



STEWARDSHIP CONNECTIONS

An Informational Newsletter For Financial Connections

People AND MANAGEMENT *by Merle Herr and Ken Burkholder*

In the early 1990's, Fannie Mae, the giant sub-prime mortgage company, seemed to have noble aspirations. Its mission statement was "to strengthen the social fabric by making home ownership affordable." In the early 1990's, Fannie Mae launched a series of initiatives such as reducing underwriting cost by 40% and implementing a ten year strategy directed at lending to high-risk borrowers, a plan that would bring home ownership to 10 million families who had traditionally been shut out of home ownership.¹

Twenty years later, Fannie Mae's lofty plan has weakened, not strengthened, the social fabric of America by saddling homeowners with unaffordable home mortgages, many of which are ending in foreclosure, and costing immense sums of money to taxpayers and investors. Why have various financial organizations like Fannie Mae had great beginnings but ended in devastating ruins? This plague has not been confined to giant financial organizations like Fannie Mae. In the economic downturn, several Anabaptist financial organizations have succumbed to devastating losses of several hundred million. Two words cannot adequately capture the cause of such loss but if we had to reduce it to two words, the two words would be "People" and "Management." No organization rises above the quality of its people and the best of governing policies and practices are easily circumvented by evil of the heart or neglect of the hands.

Anabaptists tend to trust their own people—and we should trust our own. Anabaptist Financial is trusted by investors, borrowers, businessmen, non-profit organizations, and churches. We seek to be trustworthy. However, in financial mat-

ters trust should not be blind trust, but rather a trust verified by sufficient knowledge. Trust ultimately anchored in Christ also depends on people and on management practices. In this article we want your trust in Anabaptist Financial to be verified and assured by making you more aware of the people that manage your funds and how these individuals relate to each other in management.

Financial risks increase significantly if the wisdom for management rests too heavily on too few shoulders. We feel the mounting responsibility as our combined managed assets reach 75 million. Four groups of people bear responsibility:

- » Ten Member Board of Directors
- » Thirty-nine Member Advisory Group
- » Two Professional Counselors (Attorney, Auditor)
- » Four Operational Officers

We will discuss two of the four groups above in this article.

Board of Directors:

We value the wisdom that can come with diversity, and to that end, nine different business industries and seven different church fellowships are represented on our ten member board. We also seek a team approach, where each director brings a piece of experience or wisdom needed to create a complete, well-rounded board. Within the board of directors is a group of four men who exercise their role as executive directors. The four executive directors carry additional responsibility and interact with the officers on operational issues, personnel issues and management planning.

Several leadership virtues are aspired to by the board of directors. The board of

directors is committed to providing visionary and values-based leadership. They lead from the front of the organization—not the rear. They guard against giving away the responsibility of future planning, policy setting and core values adherence.

The directors and officers have established practices that foster an appropriate amount of power in the hands of the directors. Sometimes the boards for non-profit

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organizations are too weak to offer sufficient influence and authority because they do not experience operations on a daily basis. Adequate information about operations is a crucial element that conveys power to a board of directors. At Anabaptist Financial, the officers provide information to the directors by writing regular minutes, monthly reports, and operational documents for quarterly board meetings. For example, for our most recent board meeting, the officers provided a 103-page operational document including financial statements, annual budgets, annual strategic plans, operational reports, and more. Many hours of labor is required to assemble such operational information. However, such information enables the

¹ September Harvard Business Review; Building Your Company's Vision, Jim Collins & Jerry Porras

Meet OUR BOARD MEMBERS

This column features interviews with two of our board members responding to questions about work, hobbies, and goals, giving you an opportunity to connect with and learn about them on a personal level. Subsequent issues will feature additional members of the board.

Amos Kauffman

Amos lives in Lewisburg, Pennsylvania. He and his wife, Sarah, have six children. Amos is part-owner of Yoder Barns & Storage, located in Mifflinburg, Pennsylvania, and attends Shalom Mennonite, part of the Mid Atlantic Fellowship. He serves on the board for Christian Light Publications and Faith Builders Educational Programs.

What responsibilities and roles do you fill in your current job?

"[Our business is] building and selling mini-barns, and I'm in charge of the office, oversee the accounting, [and am] involved in sales, purchasing, and quoting jobs, especially non-standard buildings—we get a lot of requests for custom quotes, and I do most of that, and also do the Computer Assisted Drafting (CAD) work for those."

What is your favorite part of your work?

"I enjoy the interaction with customers and vendors . . . especially interacting with regular customers. I enjoy the camaraderie of working with other people in the office, and I also enjoy keeping the books and keeping my finger on what's happening."

What are your hobbies?

"As far as personal hobbies are concerned, reading and traveling would be the two biggest ones. My wife and I have traveled quite a bit over the years, and we especially enjoy visiting relatives that are abroad in mission work. We just got back from visiting my brother, Sam, who's in Kenya with his family. I also have a sister living in Brazil. Our daughter, Rhonda is in Thailand right now, so we're looking forward to going there in the next six to eight months. We've also been to Europe a few times and Israel. . . . We find that traveling really broadens our horizons as far as seeing other people, and how they live, and other cultures, and we find it very enriching. As far as reading is concerned, I enjoy history and politics and some things like that, as well as some philosophy and religious books."

Putting values into practice is a priority at Anabaptist Financial. In your personal business experience, where have you experienced the greatest conflict in putting your values to work?

"Probably dealing with dishonest people; there's a customer or so who owes us money, and [the question of] how to deal with delinquent customers has tested our values. . . . That's probably the toughest part when it comes to putting our values into business."

How long have you been involved at Anabaptist Financial?

"Richie Lauer had contacted me to go along to the first meeting so I was one of the original four—I've kind of been in on it from ground level."

What would you see to be the important changes happening along the way?

"Forming the board, putting the officer team in place, and getting the legal work done have been huge steps to getting AF to where it is today." Ω

Ken Burkholder

Ken lives in Gordonville, Pennsylvania. He is married to Mary Ann, and they six children and four grandchildren. His business location is New Holland, Pennsylvania, and he is a member of the Pequea congregation of the Weaverland Conference.

Ken is the chairman of the CRELS Foundation and The Home Messenger Literature Service, and serves on the Fairmount Homes Board of Directors. He is the chairman of Anabaptist Financial's board of directors and serves on the Open Hands Fund committee.

What responsibilities and roles do you fill in your current job?

"I'm involved in the retail business—Good's Store is a general merchandise store started by my wife's grandfather. I came onto the scene as a lawnmower mechanic shortly after I got married. I wasn't planning on being in the retail business because I was more interested in mechanics and that sort of thing, but I ended up being involved in sales, and then in managing a store, then vice-president of operations, and today I'm president of the company. Truthfully speaking, it really wasn't my long term goal, but as each one of those steps came, I sought direction from the Lord, and today that's where I'm at. Most of my time now is spent overseeing finances and purchasing."

What is your favorite part of your work?

"I like to have a project that provides a challenge. What I like about a challenge is when I can see a team pull together, address a challenge, deal with the issues, talk about the issues, plan about the issues, work out the issues, and come out successful. I love to work with a committee, work with a team, and see goals conquered."

Anabaptist Financial is involved in a lot of things—Foundation services, an investment and loans program, business seminars, and business advising. Which of these programs or activities matters the most to you?

"That is a hard question because, as chairman of the board, I'm trying to pay attention to all aspects of what AF is involved in, and I'm trying to be careful to give each program the level of attention that the board wants it to have. However, I am on the committee for Open Hands, which is presently operating in Haiti but looking to expand into India and other countries. So of the AF committees or outreaches, that's the one I have put more energy into. The idea of microfinance appealed to me because it was a way to help [people] help themselves, and at the same time incorporate Christian principles [into their lives].

The investment and loans side of AF is also very important to me, because I believe there is deep value in reinvesting our money within our faith."

What is on your "to do" list—something you would like to do someday, or perhaps a dream you have not yet fulfilled?

"That is a good question, and a hard one for me to answer . . . I had thought that this development with AF, working with the poor of the poor in different countries, alongside others from the conservative Anabaptist church, [might be that for me] . . . it is something that, if the need arises, I would like to devote more of my time to." Ω

The Investment Management Agreement (IMA) Program at Anabaptist Foundation is an important part of our efforts to promote a biblical understanding of stewardship. Conservative Anabaptist churches, schools, and nonprofit organizations occasionally hold donated funds that must be invested somewhere for a period of time. We clearly understand all such funds to be God's funds. Our understanding of biblical stewardship should prompt us to ask the following three questions of the deacons, trustees, and board members who have oversight of such funds:

Is the investment working in the Kingdom?

We believe you should, whenever possible, invest your excess funds in support of others who share your beliefs and values. Funds placed in the IMA Program are reinvested only within conservative Anabaptist circles in the form of loans to churches, nonprofit organizations, families, and businesses.

How secure is the investment?

When you hear of churches and organizations which have lost funds in other investment programs, you realize that **the return of funds is more important than the rate of return on funds**. While no investment can ever be perfectly secure in this world, we believe that a loans program within our own brotherhood, backed by real estate and real property, is as secure an investment as others available. Our loans program includes a thorough application process, review by a loans committee, filing of mortgages and liens, and a written agreement that requires all borrowers to agree in advance to a brotherhood accountability plan if their loan ever fails to perform. Borrowers either meet our high standards or they do not get loans. IMA funds are not covered by the government's FDIC insurance program. Instead, **the IMA program seeks security by controlling the type of people to whom it lends, by**

maintaining a careful review process, and by brotherhood accountability.

An additional security measure is our accountability to you. Anabaptist Foundation and its programs are not privately controlled operations. This aspect of accountability includes the following:

- Four paid officers work in day-to-day operations.
- A ten-member board of directors from a variety of church groups exercises oversight.
- Thirty-nine men serve on the advisory board.
- Our finances are independently audited each year.

We are legally registered and file applicable returns, including an annual Form 990 with the Internal Revenue Service which details all of our activities.

What is the rate of return on the investment?

The rate of return should never be the primary factor in deciding where to place funds, but sound stewardship does involve growing an investment rather than allowing it to remain static. The return in the IMA Program is designed to generally track with the rates available in Certificates of Deposit (CDs) at secular institutions and is quarterly-adjusted, if needed. The current rate is 3.75%. The most important "return" on the invested funds is the knowledge that the funds are working within conservative circles, supporting others who share our beliefs and values.

As of June 30, seventy-eight (78) churches, schools, and nonprofit organizations have placed just over \$12 million into the IMA Program, and these funds are providing over 100 loans within our conservative Anabaptist circles. Below is one story that well illustrates where we should allow funds to work and the real "return" on such funds.

Mountain View Nursing Home of Aroda, Virginia, has been serving the local community and our conservative Anabaptist people since 1962. It op-

erates as a non-profit organization under the sponsorship of the Oak Grove Mennonite Church. At the beginning, Mountain View was a place for I.W. men to invest their time as an alternative to military service. Today, it continues to utilize voluntary service (VS) workers in caring for the elderly. Our two-fold mission is to provide a stimulating growth environment for the young people of our supporting churches while they, in turn, provide nursing care for the elderly. An additional benefit that comes as a result of the VSers who serve here is our ability to pass on funds the VSers don't get in wages to other mission projects around the world. Over the years, this arrangement has allowed Mountain View to provide over two million dollars in funding to mission projects.

In 2007, Mountain View was granted occupancy permission for an all-new replacement facility. At the outset, this rebuild project was to only provide a new structure for about half of the operations. Then, we planned to make a brave attempt to simply salvage and renovate the rest of the old building, which was built long before the Americans with Disabilities Act (ADA) requirements and other regulations had taken effect.

Construction for Phase I was barely off the ground when our local building official summoned the Fire Marshal to come and take a tour of the old building with him. In short, the old building was determined to have enough incurable issues that mere renovation did not seem a feasible option, and we would be forced to upgrade or rebuild the old part of the building as well.

It was at this point that finances came sharply into focus. Phase I that had started construction was already mostly covered with cash funds we had accumulated over a period of time, but that plan only accounted for half of what now needed to be rebuilt. At a meeting of the sponsoring church brethren, it was decided to go ahead and rebuild the

rest of the facility from the ground up rather than attempting to bring it up to standard and still have an old deficient building. Financing would need to be secured for this unexpected addition to the project.

This is where Anabaptist Foundation (AF) came to our rescue at precisely the right, God-appointed time. Before we realized that AF was in operation, the wheels had been put in motion to secure funding otherwise. A costly commercial appraiser was already scheduled to come appraise the property for a loan through another lender. It was at this moment that we were informed of AF and the possibility of working with them on funding. That was a moment that certainly turned out to be a monumental blessing to Mountain View. As they say, the rest is history. AF provided the loan we needed and the entire facility is now new from the ground up. It was an amazing and beautiful experience to work with a brotherhood-based lending agency. AF deals very responsibly with the funds they loan out in appropriately securing the loans, etc., yet there is a level of trust there and brotherly understanding that totally outclasses commercial lenders! There is nothing quite as humbling nor as rewarding as to be able to receive funds that have been made available through the larger brotherhood of like-minded conservative Christians.

The "new" Mountain View has been widely recognized as making a real difference in a field that is often thought of as having a lot of deficits in standards of care. AF involvement has made this process just a little easier! We have a long waiting list for rooms here at the home, which largely developed by word of mouth and attests to the gratefulness expressed frequently by the families being served. Thank you, Anabaptist Foundation!

**Eldon Hochstetler, Administrator
Mountain View Nursing Home**

Two new endowment funds have been opened at Anabaptist Foundation. The Muddy Creek Farm Library in Ephrata, PA, preserves archives,

REPORT *by Timothy Stoltzfus*

Anabaptist Financial just finished its fiscal year on June 30, 2010. As we pause and look back over the past year, we thank the Lord for His guidance and blessing. Here are some milestones that we reached:

- 354 new investment accounts, including 77 IRA's
- 120 new loan accounts
- \$57.2 million in assets managed
- \$53.7 million in loans

At the AF office, we are undergoing a few staff changes. Melissa Moyer is leaving for a term of missionary service in Jamaica; we have greatly appreciated her faithful, conscientious work and will miss her at AF. We do thank the Lord for providing an accountant for our team: Nevin Beiler from Lock Haven, PA has joined our office staff. He

genealogical information, and artifacts relating to Old Order and Conservative Mennonites. Visitors can research family history and tour the museum which preserves many interesting aspects of our ancestors' home, farm, and church lives. The endowment fund is dedicated to providing operational support for this great community resource center. The Library shares a facility with the Home Messenger Literature Service, which also has an endowment fund at Anabaptist Foundation.

The Shenandoah Christian Music Camp seeks to preserve and promote the Anabaptist tradition of worship through music. Supporters can contribute to three separate endowment funds dedicated to operating costs of the annual camp, scholarships for needy students, and the commissioning and publication of new hymns.

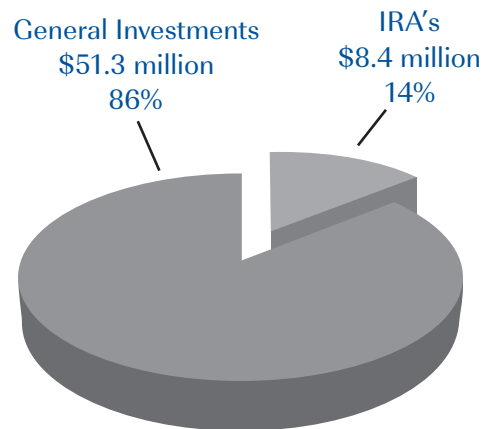
If you would like more information on endowment funds, please contact our office. Tax-deductible gifts to endowment funds should be made payable to "Anabaptist Foundation" and mailed to our office. On the memo line of your check, indicate which endowment fund you wish to support. Ω

has served in accounting positions with Northern Youth Programs and Global Tribes Outreach, and we welcome him to Anabaptist Financial.

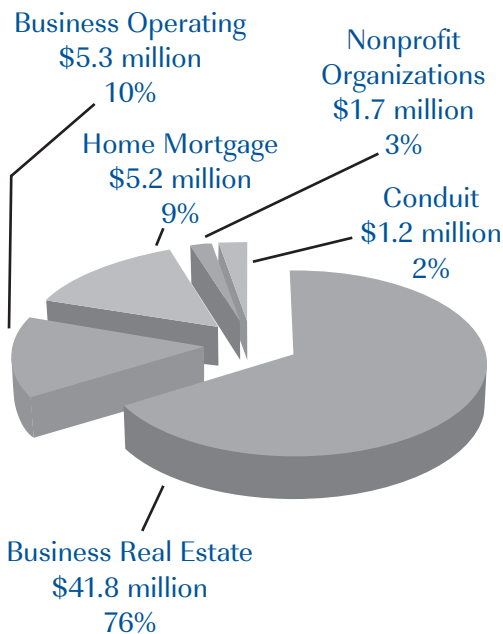
Anabaptist Financial continues to realize steady growth. Below are graphs showing the current Assets Managed and Loans by Type. This growth includes the number of participants; in July, we set up the 1,000th investment account and are poised to welcome our 300th borrower.

Thank you for your interest and participation in Anabaptist Financial. Let us seek first the kingdom of God and His righteousness (Mt. 6:33), and together advance the cause of Christ on earth. Ω

Assets Managed Chart



Loans Chart



by Richard Shank

This farmer was hardly ever sick. Fifty years ago, many men didn't go to a physician for physical checkups. They only saw the doc when they had a severe injury or felt like they were going to die. But one Sunday afternoon the farmer was stricken with a heart attack at the age of 46, and died soon afterward.

Some businesses have a similar history. The owner never suspects there may be a major problem. He doesn't arrange for a doc to give the business a checkup. Suddenly, with little warning, his business ends. Truth be told, there were warning signs. This farmer told a friend a week or two before his death that he didn't always feel well, but he didn't want to worry his family. Business owners usually also have warnings. There isn't always enough money in the checking account to pay urgent bills. The parking area doesn't seem to have as many cars as in the past. But not to worry; it's nothing serious.

Many business 'health' problems could be prevented if managers would give their business regular in-depth examinations. This would include scrutinizing employee abilities, customer satisfaction, government compliance, facility utilization, productivity, and general operational procedures. Below is a checklist to help you evaluate these areas:

GENERAL MANAGEMENT

1. Inspect the forms you use. Should they be improved to capture or record adequate information? Do the printed items your customers see look professional?
2. Do you use a computer of some type for all practical applications? Ordering, selling, accounting, payroll, and scheduling are prime examples.
3. Do you perform daily computer backups, and is that backup stored off site?
4. Are you using a current version of your software programs? Old versions may no longer be supported by the vendor.
5. Which style of management do you primarily use, totalitarian or delegation? Most successful managers delegate an increasing degree of decision making to their employees—not only to middle-managers, but in some situations even in lower levels.
6. Do you use the services of an 'outside' board of advisors? Most of us have limited business knowledge. Outside people can bring ideas, procedures, and systems to your organization which can turbo-charge your business.
7. Do you have an organizational chart? Does everyone know whom they should contact for the various situations encountered by employees? Do you as the manager follow it, or are you crippling your staff by doing tasks assigned to others?
8. How long has it been since you reviewed your credit and collection procedures? Do you have a written plan? Do you know at all times how many days of business you have outstanding in A/R?
9. What about your cash management and embezzlement security controls? It's usually the most trusted employees who steal from you. What security measures do you follow for your cash; day and night?
10. What about your purchase order system and purchasing cost controls? If a vendor ships more than you ordered, or makes a mistake on the unit price, will your system detect the problem, or will you be apt to instead pay the invoice as billed?
11. How frequently do you review your selling prices? Do you practice anticipatory pricing?
12. What is your formula to establish selling prices? Is it consistent? Do you truly know the difference between markup and margin?
13. Are you in compliance with EPA and OSHA regulations? Does anyone do a monthly walk-around inspection to ascertain compliance? Have you or your safety officer reviewed current regulations within the past year? Can your business afford the fines which can be levied against you if you approach these critical areas in a lackadaisical manner?
14. Do you have adequate, fire, vehicle, product and liability insurance?
15. Do you receive sales reports at least weekly?
16. Are the public areas of the premises, inside and out, appealing? Take a tour today with the eyes of the public. Do the restrooms sparkle? Are there dirty windows? Trash outside?
17. How cognizant are you of your inventory: the number of yearly turns, its condition, and its age?
18. How long has it been since you conducted a supplier review? Compare prices, credit policies, services, and their support.
19. If a fire or break-in occurred tonight, do you have a good fire and security monitoring system with a phone dialer that will quickly alert you?
20. You have a good system? Excellent. But when was it last tested for proper operation?
21. Are your crucial documents kept overnight in a fireproof location?
22. How long do you retain your business records?
23. Is a written equipment maintenance schedule in place and is it followed?
24. Ask your staff for a written quotation on two items. Are the quotes

Continued on page 6 »

- professionally prepared?
25. Do your sales contracts and other documents appear to meet legal criteria?
 26. Are contract changes made in writing before implementation?
 27. Are all taxes filed and paid in a timely manner?
 28. Is a system in place to monitor damaged or rejected goods?
 29. Do employee time records and payroll computation meet the laws standards?
 30. Are there an adequate number of fire extinguishers in your building, and are they inspected in a timely manner?
 31. How is customer satisfaction monitored?
 32. What is the procedure your business follows when problems are discovered?

FINANCIAL MANAGEMENT

33. Could you save taxes by changing your type of business entity?
34. Are you having any cash flow difficulties? Find a solution.
35. Do you have any plans to expand your business?
36. Does your P & L and Balance Sheet follow generally accepted accounting principles, and is it prepared at least quarterly?
37. If your P & L is not prepared monthly, what interim monthly reports are done monthly?
38. What size is your Line of Credit? Are you using it as a Line, or as a term loan?
39. Review your Aging of Payables report.
40. Review your Aging of Receivables report.
41. How does your business benchmark with your industry?
42. To what extent do you use financial reports in making decisions?

BUSINESS ETHICS

43. What procedures do you use in col-

- lecting past-due debts?
44. Are you presently involved in any litigation?
 45. Do your brethren approve of your sales and marketing methods?
 46. Is your business free from “unequally yoked” situations?
 47. Are you under investigation by any authority?

BUSINESS SPIRITUAL ISSUES

48. What is the unique purpose and mission of your business in the Kingdom?
49. What are your three or four core values that guide operational behavior?
50. What relational methods do you use to make Christianity attractive to your business acquaintances?
51. How do you teach and communicate your spiritual values and traditions to your employees?
52. Are you reaching into the heart issues of employees?

EMPLOYEES

53. To what extent do you involve employees in management decisions?
54. Do you need any assistance in your method of hiring or terminating employees?
55. Is any employee part-owner in the company? Are you prepared for that risk?
56. Do you have any ‘family’ employees?
57. Is there any friction between employees?
58. Do you train your employees, or are they left to themselves? What about ongoing training?
59. How frequently do you conduct an employee performance and salary review?
60. Do you have an up-to-date Employee Handbook?

FAMILY IN THE BUSINESS

61. Do you treat family employees according to their commitment and

- skills, or everyone the same?
62. Do you assign work titles and work responsibility correctly among the family?
 63. Do you have disagreements between siblings, in-laws and generations?
 64. How do you decide which family members will be employed by the company?
 65. Do you require basic skills or experience before family members buy stock?
 66. How do you evaluate and pay family members who work in the business?
 67. How do you divide profits between siblings who work in the business compared with those who do not?
 68. How do you set the pay and handle promotions of family employees?

THE OWNER’S LIFE

69. Is your estate planning current with the ongoing changes of life?
70. Do you feel that you have enough time and energy after work to fulfill other callings?
71. Do you reserve adequate energy and involvement for your family and church?
72. Is your spouse involved in the business in a manner that maximizes his or her strengths?
73. Do you withhold information from your spouse about the business? Why?
74. Is your spouse happy with your hours, income, and management?

PARTNER COMPLEXITIES

75. How are conflicts between partners resolved?
76. Do you have a Buy/Sell Agreement?
77. Do you perform an annual appraisal of the market value of your business?
78. Do you have a Partnership or Stockholder working agreement?
79. What role does your Board of Directors (Advisors) play in managing?

80. Are minutes kept for partner meetings and are they up-to-date? Inspect.

BUSINESS PLANNING

- 81. Do you engage an advisor to provide objective insight in annual plans?
- 82. Do you create annual and long term business plans?
- 83. What is your annually calculated cost per unit?
- 84. What percentage of your annual goals are actually implemented and executed?

LEADERSHIP TRANSITION

- 85. Have you selected the next leader of the family business?
- 86. When and how will this leadership transition take place?
- 87. Does the rest of the family know of your transition plans?
- 88. What learning resources are you investing into the next leader?

There are too many items on the list above to investigate at one time. But even if you only examined one or two items per week, you would be finished within about a year. The important thing is for you 'to take the needed medicine' when you find a problem. If you don't know what to do, consult someone who has extensive business experience to assist you. Your friends who have successful businesses are also a good source for you. Every businessman, manager, and leader has weaknesses in some area. The above checklist can help overcome such lurking weaknesses by exposing lapses of memory, ideas lacking counsel, and blind spots. Strengthen your business and those who depend on it by taking an honest inventory and identifying the illnesses before they become incurable. There's no need to suffer a sudden business heart attack—perform a checkup today! Ω

Upcoming SEMINARS

Indiana Seminar..... Shishewana Town Center
September 21, 2010

- *WHY DO I OPERATE A BUSINESS?*..... Collier Berkshire
- *Lean Manufacturing Concepts and Tools: Part 1* Dustin Hostetler
- *Preparing Your Family for the Leadership of Your Business in the Next Generation: Part 1* Len Geiser
- *Lean Manufacturing Simulation: Part 2* Dustin Hostetler
- *Meeting God's Standard in Increasing Sales*..... Delbert Schrock
- *Lean Manufacturing Simulation: Part 3* Dustin Hostetler
- *How to Handle People Problems When They Arise*..... Steve Jones
- *Practical Salesmanship*..... Panelists
- *Roundtable #1: Low Cost and Non-conventional Marketing Methods* Panelists
- *Roundtable #2: Incentive Ideas . . . That Really Work!*..... Panelists
- *Roundtable #3: Collection Practices and Other Cash Flow Issues*..... Panelists
- *Building a Foundation for Good Relations with Employees*..... Steve Jones
- *How Much Should I Charge?*..... Richard Shank
- *How to Handle People Problems When They Arise (repeat session)*..... Steve Jones
- *Financial Ratios and Decision Making* Greg Shank
- *Preparing Your Business So Your Children Can Effectively Lead it After You Are Gone: Part 2*..... Len Geiser

Pennsylvania Seminar Shady Maple Banquet Facility
October 12, 2010

- *VISION: THE EYE OF FAITH* David Sauder
- *Leading by SWOT Analysis*..... Dale Martin
- *Lean Production: The Seldom-traveled Path to Superior Productivity: Part 1* Elam Esh & Ray Randolph
- *Everyone Is In Sales*..... Paul Landis
- *Lean Production: The Seldom-traveled Path to Superior Productivity: Part 2* Ray Randolph
- *Customer Service: Relating to Customers and Employees as a Woman* Roberta Rotelle
- *Developing Employee Wages, Skills and Character*..... Panelists
- *Working Together: Decision Making as a Couple* David & Roberta Rotelle
- *Salesmanship*..... Panelists
- *How Much Should I Charge?*..... Richard Shank
- *Lean Production: The Seldom-traveled Path to Superior Productivity: Part 3*..... Ray Randolph
- *Estate Planning Process* Galen Martin
- *Lean Production: The Seldom-traveled Path to Superior Productivity: Part 4*..... Ray Randolph & Elam Esh
- *My Response to Financial Difficulty—My Brother's or Mine*..... Panelists

For a detailed program or to register, please contact Anabaptist Financial at 800-653-9817, ext. 0 or by email: info@afweb.org.

directors to come to the board table informed and empowered for decision making. The directors seek to avoid becoming a "rubber-stamping board," merely voting in favor of what the operational officers wish.

Advisory Group

The Advisory Group is a group of forty men that meet once a year with the board of directors prior to the fall board meeting. The Advisory Group provides two important functions: they nominate and vote for five of the ten board seats, and they provide counsel to the directors. The Advisory Group keep their "ears to the ground" and provide a very objective perspective for the organization. All large upcoming decisions are brought to the Advisory Group for discussion and insight. Every Advisory Group member has an opportunity to speak at the annual meeting. We provide quarterly reports to the Advisory Group to help them stay abreast with operations, problems and challenges.

God's people are the possessors of financial wisdom only when they link arms as the Body of Christ, collectively discerning counsel, not wavering in the temptation of the love of money, but loving the Giver of it.

Part of the Fannie Mae story was brought to closure when it paid a \$400 million settlement fine levied by the Securities Exchange Commission (SEC) for the accounting fraud that enabled executive staff to unjustly receive millions in compensation. The SEC summed up the problems in a short but comprehensive statement: "Fannie Mae was governed by a weak board of directors, which failed to install basic internal controls and instead let itself be dominated and uninformed by chief executive Franklin Raines and Chief Financial Officer J. Timothy Howard."² Three lessons for the wise are present in the foolishness of Fannie Mae. First, financial organizations must have strong, informed, and empowered board of directors. Secondly, internal controls, procedures and investment methods must be disclosed and transparent to directors and investors. Thirdly, operational officers must lead with humility, submission and accountability.

Your money will always be in someone's hands. Are their hands linked in safety to "a multitude of counselors"³ and are they revealing the truth about how the money is handled? Ω

² Washington Post; Study Finds Extensive Fraud at Fannie Mae, Kathleen Day

³ Proverbs 15:22

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