



Board of Directors Meeting
Thursday, August 17, 2017
American Academy of Neurology – 5th Floor
Conference Call
10:00 a.m. EDT/9:00 a.m. CDT/8:00 a.m. MDT/7:00 a.m. PDT

 Webinar link: <https://cc.readytalk.com/r/e4zr3tz767tw&eom>
 U.S. & Canada: 866.740.1260
 Access Code: 7312994

Committee Members	Kevin Goodno, Chair; Robert Griggs, MD, Vice Chair; Terrence Cascino, MD; Dan Gasby; Ralph Józefowicz, MD; John Mazziotta, MD; Bruce Miller, MD; Jeffrey Rosenfeld, MD; Catherine Rydell, CAE; Susan Schneider Williams; Martin Shenkman, CPA; Lisa Shulman, MD; Joseph Sirven, MD; Gordon Smith, MD; Ben Utecht; Richard Essey; Ralph Sacco, MD
Staff	Jane Ransom, Shelly Rucks, Tim Engel, Natalie Baumgartner

	<i>AGENDA ITEM</i>	<i>PRESENTED BY</i>
<i>9:00 a.m. CT</i>	American Brain Foundation Board of Directors Meeting Call to Order	Kevin Goodno, Board Chair
	Board Chair Report <ul style="list-style-type: none"> • Review meeting agenda • Approve minutes of June 18, 2017 meeting* • Call for Disclosure of Conflict of Interest related to any agenda items • Governance consultant report (Julia Classen, Aurora Consulting) 	Kevin Goodno
<i>9:10</i>	Strategic Planning Committee Report	Lisa Shulman, MD
<i>9:20</i>	Financial Report	Ralph Jozefowicz, MD, & Tim Engel, CFO
<i>9:25</i>	Executive Director Report	Jane Ransom
<i>9:35</i>	Fundraising Report	Shelly Rucks
<i>9:40</i>	Governance Committee	Kevin Goodno
<i>9:50</i>	Research Advisory Committee	Robert Griggs, MD
<i>9:55</i>	Commitment to Cures Committee	Joseph Sirven, MD
<i>10:00</i>	Adjourn	



**American Brain Foundation
Board of Directors
June 18, 2017
Minneapolis, Minnesota**

Call to Order: Sunday, June 18, 2017, at 8:00 a.m. CT by Board Chair Kevin Goodno. Quorum was present.

In Attendance: Kevin Goodno, Chair; Ralph Sacco, MD; Dan Gasby; Jeffrey Rosenfeld, MD; Susan Schneider Williams; Lisa Shulman, MD; Joseph Sirven, MD; Gordon Smith, MD; Ben Utecht, Catherine Rydell, CAE; Martin Shenkman, CPA

Staff: Jane Ransom, Shelly Collins Rucks, Tim Engel, CFO; Natalie Baumgartner

Excused: John Mazziotta, MD; Bruce Miller, MD; Robert Griggs, MD; Ralph Jozefowicz, MD

Mr. Goodno welcomed everyone and discussed the agenda for the meeting.

Minutes:

MOTION to approve the ABF Board of Directors minutes from April 24, 2017. Approved unanimously.

Call for disclosure of conflicts of interest: There were none.

1. Finance Report:

- a) **Financial Statements for period ending 4/30/17:** CFO Tim Engel discussed the year-to-date financials. Expenditures are on track and running \$779,000 under revenue for the year. Engel also shared a summary of temporarily and permanently restricted funds, and discussed the difference between GAAP and Development financials.

Mr. Engel described an innovative model for understanding the relationship between program and operating costs in organizational financials. Rather than look at programs and operations as percentages of the total budget, operations need to be understood as the core of the organization, with programs being an outer layer of expenses wrapped around the core. Without a solid core, an organization cannot support its mission.

The Board discussed how each program needs to be evaluated by its impact on the Foundation's core, with an awareness toward reassessing the programs currently underway. Mr. Engel highlighted the importance of understanding how the staff is spending their time. The staff is undertaking time study to understand how they are allocating their time. The program and development staff are currently undergoing a time study. Core costs can sometimes be core agnostic. For example, with the crowdfunding site, the staff dedicated nearly 100 percent of their project time on administrative functions to prepare for the Annual Meeting launch. Mr. Engel explained that the core costs during the crowdfunding site's creation were large, but should shrink once launched.

Mr. Goodno stated that Mr. Engel's model is a good tool for explaining the dynamic between operating and program costs to donors.

Ms. Ransom inserted that historically, the American Brain Foundation did not have to worry about core expenses. The American Academy of Neurology took care of these expenses. This means that the Foundation has some bad habits, such as not asking donors to pay for indirect costs and a tendency to offer only restricted giving opportunities to donors. These are habits we are starting to break.

Mr. Engel stated that funders expect a minimum of 65-70 percent of a nonprofit's expenses to be spent on programs. A start-up organization that has only been around for a few years should have a higher admin function.

The Board wanted to know if it is acceptable to have certain programs that don't generate operating revenue. Ms. Ransom stated that all operational revenue must be covered, though it is fine to subsidize the operating revenue of a program from general operating funds, if available. In the nonprofit sector at least 75% of all revenue should be going to programs.

- b) **2016 Audit:** Mr. Engel led the Board through 2016 Audit. He explained that the Academy, AANI, and the Foundation share a joint Audit Committee, which meets annually. The 2016 Audit was an unmodified opinion with no material weaknesses, which is positive.

There were some areas of deficiencies. The Audit Committee stated that a department outside of finance, preferably IT, should administer the finance software. The AAN, AANI, and Foundation feel that it is within finances' job to maintain control over the financial software, and there are sufficient checks and balances in place to ensure no one individual can go in and administer checks or change vendor names. The Auditors also addressed issues around the approval process of executive director expenses. Mr. Engel stated that he checks Ms. Ransom's expenses as they come in, and the Treasurer, Dr. Jozefowicz, reviews her expenses on a quarterly basis.

Mr. Goodno about the proportion of spending that goes to administrative costs versus program costs. Mr. Engel stated that the program-related costs were 47% as opposed to the prior year at 62%. The Auditors' comment was to monitor time allocations each year. Mr. Goodno proposed a motion to accept the 2016 audit report. Motion Accepted (Unanimously).

The Board discussed the Foundation's participation in the joint Audit Committee. Mr. Goodno explained the value in participating in a joint Audit Committee. Due to the close relationship between the ABF and the AAN, it still makes sense to have same auditors. The Board recognized that the Foundation saves money by participating in the joint audit with AAN. Mr. Goodno stated that, at some point, the Foundation will need its own separate audit and will need to incur additional costs.

- 2. Executive Director Report:** Ms. Ransom led the Board through the strategic goals.

Strategic Goal #1, RESEARCH: The crowdfunding site has eight projects posted and nine pending. The Foundation has raised over \$10,000 on the site without a strategic marketing plan.

The Foundation has raised almost \$2.5 million in new research. In total, the Foundation has raised \$3 million in the first six months of 2017 across all listed projects.

Strategic Goal #2, PUBLIC ENGAGEMENT: The Foundation is trying to secure a media sponsor for an athlete brain health awareness campaign, which would occur during the Super Bowl and the Winter Olympics.

There is a pause in the marketing the crowdfunding site because the Foundation ended its relationship with Weber Shandwick. The Foundation will go public with the crowdfunding site and its marketing strategy at the end of this summer or early fall.

The Board wanted more information about what happened with Weber Shandwick. Ms. Ransom explained that Weber Shandwick provided the Foundation with some great deliverables (such as website and video), but they were not interested in executing the ideas in their marketing plan. The Foundation is looking for a marketing partner and/or staff that is better able to execute. The Board recognized that Weber Shandwick established the Foundation's branding strategy, but the Foundation needs production.

The Board wanted to understand how the crowdfunding site factored into the broader marketing plan. Ms. Ransom stated that the crowdfunding site is going to be the major factor in social media marketing. The Board wanted to understand if this was the strategy that the Diabetes Research Connection uses, and Ms. Rucks explained that it is. In addition, she mentioned that the Diabetes Research Connection strategy requires that 10 percent of funds raised must come from the researcher's network to be successful.

The Board discussed the importance of reaching the Foundation's niche market with the crowdfunding site. Other organizations might look at this innovative marketing strategy and be interested in partnering. Ms. Ransom stated that many of these partnership opportunities relating to the crowdfunding site are being addressed by the Research Advisory Committee.

Strategic Goal #3, FUNDRAISING: The 2017 budget calls for the American Brain Foundation \$1.3 million for operating costs, and a little under half has been raised. At the same time, we have exceeded our annual fundraising goal for restricted funds (for research) already. One pathway to sustainability may be an endowment fund to cover operational costs.

Strategic Goal #4, THRIVING PARTNERSHIP: The ABF and AAN have made good progress in reinventing their relationship, as evidenced by our Principles of Joint

Collaboration. Jane Ransom pointed out that the ABF's biggest fundraising successes have been in raising money for new Clinical Research Training Scholarships. She thinks the Foundation could be doing more fundraising for other parts of the AAN's expanded research program, but it would require a rethinking of our current collaboration model.

- 3. Fund Development Report:** Ms. Rucks highlighted two special initiatives that the Foundation is looking forward to. The first a theater night at Park Square Theater in St. Paul, MN, organized around a play about a family struggling with the effects of Alzheimer's. The second is a media campaign highlighting Ben Utecht as the "Head Coach" giving tips on concussion awareness.

Mr. Utecht stated that he was working Ms. Ransom and Ms. Rucks on the "Head Coach" idea because it encourages you to think about the health and wellness of your body, brain, and athletic core. Currently, the Foundation is looking for sponsors for the media campaign.

The Board discussed the "Head Coach" idea and its potential for other uses. The ABF and NFLPA are discussing a long-term partnership. We are hoping that the NFLPA and its sponsors will establish an athlete brain health fund at the American Brain Foundation. Annual activities, tied to the Super Bowl, would then highlight the research being done as a result of this fund.

Dr. Smith stated that there might be an opportunity to partner with the University of Utah, which is the official team of physicians for the Olympic. It might be a good time to make a connection between the Foundation and the University of Utah. Dr. Sirven stated that the Ad Council may provide opportunities for the American Brain Foundation as a non-profit, but they are picky about the ads they choose. Ms. Rydell explained that the Academy considered the Ad Council and found that they had a bias toward youth. The "Head Coach" would be a good fit. Mr. Gasby offered to reach out to the Ad Council through a retired contact.

Ms. Rucks stated that the Foundation continues to leverage the Foundation's 25-year anniversary, which includes the launch of the Rowland Circle. There will be a reception in Los Angeles for Rowland Circle members before the Commitment to Cures event. As always, the Foundation is looking to leverage the Academy's support both amongst their membership and in their research. The Board discussed possibly adjusting suggested contribution levels to the Foundation, based on the career level of members, during the annual membership campaign.

- 4. Commitment to Cures Committee Report:** Dr. Sirven stated that \$300,000 was raised between sponsorships and major gifts in Boston. That was five times more than 2016 Commitment to Cures. The Committee has already started planning for 2018's meeting in Los Angeles. Dr. Sirven wants to involve as many Los Angeles and California-based members of the Board as possible. The Foundation is already reaching out to early funders and sponsors in Los Angeles, through institutions. Now is the time to start thinking about sponsors for tables because of the fiscal calendar, which starts on July 1st. This is the moment that decisions need to be made for departmental budgets and academic institutions. There will also be a strong media presence in Los Angeles that can be

leveraged. Mr. Goodno wanted to understand the net income of the event, which Dr. Sirven clarified was \$250,000.

The Board discussed Commitment to Cures 2017 and stated that the event was a step-up from previous years. Some of the Board felt that the ask for money at the end of the program was both effective and a little awkward. We should try to make sure the solicitation at the end of the program is not a surprise. The Board also discussed the pitch for sponsoring a table. The Board stated that stars would be a big draw and that location of the event would be key. They wanted to know if it would be possible to bring past PLINA Recipients back as a “Hall of Fame.”

5. **Research Advisory Committee:** Ms. Ransom explained that the Research Advisory Committee was meeting the next day (June 19), and they would be looking at all the crowdfunding applications that had been submitted to make sure the vetting process is up to par.

The Committee is also discussing how partner organizations can be brought in on the crowdfunding site; how crowdfunding projects could also be considered a part of major giving campaigns; and how current partners with the CRTS’s can be approached to increase their giving in the coming years.

4. **Strategic Planning Committee:** Dr. Shulman explained that the Committee has altered their schedule of meetings to coincide with each quarter, so they have not met since April. The next meeting will be on August 14.
5. **Governance Committee:** Mr. Goodno stated that the Committee is focused on adding two new neurologists and two new public members for 2018. There was a great response from the survey resulting in over 50 suggestions for potential Board candidates. It’s the job of the Committee to sift through those and narrow the group of candidates. There are several current Board Members that are up for renewal, and there is one officer who is term limited by his position.

The Board discussed when the Committee would finalize their choices. Mr. Goodno stated that they would have new officers beginning January 2018.

6. **Gift Acceptance and Recognition Policy:** Ms. Ransom presented the new gift acceptance and recognition policy, which she described as much more robust than the previous one. The policy was reviewed by Marty Shenkman, the Executive Committee, and the Foundation’s legal counsel. Ms. Ransom asked that these policies be adopted by the Board.

Mr. Goodno proposed a motion to accept the Gift Acceptance and Recognition Policy. Motion Accepted (Unanimously).

7. **Special Proposal:** Dr. Rosenfeld presented a brief proposal that the Foundation organize a seminar or debate at the Academy’s Annual Meeting on the subject of common mechanisms transcending various disease states. This would help build the Foundation’s presence and promote our core approach—cure one, cure many.

The Board discussed this proposal. There were concerns that a new event might be a distraction. It might be possible to do the event through the AAN. There are a variety of proposals, and it might be possible to pitch this proposal through the AAN's Controversies Forum. It might be possible to do a smaller platform, but it depends on what the goal is. Dr. Rosenfeld clarified that it was not his intention to create a new event separate from the Annual Meeting. It does bring up larger questions of how the Foundation is pitched during Plenary Sessions. It also might be an opportunity to bring in previous CRTS recipients to do a pro/con session.

Dr. Sacco suggested that Dr. Rosenfeld take his idea through the appropriate channels with the support of the Board. Dr. Shulman stated that it might be a good Experiential Learning seminar on how to apply to the crowdfunding site, which was done last year but would be a good topic in coming years. Mr. Goodno questioned if these additional events at Annual Meeting were helping the Foundation's larger goals.

Jane Ransom will discuss Dr. Rosenfeld's proposal further with the AAN staff.

- 8. Leadership in Times of Organizational Change:** Ms. Classen led the Board through a discussion of current theories of effective nonprofit governance. (A report is included in the Board materials.)
- 9. Lunch Break:** The Board met in two groups to discuss developing a sustainable growth plan for the Foundation and deepening the AAN membership giving.
- 10. Small Group Discussion Reports:**

GROUP 1: The first group reported on their topic of developing a sustainable growth plan for the Foundation. Some of their ideas included an endowment campaign, which could be achieved through major donor philanthropy, corporate philanthropy, and through the leveraging of the Academy's membership. They discussed creating a message with the public members of the Board to add a public image to the issues around brain disease. They also want to start building operational costs into every active project. They also discussed membership models, endorsement models, the idea of a brain health program, which could be offered to kids playing sports.

GROUP 2: The second group reported on deepening AAN membership giving. The Academy has 37 sections of specialty, which communicates through web-based platforms that meet at the Annual Meeting. The AAN's Member Engagement Committee might be a beneficial partner in understanding how to approach these sections. The group also discussed involving medical students to establish a crowdfunding marketing posse, working with NeurologyNow more effectively, reviving "Buy a Brain" with bigger interests, a joint AAN/ABF website, wine and cheese celebrations for key associations and donors, and for the Foundation to make a strong presence at the Fall/Winter Sports concussions events.

Mr. Gasby posed the question to the neurologist board members about why they decided to become neurologists. The Board has discussed the cost to the public members of the Board, but have not spoken about the why neurologists become neurologists. The compelling stories shared by Drs. Sacco, Rosenfeld, Smith, Shulman and Sirven demonstrated that the American Brain Foundation should also feature some stories about neurologists.

American Brain Foundation Board Development Summary Report

June 27, 2017



Board Development Summary Report

AMERICAN BRAIN FOUNDATION

The American Brain Foundation (ABF) was established in 1992 by the American Academy of Neurology. Its mission is to bring researchers and donors together to defeat brain disease.

The organization has undergone several changes, including, but not limited to, a new crowd-funding model, the increase in professional staff, and new organizational leadership. Each of these events are substantial. Cumulatively, they are a key marker of an organization in substantive change. As is often the case as an organization continues to grow and change, its governance needs require the same. Recognizing this fact, Julia Classen, Senior Consultant with Aurora Consulting was contracted to facilitate a session on new research in nonprofit governance and a model that may assist ABF in moving from a more “super-managing” board to a corporate board. The following is a copy of the presentation and is followed by a summary of the results of the discussion with the board.

DEVELOPMENT SESSION OBJECTIVES

The following session objectives were developed with the Executive Director, Jane Ransom and Board Chair, Kevin Goodno:

- Understand current research on nonprofit governance and its implications for American Brain Foundation.
- Understand the opportunities the board can provide in resource development.
- Explore the implications of leading organizational change.

RELEVANT NONPROFIT GOVERNANCE RESEARCH

Cyclical board behavior

Julia presented a brief overview of Dr. Miriam Wood’s research on the cyclical nature of nonprofit board to help provide context to the ABF board and its behaviors. Julia’s article providing an update and review of the research published in the Nonprofit Quarterly in 2011 is included in this packet of materials. In sum, Wood’s research

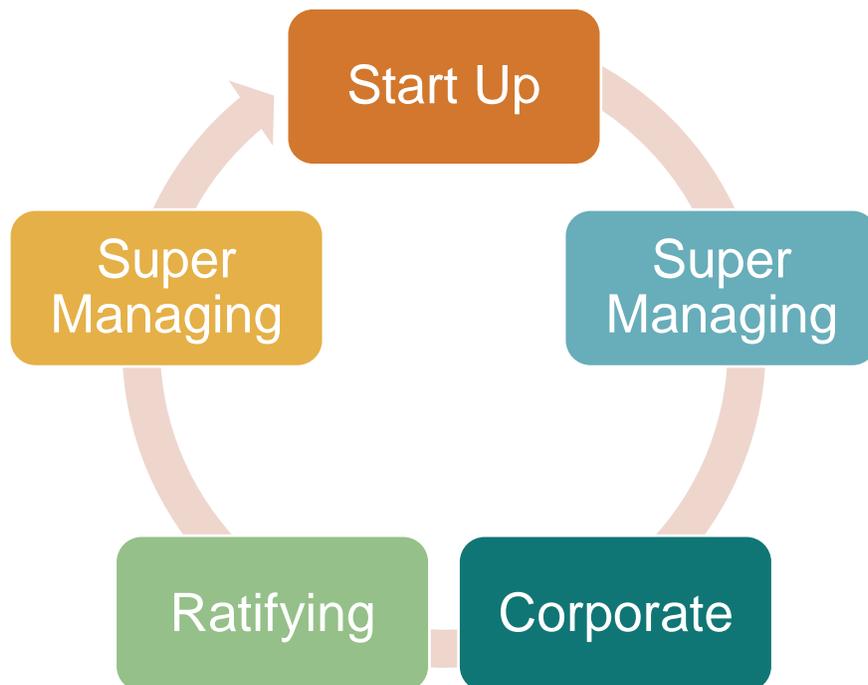
identified the cyclical behavior of board, irrespective of organizational development or lifecycles. Wood described the “supermanaging” board to be one that is often driven by a shock or crisis and requires significant involvement by the board of directors to address the shock or crisis. The “corporate” phase is described as:

“The committees meet regularly, the board is focused on mission and oversight, and decisions are made based on insightful and clear information provided by the executive director and leadership staff. The board makes policy decisions and staff members implement them, providing the board with complete and accurate reports on their progress in achieving the policy decisions and goals outlined in the strategic plan.”

The board enters a “ratifying” phase:

“During this phase, boards tend to meet less frequently and/ or for shorter periods. Expediency is important, as the board comprises increasingly prestigious and busy individuals. Information is circulated almost exclusively by professional staff members, agendas for board and committee meetings are created by the staff, and the board or committee chairs follow those agendas. The executive has great autonomy and manages the board so that it performs its duties in a cursory manner.”

To move from “ratifying” to “supermanaging” a shock or crisis will occur. This shock could be positive (e.g., a large windfall of financial resources), challenging (e.g., the transition of long serving staff leadership), or a crisis (e.g., the loss of significant resources or mission relevance).



The ABF board believes it is currently moving from “supermanaging” to “corporate” phase. It is still being tactical at times but it moving to more strategic conversations and actions. It was agreed that it could be more strategic or corporate in its conversations and work.

Representational Study

Prior to the session, the board was sent a copy of Francie Ostrower’s study completed while she was at the Urban Institute¹. It was the first representational study done of nonprofit boards. In it, she examined boards in their compliance to the Sarbanes=Oxley standards of corporate governance accountability. Some of her key findings disproved a long-held belief that the size of board is a factor in increased accountability. She did find the following were affirmative factors in accountability:

- Recruiting strangers and acquaintances to serve on boards
- Board member’s willingness to give time
- Board members having business or financial skills
- Increased diversity in relationship to race and gender
- Willingness to fundraise for the organization

Factors Influencing Nonprofit Boards

In her role as an adjunct faculty member of the Humphrey School of Public Affairs at the University of MN, Julia teaches a Nonprofit Governance Practicum for graduate students. In the class discussions, the students and Julia have identified significant factors influencing nonprofit boards.

¹ Ostrower, F. (2007) Nonprofit Governance in the United States: Findings on Performance and Accountability from the First National Representative Study. The Urban Institute <http://www.urban.org/publications/411479.html>



There is no a determination of what the most significant factors are, and there is an understanding that these factors may grow or diminish in the importance as the organization and its circumstances change. What is helpful in this diagram is to understand that each board is and will be unique and so any governance models or processes must be customized to the organization and must have flexibility to accommodate the changing importance of the factors.

Governance as Leadership

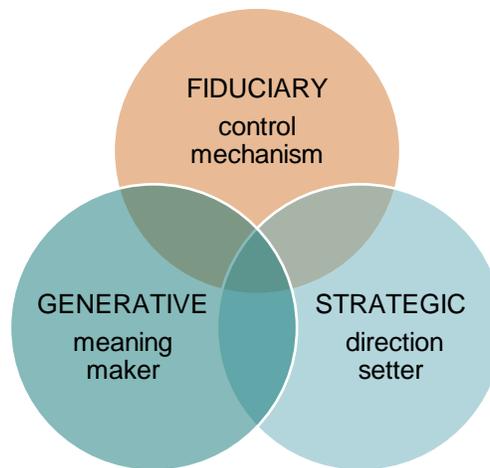
Richard Chait, William Ryan and Barbara Taylor are faculty and adjunct faculty at Harvard University. In 2005, they published *Governance as Leadership: Reframing the Work of Nonprofit Boards*.² This book proposes a governance model that recognizes the need for boards to provide more than oversight and strategic thinking. It suggests that to lead complex organizations functioning in complex environments also work generatively. This is based on what they have identified as hallmarks of effective boards:

- Understands institutional context – mission, tradition, and history
- Builds capacity for organizational learning, education, and self-evaluation
- Nurtures the development of the board as a group by informal group formation and building relationships

² Chait, R., Ryan, W. And Taylor, B. *Governance As Leadership: Reframing The Work Of Nonprofit Boards*, 2005. John Wiley And Sons.

- Recognizes complexities and nuances – diverse constituencies and stakeholders, ramifications of actions
- Respects and guards integrity of the governance process – constructive relationships, equal distribution of power
- Envisions and shapes institutional direction – future oriented and strategic magnitude

Visually, their model looks like this:



The fiduciary frame refers to what we often know as the fiduciary responsibilities of nonprofits. In MN statutes, they are the Duty of Care, The Duty of Loyalty, and the Duty of Obedience. Chait, Ryan and Taylor suggest hallmarks of fiduciary work include but are not limited to:

- Faithful to mission
- Accountable for performance
- Compliant with laws and regulations
- Includes, but is not limited to, generating resources for the organization

A common focus of nonprofit boards also attend to the strategic work of the board. That can include:

- Set strategic goals or directions
- Set organizational priorities
- Deploy resources

What is unique is their model includes the generative frame. This frame requires boards to constantly look at the organization, its context and understand complexities in an integrated and intersectional approach. It includes:

- Frame problems and make sense of ambiguous situations
 - Once problem is framed – options for solutions are set

- What to pay attention to – how to look at it
- Includes serving as boundary spanners with organization and community

This research and model spurred numerous comments and questions. It was clear that it generated interest amongst the ABF board members. There was tactical consideration in creating enough time and how to create generative conversations at ABF board meetings. Suggestions included:

1. Judicious use of the consent agenda
2. Committees reporting in writing on activities and bring to the board questions or concerns that need full board discussion and or decisions
3. Creating a space on the agenda for new ideas that may be thought of between meetings or because of the board conversation.
4. Designating a time for a generative conversation that may include outside speakers, articles or questions generated by board or leadership staff members.

RESOURCE DEVELOPMENT

Due to the depth and breadth of the conversation of the governance model previously outlined, the section of the presentation on resource development was not presented. It was also understood that the board has had opportunity to discuss their role in resource development.

LEADING CHANGE

There is an abundance of research on organizational change and leading change in organizations.

Many researchers such as John Kotter look at the processes and attributes of change leadership and change management. In this training, we looked at two common factors. The board's tolerance for risk (high) and its understanding of how the Governance as Leadership can be helpful for the board as it evaluates opportunities and need for change. The board in its decision to initiate a crowd funding strategy among other steps feels comfortable in its willingness to take risks that will lead to positive change.

TACTICAL CHANGES AND NEXT STEPS

There were two items the board wanted to discuss. The first was the discussion of in-person meeting frequency. There was a question whether there was interest and ability to meet more frequently in person. No one expressed a desire to do so and a few members said that more in-person meetings would be a barrier to their participation. A vote was not taken and some of the board members were not attendance by phone or in person. This may come up for further discussion at a board meeting.

Second, there was discussion about the committee structure. Currently there are board Research, Strategic Planning, Governance, Compensation and Executive/Finance Committees. There are also joint Audit and Investment Committees with the American Academy of Neurology. Julia suggested that a Fund Development and a Marketing Committee be considered to focus on the two areas of biggest concern to the board. However, all board members are now committed to ad hoc committee participation on one of the Foundation's fundraising projects, so it was argued that a Fund Development Committee may not be needed. There was enthusiasm for bringing more people with marketing backgrounds onto the board. It is also suggested that the board have Audit and Investment committees separate from the AAN. Although there was agreement that this should eventually happen, there was disagreement about how fast it should happen. This will be an ongoing discussion as the organization evolves.

Because of this conversation, the board spoke of a need to focus their work. It was suggested that the board create a work plan with metrics that it can use to evaluate its own performance. Julia suggested that the work plan be aligned with the organizational strategic plan and the high-level strategies the staff have created in their annual work plan.

CONCLUSION

The board of the American Brain Foundation is in a dynamic and exciting place. They have helped lead the organization to be innovative and change. It has seen its staff grow from 2 to 6 in one year. Although that is not many staff, it has reflected the new organizational directions and the need to develop infrastructure to effectively implement and lead the new direction. Now is the opportunity for the board to transition from a more operational or "super managing" board to a more strategic and leadership board that can help guide the organization through future changes taking advantages of and creating opportunities to fulfill its mission.



TO: ABF Board of Directors
FROM: Jane Ransom
DATE: August 17, 2017
SUBJECT: Executive Director's Report

As I think about both the successes enjoyed by the American Brain Foundation thus far in 2017, and about our continuing challenges, it strikes me that a fresh look at our business model may be in order. The pendulum is swinging from a model of financial over-dependence on the Academy toward an opposite model of complete financial independence. As the pendulum swings, the Foundation is showing it can increase restricted funding for AAN-sponsored research, yet it struggles to raise the unrestricted funds needed for core self-sufficiency.

I believe we should try to identify additional business model options along the arc of the swinging pendulum, instead of settling for one paradigm. I am hoping for the Board's guidance on this when we meet again in-person this October.

Before launching into summaries of current work, let me share two management notes:

1. FY17 Year End Financial Outlook

Expenses for the year are running behind budget and, although restricted revenue is ahead of target, unrestricted revenue is only 50 percent of the way toward our threshold goal. Year-end fundraising activities include a special event, employee giving campaign, year-end campaign, push for Rowland Fund charter members, and other major giving activities. Between the revenue we expect from these activities and reduced expenses, I am cautiously optimistic that our operations budget will balance at the end of this year. We will have more information by the October Board meeting, and I will report in again on the year end outlook then.

2. Planning for FY18

As we execute the 2017 initiatives described in this report, the American Brain Foundation staff is also planning for 2018. As part of our planning process, we've articulated five bold steps we believe the Foundation must take to successfully implement our strategic plan over the next four-and-a-half years. Our operations plan and budget for 2018 will incorporate work on these bold steps:

1. Support the continuing transformation of the Board and align leadership with fundraising and marketing needs.
2. Complete and unroll strategic marketing plan.
3. Adopt a targeted approach for AAN member fundraising.
4. Articulate and execute on a national, strategic fundraising approach.
5. Lay groundwork for an endowment to support the Foundation's operations.

Current FY17 work is described below.

Strategic Goal #1: Research Clearinghouse. Construct a virtual platform to match the best science with the largest pool of committed donors to advance a continuum of research.

Staff and helpful volunteers from the Board and Research Advisory Committee are in conversations with current and potential new partners about renewing or starting new Clinical Research Training Scholarships; increasing the stipend from \$130,000-150,000; and opportunities on the crowdfunding site. Conversations have occurred, or are scheduled with:

- Epilepsy Foundation
- Parkinson's Foundation
- Parkinson's Study Group
- International Headache Society
- National Headache Foundation
- Muscle Study Group
- Project ALS
- Rare Diseases Clinical Research Network
- National Ataxia Foundation
- Alzheimer's Association
- National Multiple Sclerosis Society

By the end of the month, the Foundation will send a mailing to all our partners about the opportunity to raise money for their research on our crowdfunding site.

Marketing our crowdfunding site to the public will begin as soon, once our new marketing plan is complete and we have the proper staffing in place. (See Strategic Goal #2 below.) Since public marketing of the site has essentially not yet begun, we are naturally not seeing funding increase significantly on the site.

Strategic Goal #2: Public Engagement. *Build the ABF brand around our unique niche.*

In July, the Foundation hired an experienced crowdfunding marketer, Joanna Wasmuth of CoCreators, to develop an organization-wide marketing plan for the Foundation, with emphasis on the crowdfunding platform. Her plan will recommend marketing objectives, channels, and metrics, with emphasis on the crowdfunding initiative. Joanna has advised the ABF on fundraising, and has a good handle on the status of the Foundation, as well as of its potential. She has interviewed a handful of our neurologist and non-neurologist Board members, and reviewed responses to the survey we sent to the entire Board in July. I have invited Joanna to present her plan at the October Board meeting.

We have not yet pinned down a sponsor for our “Head Coach” concussion-oriented Twin Cities media campaign. We continue to believe that this is a great opportunity to build awareness of our cause and of our brand by reaching 1.8 million adult viewers during the period of the Super Bowl and the Winter Olympics, and continue to meet with potential sponsors.

Non-neurologist Board members who are pursuing their own marketing projects related to brain disease, have been generously approaching me with ideas for collaboration. For example, Dan Gasby is developing a “brain smart” food product line and is generously planning for a percentage of the proceeds to go to the Foundation. The Board needs to discuss how to take advantage of this opportunity in a way that everyone is comfortable with. We have reserved some time for a discussion about it toward the end of the hour.

Meanwhile, Marty Shenkman is planning another national speaking tour on estate planning for this summer, and would like to brand it as an American Brain Foundation tour. We are hopeful of sponsorship for this effort by Ernst & Young, through Marty’s contacts there.

Strategic Goal #3: Philanthropy: *Develop full-fledged public support and deepen giving from AAN members.*

The second quarterly Board Scorecard shows fundraising revenue tracking ahead of our maximum 2018 goal in dollars restricted for research, and below our threshold goal in unrestricted dollars for operations. As mentioned above, this phenomenon suggests we may need to rethink the business model we are pursuing in relation to our partner, the Academy.

Discussions are continuing between the NFL Players Association, the International Sponsorship Council and the Foundation about establishing an athlete brain health research endowment; and we are making progress. It has been agreed that it will be an American Brain Foundation donor advised fund, and that its assets will be managed by AllianceBernstein (AB), a well-recognized wealth management firm. This is a condition for the donation; and will take us a step in the direction that Marty Shenkman has encouraged—investing the Foundation’s assets through a wealth management company that can introduce us to high capacity donors.

Year-end fundraising will begin soon with the AAN/ABF employee giving campaign in late September. A direct mail campaign will follow. We will continue to pursue major gifts in connection with our 25th anniversary and the inauguration of the Rowland Circle, whose members give \$2,500 or more annually.

Special events fundraising is focused on the Park Square Theater event that Shelly Rucks described at our last Board meeting, and the Commitment to Cures gala at the 2018 annual meeting.

Susan Williams has been leveraging funds for the Foundation through special events, too. We are to receive some proceeds from a July LBD fundraising gala in New York; and Susan has connected us with donors in the Bay Area interested in doing a fundraising event on dementia, to benefit the local Alzheimer’s Association chapter and the American Brain Foundation.

Strategic Goal #4: A Thriving Partnership: *Align the goals and leadership of the AAN and the ABF.*

As noted above, I would like to work toward a Board discussion in October, and toward a new discussion with the Academy, about our business model. The purpose is to assure that the Foundation is beneficial to the AAN’s research program and, at the same time, sustainable over the long run. This may mean revisiting our fundraising collaboration with the Academy. Realizing that the Foundation is beginning to generate significant fundraising for research, we need to find middle ground between

what I call the all-or-nothing ABF business models. Model #1 is the "All" model, where "all" equals total economic dependence upon the Academy. Model #2 is the "Nothing" model, where research funds flow from the Foundation to the Academy, but there is no Academy support for its operations. I think there may be other win-win models we have not been thinking about, which would benefit both organizations. I have recommended to Kevin that we frame a discussion about our business model for the October Board meeting.

I look forward to pursuing these conversations with our Board and with the AAN team.

APPENDIX A: MARKETING ACTIVITY

Market Plan:

- Joanna Wasmuth preparing 18-month marketing plan, including:
Interviews,
vendor reviews,
detailed crowdfunding plan for 9 months,
review of all Social Media and Communications Tools

Social Media:

- Evaluating and monitoring metrics
- Developing “voice” and guidelines
- Nicole is coordinating

Crowdfunding

- Need to create “Brain Trust” of followers who help promote
- 10-15% of investment will be through investigators network
- Create “big win”

Other

- Shelly and Jane met with Centron in NYC regarding possible projects together
- Regular contact of folks interested in our marketing business
- Evaluating best staff pattern for our work
- Continuing with AAN News article and Neurology Now page

APPENDIX B: DEVELOPMENT REPORT

Unrestricted dollars	\$ 688,436*	* Includes \$171,000 Match
AANI Support	\$ 950,000	Subtotal for Operations: \$1,638,436
Restricted	\$ 3,350,178*	* Includes \$620,000 expected from ALSA but not recorded.

Total: \$ 4,988,614

Current Work:

- Endowment for Athlete Brain Health, including operating and marketing dollars annually
- Roland Circle details
- Dues Check-off for October
- Planned Giving Program details and additions to website
- Newsletter and e-newsletter
- Potential Media Sponsorship