**PeopleFund**

www.peoplefund.org

*PeopleFund provides small business loans as well as business assistance and education to people with otherwise limited access to such resources.  Since being founded in east Austin in 1994 as Austin Community Development Corporation, PeopleFund’s financial and educational assistance has helped create thousands of jobs and empowered an even greater number of Texans on a path to financial stability and independence.*

This case study demonstrates **achieving growth through Board Development.**

**Action:**

When Gary Lindner arrived at People Fund as the new CEO in August 2010 he faced a staggering number of Board and Committee meetings. Each month the Finance and Operations Committee, the Executive Committee, and the Board met for a total of 36 meetings per year. Gary called this the “Maytag Cycle – wash, rinse, repeat” as the same topics were discussed at each meeting. Gary and his new Board Chair were determined to change this to make better use of the Board and Staff’s time.

**Process:**

* PeopleFund brought in Consulting for Change, a management consulting firm specializing in CDFIs, to interview senior staff and board members and make recommendations for changes based on CDFI industry best practices.
* Based on the growth of the organization, Consulting for Change made a series of recommendations about: 1) Board Composition and Structure; 2) Board Meeting Structure and Content; 3) Board Committee Structure and Roles; and 4) Self-evaluation process for the Board and Board evaluation of the CEO.
* The recommendations included a timeline for implementation, which were presented to the full Board for approval.

**Outcomes:**

* Gary reports that all of the recommendations have been implemented. The Board, as well as its two major committees—the Loan Committee and the Finance Committee—now meet 12 times per year. The Loan Committee and the Finance Committee are a result of separating out these functions from the former Finance and Operations Committee.
* PeopleFund now has term limits of two terms of three years each, for a total of six years.
* The Board is now performing a stronger governance role including creating a recent strategic plan, reviewing the CEO’s performance, and fulfilling its fiduciary responsibility to the organization.
* With the Board spending more time on governance, the CEO was able to focus on improving production and expansion. For example:
  + In 2012, PeopleFund exceeded its lending goals, making 74 loans for $3.3 million in originations. The 2012 goals were 50 loans for $3 million.
  + The Board has approved a statewide expansion plan from Austin, and now has a presence in Dallas and Houston.
  + PeopleFund launched PeopleVet, an outreach program to offer small business loans and assistance to veterans. As a retired Air Force Colonel, Gary has the relationships and understanding to reach out to veterans.

**Organization Profile:**

**Founded:** 1994

**Type of CDFI:** Loan Fund

**Target Market:** Entrepreneurs and small business owners throughout Texas

**Types of Lending:** Microloans, Business loans

**Asset Size:** $12,943,075 (FY 2011)

**No. of Employees:** 23