

# Preparing for Growth



Without Asian American LEAD (AALEAD), Tai Tran might not have made it through high school, let alone graduate from college. Arriving in the US in 1992, with no money, no English skills, and no understanding of American life, Tran found it extremely difficult living in Columbia Heights where his family had settled. His parents worked 7 days a week. Tran was afraid of the gang violence, and people selling crack cocaine on the streets where he lived. In school his classmates picked on him because he looked different and didn't speak English. He was drifting.



**BUT MUCH CHANGED AFTER HE MET AALEAD FOUNDER SANDY DANG AND FOUND A SECOND HOME**

where he could speak Vietnamese and connect with people who understood what he was experiencing. He started coming to AALEAD every day to learn English and do his homework. But he wasn't only learning English - at AALEAD, he was learning to be a leader. Fast forward several years and Tran was the 2002 recipient of the Bill Gates Millennium Scholarship, which enabled him to attend George Mason University. He is the first person in his family to graduate from college and he plans to go to graduate school. "I wouldn't have been able to accomplish what I have so far had it not been for AALEAD," he says. "They have done so much not just for my family, but for every Vietnamese refugee family who lives in the Columbia Heights neighborhood."

For Tran, the guidance and mentoring he got from AALEAD changed his life. For Sandy Dang, the guidance and support she received from VPP helped prepare AALEAD to make the changes necessary to grow.

**The Investment Partner**

Founded in 1998 by Sandy Dang, AALEAD works to promote the well-being of low-income Asian American

youth and families through education, leadership development, and community-building. Beginning with a small space located at the back of a police substation, the organization has grown to serve 300 youth and families annually from its headquarters in Columbia Heights and office in Wheaton, Maryland, as well as through programs it runs in a number of DC and Maryland public schools. While the organization historically focused on the Vietnamese, Amerasian, and Chinese immigrant and refugee communities, it now serves a more diverse community to respond to the changing needs and demographics in Columbia Heights as well as in suburban Maryland. Currently, the organization serves young people representing more than 12 different Asian ethnicities.

**The Challenge**

For much of the organization's history, Sandy Dang was AALEAD. Although she had a young, energetic staff who assisted her, Dang handled the bulk of the operations, from program design to fundraising to general business functions. She knew the children and families involved in AALEAD intimately.

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—Tai Tran, former AALEAD student

In the early 2000s, Dang was seeing what many organizations were seeing: her core population was moving out of AALEAD's neighborhood to other parts of the city and into the suburbs. These families were finding that there were no other services that catered to their needs and began asking Dang to find ways to help them. She was also seeing that the Asian American population she was serving—originally Vietnamese and Chinese immigrants—was growing more diverse, to include Thais, Filipinos, Cambodians, Koreans, and South Asians, who all had different languages, cultures, and needs. Dang knew that to keep up with the needs of the changing Asian American

community, she would need to grow the organization—and that would mean a different way of operating. She needed help figuring out how to expand and how to build an organization that could support that growth.

In 2002, VPP founder Mario Morino and then Partner, now Chief Operating Officer (COO/CFO) Eleanor Rutland first met with Sandy Dang to consider co-investing in the organization alongside the Edna McConnell Clark Foundation. AALEAD had been on VPP's radar through the Clark Foundation and others and was praised widely.

Morino and Rutland were deeply moved and impressed by Sandy Dang's personal story and her energy and passion for her work. After her family fled Vietnam in the 1980s, Dang spent several years of her childhood in a Hong Kong refugee camp, helping to care for her younger siblings and cousins while their parents worked. When they came to the US, with little money, she worked hard in school, eventually graduating from Duke University. Morino and Rutland saw in Dang a strong, smart, and passionate leader.

From the start, VPP's relationship with AALEAD was different than its

relationships with other non-profit partners. VPP typically begins collaborations by providing funds for planning and the organization then implements the plan. The focus of the financial support and strategic assistance was to help AALEAD build its infrastructure to a point where it could undertake a rigorous strategic planning process.

VPP joined the Edna McConnell Clark Foundation in a four-year investment partnership, which together represented \$1 million: VPP committed \$425,000 and EMCF \$675,000. There were two main goals of the investment:

- To help the organization build critical organizational capacity (leadership team, board development, a fundraising infrastructure, etc. ) and
- To support a business planning process to guide AALEAD's strategy for the future, including expansion into other parts of the region, and to clarify the organization's aspirations for growth.



## Action

### Creating a Leadership Team

At the start of the VPP investment, Sandy Dang was the management team. One of the first priorities was to build a leadership team for her and create the infrastructure necessary to support future growth.

“Sandy knew she didn't have all the answers. She knew there were things she didn't know how to do and was so open to learning,” recalls VPP Partner Eleanor Rutland, who oversaw the investment.

Two key additions to the senior leadership team were Tony Yih, a Columbia University MBA who had most recently overseen human resources for a start-up company, as Deputy



Director, and Rosetta Lai, a veteran of the private and education sectors who came on as Development Director and later, when Dang decided to leave AALEAD, became Executive Director. VPP helped Dang look outside the nonprofit sector for talented team members and provided the funding to hire people with senior-level management expertise.

“The work around building the leadership team really helped AALEAD recognize and value talent and how to hire talent at the right time with the appropriate skill set and personal fit with the organization. These lessons did not all come easily. We find leaders learn as much from hires that don’t work out as they do from the wins,” Rutland says.

### Board Development

With VPP’s guidance, Dang helped transition the board from a family-like board to a professional board that could strategize, advance the organization, and serve as a sounding board for the executive director.

“Before we worked with VPP we had a founding board,” Dang explains. “When we changed to a governing board we developed more clear guidelines. We found ways for board members to contribute so they felt valued. We helped the board understand its roles and responsibilities. Now the board is much more focused on setting direction and providing guidance.”

The board played a key role in deliberating about AALEAD’s expansion. “Until we really analyzed demographics it was hard to know who within the Asian American population needed the most help,” says Board Chair Teresa Lee. “We’re extremely

diverse—culturally, linguistically, and socioeconomically. We wanted to know what populations within the Asian American community were low-income. We found out that it tended to be new Chinese and Vietnamese immigrants.” Lee also says the board thought hard about where AALEAD should devote its resources.

“We had to make tough choices together,” Dang says. “Where are we expanding to and what does that entail? We got every board member involved. The board played a critical role in my transition, deciding how to look for the next executive director and how to talk about my departure. The board had to step up.”

*“Before, I was doing development, programming, and being the executive director. It was very hard for the organization to expand because I was always scrambling, trying to do three roles at once. VPP helped me tease out the roles and look at different functions. I learned to delegate.”*

—Sandy Dang, Founder, AALEAD

## Business Planning

Having a leadership team and a stronger board paved the way for business planning. With VPP's support, AALEAD engaged a strategic planning consultant to help them think through the issues around expansion.

During the planning process AALEAD reflected on the changing demographics and needs of its clients.

The demographic analysis undertaken for the business planning reverberated beyond AALEAD. The data analysis revealed compelling and little known information about the hidden needs of Asian American youth in the District and surrounding suburbs.

With the demographic data, AALEAD created a report titled, "Invisible Americans: The Plight of Asian Americans in Poverty." Its public release helped to focus attention on an issue of which few in local government were aware. AALEAD used the report strategically in conversations with county officials and funders to demonstrate the need for its services.

*"The strategic plan was critical. What was equally valuable was the constant involvement of [VPP Partner] Eleanor Rutland. She was not just sitting in on board meetings. She truly rolled up her sleeves and wasn't afraid to get her hands dirty, see what was going on at AALEAD, and pitch in at every level."*

—Teresa Lee, Board Chair, AALEAD

## Outcomes

One key component of AALEAD's strategic planning process was enabling staff to collect and report on the success of AALEAD students with the click of a button. Using Efforts to Outcomes software, AALEAD now has the numbers to support the achievements they had already seen and heard about from participants anecdotally. 90 percent of AALEAD high school students graduate, and all of those students go on to college. The academic skills of AALEAD students run the gamut, from those who need extra help with the SAT and

college applications, to others courted by top universities.

Collecting demographic and geographic data about participants and their families was another integral part of AALEAD's expansion process. Outcomes software helped AALEAD learn where students were in school so they could better target their program offerings. AALEAD determined which schools included large Asian American populations so it could bring programs to the young people who needed them. "We build winning partnerships where we work with students and provide academic assistance," Lai explains. "In return, schools work with us to identify low-income Asians and we help them with outreach."

## Expanding to Suburban Maryland

The business planning process confirmed in hard numbers what Dang and her board already knew anecdotally. As expensive condos were cropping up throughout AALEAD's neighborhood, more and more of the community they were serving was moving out of the city for more affordable housing. At the same time, the building that AALEAD had purchased

in the late 1990s had appreciated in value, offering the potential to provide additional funds if the organization were to sell it. The building required many expensive renovations which led Dang and her board to consider even more seriously the need to work beyond the District.

“A lot of Asians were moving out. I knew it would be challenging for AALEAD to just work in the District. The strategic planning consultant gave us the data to back up where we wanted to go. We had concrete numbers to guide our growth,” Dang says. She also notes that all through the planning process the board was very involved, reviewing all of the

data, “so it was no longer just me making the decision.”

The strategic plan recommended expansion to Montgomery County first because AALEAD had stronger connections there than in other parts of the region. Dang had already made some inroads with a few principals in Montgomery County public schools. VPP had introduced AALEAD to key players in the Montgomery County government, which resulted in a commitment of \$125,000 in the county budget. Of particular help was the advice and counsel of Chuck Short, Special Assistant to Montgomery County Executive Ike Leggett, who helped AALEAD navigate the political

and educational community landscape of Montgomery County.

Another breakthrough in the expansion process was the three-year Congressional appropriation to AALEAD that Maryland Senator Barbara Mikulski sponsored. Lai used her network to reach out to Mikulski and tell her about the work of AALEAD. After two years, her efforts paid off, as just one of the many fundraising and financial management strategies Lai brought to the organization.

### Diversifying Revenue Streams

A key aspect of the VPP investment was also building a development infrastructure to ensure long-term financial sustainability. In her initial capacity overseeing development, Rosetta Lai worked with Dang to better structure the fundraising process by building systems and bringing in analysis.

“I looked at our funding stream. I looked at how much it takes to run this place, at what is immediately needed and what is financially viable long-term,” she said. Lai realized that AALEAD’s funding stream had evolved over the years. As a recognized service provider, AALEAD now receives more of its funding from government agencies, instead of from foundations as it did years ago, when it first started out.



*“Our students are no longer those who can hardly speak English... They’re American and fluent as anyone else. What we need to do to help them is to think about career plans, going to college, decision making that has life-long implications.”*

—Rosetta Lai, Executive Director, AALEAD

That change, as well as fluctuations in funding levels, led Lai to think more broadly about growing the organization rather than simply operating programs for young people and families. Lai wanted to use VPP’s investment to take AALEAD to a new level of strength and stability, with an eye toward future sustainability. “We needed to have a different mindset—run AALEAD like a social enterprise.”

Dang says that one fundraising challenge they faced was that many people don’t believe there is a problem because Asian Americans are “a model minority. People say Asian Americans are doing science fairs and winning prestigious awards so why do you even need help,” she notes.

## Succession Planning

After more than a decade as Executive Director, Dang decided to enroll at Harvard’s Kennedy School of Government to build upon knowledge gained at AALEAD. She wanted to look more systemically at the issues affecting children and youth. Effective succession planning was critical for an organization like AALEAD whose founder had created, fueled, and energized the organization for so long. VPP partners provided Dang with guidance throughout the process, and introduced AALEAD to the Annie E. Casey Foundation. Dang and several of her board members participated in Casey-sponsored transition workshops and received some individual technical assistance.

“I worked really hard with the board before I left to manage the transition,” Dang says. “It’s no longer my vision. It belongs to the community, the parents, and the students. AALEAD had been my heart and soul and passion and I was so proud. The fact that we are at a point where the founder can leave and everything is ok is a testament to a good organization.”

### KEY INFORMATION

- > Investment duration:  
**2002 – 2006**
- > **\$425,000** invested
- > **170** more children served (131% increase)
- > Revenue increased from **\$750,000 to \$1.2 million** during investment period
- > **\$1,205,000** leveraged funding
- > **1** new site and **6** new co-located sites

The board named Rosetta Lai interim executive director after Dang left at the end of September 2007, and named her executive director in June 2008 after a national search was complete. Because of the work done on succession planning, the transition was smooth.

## The Results

As a result of the VPP investment, AALEAD is a stronger organization. While the organization increased the number of children it serves from 130 to 300 during the course of the investment, the real measure of success is that AALEAD now has a firm foundation on which to build for greater growth in the future.

- Revenue has increased from \$750,000 to \$1.2 million during the investment period.
- The VPP investment helped to leverage an additional \$1.2 million.
- AALEAD successfully expanded into suburban Maryland and has eight co-located sites in the District and in Maryland.
- It has successfully transitioned from a founder-centric organization to one with strong leadership, both among the senior management team and on the board.
- It has a strategic plan in place to guide its growth.
- It has created a culture of performance in which the organization's leaders have increased their management rigor and accountability, and there are systems in place to measure and assess outcomes.
- AALEAD received a \$500,000 National Family Honor Award from the Annie E. Casey Foundation, recognizing exemplary programs for children and families.

As Board Chair Lee noted: "Sandy looked for advice constantly from Eleanor and Eleanor was always there and willing to help. Rosetta Lai still calls Eleanor from time to time. The VPP

investment is more than just strategic planning – it is also the intellectual capital they bring to help us as nonprofits think through all of the things we're going through. It's been extremely valuable. We're so grateful to VPP for believing in AALEAD and investing."

"Having VPP invest in AALEAD added credibility to our organization. VPP has helped us connect to people who have been assets to our organization. VPP really tried to help us," said Sandy Dang. "It was always very open communication. Sometimes I took VPP's suggestions and sometimes I didn't. But I always felt like I was in the driver's seat. I was empowered to do what I needed to do."

