

FROM RED TO **BLACK**

Rebuilding After a Financial Crisis

This Presentation Will Examine

- icef's financial crisis—the causes and effects
- icef's initial steps toward recovery
- the stages of recovery and the steps being taken
- the strategies for recovery and the timeline
- the lessons learned along the way
- where we are going from here

We Aren't in Kansas Anymore...

- 2010—The Wake Up Call
 - The Financial Reality
 - The Organizational Reality
 - The Educational Reality
 - The Emotional Reality

THE REALITIES

FINANCIAL

2010 NW: **(\$19,709,303)**

2011 NW: **(\$9,496,541)**

2012 NW: **(\$3,697,033)**

2013 NW: **\$7,281,052**

STAFF TURNOVER

2010: **(78%)**

2011 : **(67%)**

2012 : **(45%)**

2013 : **(33%)**

2014 : **(24%)**

MORE REALITIES

LOWER TEST SCORES

DEFEATIST MORALE

CASH FLOW ISSUES

LESSER PARENTAL INVOLVEMENT

CHANGING DEMOGRAPHICS

VENDOR ISSUES

LOSS OF CULTURE

COMPLIANCE AND REPORTING ISSUES

INEXPERIENCED TEACHERS

MORE DIFFICULT CLASSROOM MANAGEMENT

The First Step—Survival

- DISCOVER the Issues (CASH FLOW)
- Looking for a “FAIRY GODMOTHER”
- Stop the BLEEDING (Not a BAND AID but a TRANSFUSION)
- Realize that RECOVERY will be a long JOURNEY down the YELLOW BRICK ROAD
- Short term plan—SURVIVE

STEP TWO: THE YELLOW BRICK ROAD

- *DISCOVER what Recovery looks like*
- *AAA isn't the AUTOMOBILE ASSOCIATION*
- *Who goes...taking the RIGHT PEOPLE for the RIGHT SEATS on the bus*
- *Who we encountered on the JOURNEY*
 - *The WICKED WITCH*
 - *The SCARECROW (BRAIN)*
 - *The TIN MAN (HEART)*
 - *The COWARDLY LION (COURAGE)*

Strategies and Actions

- SCHOOL BASED BUDGETS
- COST SLASHING MEASURES
- VENDORS, VENDORS EVERYWHERE
- OUTSOURCING
- ACCRUALS AND FACTORING
- ENCOUNTER WITH OTHERS
- STRENGTHEN Staffing—Reduce TURNOVER
- REDUCE DEBT—ELIMINATE LEGACY Items
- CASH FLOW
- CORE VALUES AND TEAM UNITY
- RIGHT SIZING
- FACILITIES

THE HOW TO's

- **FOR ICEF THIS MEANS:**

- Bringing Back the AAA
- CONSOLIDATION where necessary
- Creating CHANGE, CULTURE, and CREDIBILITY
- Creating an EXPECTATION of SUCCESS

- Academics

- Arts

- Athletics

One Team, One Dream

LESSONS ALONG THE WAY

- Growth for *growth's sake* can cause a lot of issues
- A good team never outstrips its resources
- Build strong, conservative, and SMART strategic and budgetary plans. Work the plans. Build consensus, Evaluate the plans often. Modify the plans as needed. Build your team around the plan.
- Have the right people in the right seats at the right time
- Not all your problems are readily visible

MORE LESSONS (2)

- Outsource to third parties. This: 1) can save money; 2) allow focus on other areas; and 3) provide credibility
- Vision is a team effort
- Build functioning teams
- Communicate on a regular basis
- Don't take it personal
- Culture creates results; Results require accountability

More Lessons (3)

- Seek sound advice.
- Realize that not everyone will make the journey.
- Don't ever forget this is about **CHILDREN**.
- MAKE THE JOURNEY AS **FUN** AS POSSIBLE

THE MORAL OF THE JOURNEY

- Don't get stuck on the YELLOW BRICK ROAD
- Don't BLAME OTHERS for your circumstances
- Don't wait for WIZARDS to wave their magic wands
- Never expect all your problems to DISAPPEAR

- **Like in the Wizard of Oz, to overcome our difficulties we need to:**
 - Muster the COURAGE to see it
 - Find the HEART to own it
 - Obtain the WISDOM to solve it
 - Be ACCOUNTABLE to see it through

“Home! And this is my room—and you’re all here! And I’m not going to leave here ever, ever again, because I love you all! And—
There’s no place like home!”

–Dorothy

ICEF CORE VALUES

- **Community**
- **Diversity**
- **Empowerment**
- **Accountability**
- **Communication**
- **Safety**
- **Collaboration**

Prepared by: Greg Brendel, COO-CFO
ICEF Public Schools
5120 Goldleaf Circle
Suite 350
Los Angeles, CA. 90056
gbrendel@icefps.org
323-290-6913 (direct)
323-290-6900 (main office)
424-750-0142 (cell)