs taken by teenagers from Centro opens at the Kimmel Center, providing a different view of their neighborhood, also known as the Badlands.

When the founder left in July 2005, Centro had an operating cushion and a reserve - ready to build a new facility. "The founding director was very good at generating interest," Howley said. "He was very charismatic, and had a lot of credibility with the funders, but, in my opinion, they'd start these programs without any long-term financing." The board quickly hired a replacement.

"This gentleman who came in [next] had no idea of the magnitude of the program," Howley said. "I think he could have been as charismatic as Jesus, but it still wouldn't have worked, because the business model wasn't viable." The replacement director left last April. Efforts to reach him last week were unsuccessful.

After he left, Buzard and other board members ran the organization nights and weekends, on top of their regular jobs.

"We realized a couple of weeks into this thing that the situation was not sustainable," she said. "Even if we had the time, we didn't have the skills to put things right."

They turned to the Nonprofit Center at La Salle University for advice, and director Laura Otten suggested an interim.

"We knew that we would need something like that, because we were in no position to do a proper search," Buzard said.

But with the organization on the verge of bankruptcy and funders getting skittish, they had no money to pay. The Nonprofit Center charges \$80 to \$90 an hour for an interim such as Howley. They typically work 20 to 40 hours a week, with hours declining as problems get resolved. Contracts last four to 12 months. Buzard said the Philadelphia Foundation gave them a grant for an interim.

Howley, who had left the fund by that time, was hired through La Salle. He came to Centro in mid-May.

"I had to stir up the pot and find out all the problems," he said. One was a serious factional and personality dispute over the program's basic mission.

"It's not my role to create the mission, but to force them to pick one," he said. "It was clear there was a lot of animosity, and I was in the middle, but that was my job."

He recreated the bookkeeping system, figured out who was owed money, restored relationships with foundations, and negotiated with the government over taxes.

"He started to formulate a sustainable business model," Buzard said. The organization went from 15 full- and parttime employees to 11/2 employees and three Vista volunteers.

By February, he finished his stint as interim director, and now works two or three hours a week as a consultant.

Now, Centro is grooming its program director to become the executive director. She's in her 20s, enthusiastic, and willing to learn managerial and fund-raising skills.

Meanwhile, Howley splits his day as interim director of two organizations. In the morning, he's at Mothers' Home, a Catholic charity housed in a former rectory in Darby that grew out of the antiabortion movement. Young pregnant women - most of them homeless - can live there safely until a few months after their babies are born.

In the afternoon, Howley drives to North Philadelphia to head Prevention Point, a needle-exchange program and legal clinic for sex workers and the transgender community.

"I love it," he said. "How many people get to do what I get to do? I think it's really cool."

The Interim Director's Role

Nonprofit executive directors leave under varied circumstances. Interim directors help nonprofits meet each unique challenge.

The sudden death of a leader causes disarray. The interim maintains daily operations.

A longtime leader, perhaps the organization's charismatic founder, retires. Even a talented successor cannot compete. The interim absorbs the grief, giving the agency time to assess what new talent is needed.

Nasty factions develop as the executive leaves. The interim, who is neutral and temporary, can alter negative patterns and resolve disputes.

The executive is fired for mismanagement. The objective interim cleans up finances, restoring donor confidence. - Jane M. Von Bergen

SOURCE: Nonprofit experts

About Kevin Howley

Job: "Gun-for-hire" interim director of nonprofit organizations, including Centro Nueva Creacion in Philadelphia, Mothers' Home in Darby, Prevention Point Philadelphia.

Age: 47.

Residence: Philadelphia.

Family: Single, one son.

Education: Harvard University - master's degrees in business and public policy.

Most unusual job: Go-fer to former General Motors chairman Roger Smith.

Among his previous jobs:

Financial analyst for GM in Europe and Africa.

Chief operating officer of a company that published the English version of Pravda.

Chief financial officer of a Chippewa-run casino in Wisconsin.

Vice president of corporate development at Mail-Well Inc., Denver, where he handled 25 acquisitions worth \$1 billion.