

TRANSITION PLAN FOR COVENANT FOR A NEW CENTURY

Report to the 1996 Southern Baptist Convention Implementation Task Force of The Executive Committee

INTRODUCTION

The Southern Baptist Convention (SBC) meeting in Atlanta, Georgia, in June 1995 adopted the report of the Executive Committee's Program and Structure Study Committee (PSSC) entitled "Covenant for a New Century." That report included an instruction that upon the final approval of Bylaw 15 revisions by the SBC meeting in New Orleans in June 1996, the Executive Committee of the SBC should implement the changes required by the Covenant for a New Century, including all legal and organizational revisions, according to a Transition Plan to be reported to the 1996 SBC. The aim of the implementation was to insure that "the new structure will be in place and functioning by the close of the SBC annual meeting in June 1997."

In its September 1995 meeting, the Executive Committee began to carry out this responsibility by appointing a 10-member Implementation Task Force (ITF). The task force was assigned the following:

To analyze, study and take actions necessary, including monitoring the transitional actions of all SBC entities, to facilitate the orderly and timely transitions approved by the SBC in adopting the Covenant for a New Century (Minutes, SBC Executive Committee, September 18-20, 1995).

The task force was asked to report to the Executive Committee its findings and recommendations so that the Executive Committee could fulfill its assignment from the SBC. Specific areas of inquiry were to be (1) legal actions necessary for implementation; (2) cost/benefit analysis related to Covenant for a New Century; (3) disposition of physical assets of discontinued entities; (4) disposition of financial assets of discontinued entities; (5) policies for dealing with personnel affected by the reorganization; and (6) procedures for implementing ministry assignments mandated by Covenant for a New Century.

The ITF has held numerous meetings since September 1995, participated in lengthy discussions with the presidents and board leadership of every affected entity, generated vast correspondence, and sought the counsel of SBC current and past leaders, the PSSC, state convention executives, legal counsel, and professional consultants. The work has been and continues to be guided by these objectives:

- Achieve the intent of the Covenant.
- Maintain a strong spiritual component in the process by regular and concerted prayer.
- Acknowledge the significant contribution to Baptist life of past and current agencies and their respective staffs.
- Observe convention polity and procedures.
- Coordinate the development and implementation of transition plans with trustees and staff of affected entities.
- Utilize the best resources within and without Southern Baptist life.
- Avoid lapses in ministries that will continue.
- Provide for displaced personnel.
- Conserve the assets of the Convention.
- Complete the transition in a timely and orderly manner.
- Communicate regularly with Southern Baptists.

These efforts have resulted in the following transition plan.

I. LEGAL ISSUES

Achievement of the goals of the Covenant will require legal actions and management decisions informed by legal considerations. Some of the key aspects of that component include the following:

A. Corporate Restructuring

The Covenant calls for the Convention's nineteen entities to be reduced to twelve. The 1996 Southern Baptist Convention will be presented with a series of motions to accomplish this.

1. First, amendment of the Convention's Bylaw 15, the bylaw which names the Convention's entities, will be before the Convention for the second and final time. The Convention's approval of this amendment is fundamental to the transition and a necessary precursor to the report of the ITF.
2. The Historical Commission of the Southern Baptist Convention and Southern Baptist Foundation will no longer be entities of the Convention. The Council of Seminary Presidents will preserve the history of the denomination and operate the Southern Baptist Historical Library and Archives. Southern Baptist Foundation will become a subsidiary corporation of the Executive Committee while continuing its historic ministry. Amendment of the charters of these two corporations will accomplish this part of the transition.

The new structure will be in place and functioning by the close of the SBC annual meeting in June 1997.

3. The Education Commission and the Stewardship Commission will be dissolved through the legal process of merger into the Executive Committee of the Southern Baptist Convention. The mergers will cause the assets and liabilities of those entities to become the responsibility of the Executive Committee and effectively dissolve the two Commissions.
4. The Southern Baptist Commission on The American Baptist Theological Seminary will be dissolved. The board of that corporation has adopted articles of dissolution and the approval of the Convention will cause this dissolution to occur September 1996.

Before this Commission acted to dissolve, the trustees of this Commission acted in their capacities as trustees of two other corporations related to the American Baptist Theological Seminary to further effectuate the Covenant. They oversaw the amendment to the charter of the American Baptist Theological Seminary which removed Southern Baptist elected trustees from that Seminary's board. They dissolved the Holding Board of the American Baptist Theological Seminary, a corporation which held property for the Seminary, and conveyed that property to the Seminary. No Convention approval of the legal documents involved in this phase of the transition was necessary.

5. The Covenant calls for a new entity, The North American Mission Board of the Southern Baptist Convention, Inc., which incorporates the Brotherhood Commission, the Home Mission Board, and the Radio and Television Commission. The legal process of "merger" is the means used to create the totally new corporation. The Convention will be asked to approve the articles

of incorporation of this new entity and the articles of mergers which will accomplish this restructuring.

The 1996 Convention will be asked to approve articles of amendment and merger and dissolution and incorporation which must have the Convention's approval. After the 1996 Convention approves these articles, boards of the entities of the Convention will complete action to adopt them. The trustees of the Foreign Mission Board and the Christian Life Commission will take action to amend their charters to reflect their new names, The International Mission Board of the SBC and the Ethics and Religious Liberty Commission of the SBC, respectively. These charter amendments and any other necessary SBC bylaw amendments will be brought by the Executive Committee to the 1997 SBC for action. The legal phase of the restructuring will be completed and effective in June 1997.

B. The North American Mission Board

In order for The North American Mission Board (NAMB) to be fully operational by June 1997, the charter to be presented to the 1996 Convention names thirteen persons as incorporators of the NAMB (pronounced in one syllable with a silent "B"; rhymes with "lamb"). These incorporators not only will offer a nominee for president of NAMB, but also will work with the ITF and the Executive Committee to prepare the legal way for this new corporation and for the merger into it of the three present entities. While these three entities will remain under the control of their elected boards until June 19, 1997, when the legal restructuring will be completed, it is anticipated that these boards will cooperate with the Executive Committee, the ITF, and the incorporators in a smooth transition to accomplish the Convention's Covenant.

NAMB will require much legal transition work between the 1996 and 1997 Conventions. For instance, the ITF will work with the three entities to assess contractual commitments, legal rights, and legal liabilities these entities will bring to the new corporation. Work will occur to determine the future role of subsidiaries of these three corporations. The ITF, with the assistance of legal counsel, will direct the legal work necessary to enable the NAMB trustees to assume control of this new entity promptly, efficiently, and with legal precision.

The 1997 Convention will elect the trustees of NAMB, and they will be convened by the incorporators in an organizational meeting upon the adjournment of that Convention. In that meeting, the board of trustees will organize itself, adopt bylaws, elect officers, and adopt those resolutions, policies and procedures, and take those legal actions necessary and appropriate for the commencement of business. The incorporators will have acted on the Convention's behalf to legally create the new corporation. During this meeting, the control of NAMB will be assumed by NAMB's board.

The transition will be aided by the Covenant's plan for some of the trustees who presently serve the three entities to be elected by the Convention to serve on NAMB's board. However, the Covenant anticipates that from its beginning, NAMB will be a new legal entity, enjoying all that the three entities will bring to it (their histories, ministries, and personnel) but beginning at its inception to project its own unique identity.

C. Trusts

In all the corporate reorganizations, the ITF will work to identify legal trusts which exist in the affected corporate entities. They will make certain that the requirements of all gifts continue to be honored during and after the transition.

D. Polity

While state and federal laws will dictate the legal steps appropriate and necessary in the transition, all this work will be done in conformity with Southern Baptist polity. The polity truisms which will underlie the legal work include the autonomy of the Convention, management of the affairs of the Convention's corporate entities by the Convention-elected trustees, the trustees' fiduciary duty to the Convention, and the coordination and *ad interim* role of the Convention's Executive Committee.

E. Summary

These paragraphs represent a broad-stroke description of some of the legal work which will be entailed in the transition called for by the Covenant. In directing the legal component of the transition plan, the ITF will have the advice and assistance of the Convention's legal counsel, attorneys for the affected entities and others chosen for their specific expertise, and the counsel of ITF attorney member, Joe Reynolds. The legal work involved in transition into NAMB, the corporate restructuring, and all the other legal work necessary to implement the Covenant, will be designed and performed subservient to and in facilitation of the Covenant's spiritual goals.

II. COST/BENEFIT ANALYSIS

The question that framed the recommendations of the Covenant for a New Century was "How can Southern Baptists accomplish their mission to the greatest level of faithfulness and the highest standard of stewardship?" Although the primary motivation in the Covenant for a New Century is increasing the **effectiveness** of the churches of the SBC in spreading the gospel, the concern for stewardship of resources through efficiency is also an issue. The analysis done by the ITF and its consultants demonstrates that substantial monies can be re-channeled because of the Covenant for a New Century even after taking into account the one-time costs associated with restructuring.

The costs of restructuring are in two areas (1) personnel costs (retention, severance, relocation) and physical assets costs which are netted out in the analysis below; and (2) expenses of the ITF, estimated to total \$800,000, which include travel, communication, legal work, and consultation fees.

The cost/benefits have been evaluated in two areas (1) those associated with the five discontinued entities (Southern Baptist Foundation, Stewardship Commission, Historical Commission, Education Commission, and Southern Baptist Commission on The American Baptist Theological Seminary); and (2) those associated with the creation of the NAMB. The following is the result of an initial, high-level analysis.

A. Cost/Benefits Associated with the Discontinued Entities

1. The aggregate budgeted 1995-96 Cooperative Program Allocation to the discontinued entities is just over \$2,000,000.
2. The estimated Cooperative Program Allocation needed to provide funds for ministries of discontinued entities which transfer to another entity (the Southern Baptist Historical Library and Archives, the Southern Baptist Foundation, and Cooperative Program promotion) for 1997-98 is approximately \$1,000,000. The net savings in this area is approximately \$1,000,000 per year.
3. The one-time personnel severance and retention costs in this area are being paid out of current reserves of the respective entities

and will not require any additional allotments from the SBC. Since final decisions have not been made, the exact amount of cash assets remaining after restructuring is not known, but could be approximately \$300,000. These funds will go to the successor SBC corporation and are not taken into account as a benefit in this analysis.

4. Other costs associated with restructuring such as final audits and inventories will be paid out of current budgeted funds and will not require additional SBC funds.
5. Physical assets of the discontinued entities, unless otherwise designated, become the property of the successor SBC entity. These assets consist mainly of office furnishings and equipment of nominal value and are not taken into account as a benefit in this analysis.
6. The estimated net savings due to the discontinuation of the above named entities is \$1,000,000 per year for a total of \$5,000,000 after five years. (No projections have been made beyond five years here or in the analysis below, but the efficiencies should continue to be financially beneficial.)

B. Cost/benefits associated with the creation of the NAMB

The following is a summary of the cost/benefit analysis prepared by professional consultants Coopers & Lybrand at the request of the ITF. The conclusions assume that cost-reducing measures anticipated and recommended by the ITF will, in fact, be enacted.

1. The aggregate annual budget of the three entities being merged to create the NAMB is approximately \$100,000,000. Of this amount, approximately \$40,000,000 passes through the Home Mission Board budget as direct returns to the various state conventions and associations. For purposes of this analysis, the amount of money returned to the states remains constant.
2. The one-time costs of severance, relocation of personnel, and non-real estate implementation costs are between \$4,100,000 and \$5,700,000.
3. A definitive decision is yet to be made regarding the relocation of the Radio and Television Commission production facilities. However, if the complete relocation were to take place, and the Brotherhood Commission and Radio and Television Commission properties are sold, the one-time net real estate cost for suitable additional facilities in Alpharetta, Georgia, is estimated at \$9,200,000.
4. There are no substantial recurring costs of implementation.
5. The recurring savings from labor efficiencies (derived primarily by eliminating redundancies) are estimated at \$6,000,000 per year for five years.
6. The recurring savings from non-labor efficiencies are estimated at \$3,000,000 per year for five years.
7. The net savings in the operation of NAMB for the first five years is estimated to be \$30,000,000 to \$37,000,000 depending upon final decisions concerning the location of the Radio and Television Commission production operation. The restructuring costs associated with the NAMB would be recaptured within two years.

C. Summary of Cost/Benefit Analysis

1. The implementation of Covenant for a New Century should produce a net savings after all expenses of approximately \$34,000,000 to \$41,000,000 in five years.
2. The anticipated savings are not an opportunity to build reserves or reduce giving but an opportunity to redirect resources from duplicated administrative operations to frontline ministries.

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III. PERSONNEL ISSUES

The vast majority of the people working for SBC entities will continue in their current jobs after implementation of the Covenant for a New Century. However, because of the provisions of the Covenant for a New Century, some employees will be severed or relocated to a new entity. The entities facing discontinuation have addressed the needs of their employees who may face job loss. Great care is being exercised to fairly compensate those who serve in the entities providing such things as retention and severance benefits, early retirement options, and outplacement assistance. Although final disposition about employees' future employment opportunities will not be known before the fall of 1996, the ITF has already begun addressing their overall needs and suggests the following guidelines to the entities in caring for personnel during the transition:

1. Recognize that the ITF is available to the affected entities to provide counsel on benefits to displaced employees with a view to insure adequate resources and a degree of uniformity among the agencies' policies.
2. Benefits for retirees of affected agencies shall become the responsibility of the successor corporation or the Executive Committee. The ITF is consulting with the Annuity Board to provide insurance and retirement information to affected entities and employees.
3. Recommend qualified employees to other SBC agencies for future employment.
4. Make appropriate recognition to displaced employees for past service rendered.
5. Appropriate severance packages should be given to employees whose jobs are terminated because of the restructuring. No severance package should be given to employees transferring to another SBC agency in a similar capacity.
6. Retention packages should be designed to induce specific employees to remain. Employees who are notified they will be offered jobs with a new agency should receive no further inducement to remain. Retention benefits should be paid only at the closure of the agency.
7. In developing policies for displaced personnel, every endeavor should be made to arrive at a proper balance between caring for the employees and conserving the assets of the affected agencies for the future ministries of the SBC.

IV. MINISTRY ASSIGNMENTS

The ITF is working with every entity where there is the transfer, deletion, or creation of ministry assignments. The goal is for a timely and orderly transition to new ministries without any loss of effectiveness or gaps in service to the constituencies. Because of the complexities of the task, certain transition tasks must begin immediately upon the second approval of Bylaw 15 revisions at the SBC, June 1996. In addition to the legal issues outlined above, this is especially true of transferring ministries such as Stewardship Education, Capital Fund Raising programs, publications, and missions agreements which require advance planning and long-term commitment to the client.

The strategy of the ITF is to involve the affected entities in discussion and planning with a view to establishing a mutually agreed upon plan of action and timetable. This requires the cooperation with the ITF of the entities that are discontinuing and those who have been assigned responsibility for continuing certain ministries.

The issue of Southern Baptist polity with regard to governance of individual boards and commissions is significant in this process. Until final dissolution and/or merger of the respective entities at the close of the June 1997 Southern Baptist Convention, the current boards of trustees are responsible to make decisions for that entity. While the ITF and the Executive Committee recognize and support the various boards' jurisdiction, it is extremely important that the boards work in concert with the ITF both in developing and executing implementation plans, especially when those plans call for action that needs to take place prior to legal transfer of authority in June 1997. All parties should be guided by the fact that the SBC desires that the Covenant for a New Century become a reality and that it be implemented with precision and enthusiasm so that its intended goals may be achieved as soon as possible.

The ITF has progressed, with the aid of the entities and consultants, to a point of developing broad-stroke transition plans. The following outlines the work already done and the next steps toward full implementation.

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A. Discontinuing Entities

1. Southern Baptist Commission on The American Baptist Theological Seminary

REVIEW: As noted in the discussion of legal issues above, the Southern Baptist Commission on the American Baptist Theological Seminary is slated for dissolution in September 1996. All assets will have been disbursed by that date and the Commission will receive no budget from the Cooperative Program for 1996-97. All legal relationships between the SBC and the American Baptist Theological Seminary have ceased. An allocation has been requested by the Commission in the SBC Operating Budget for 1996-97 for scholarships for the American Baptist Theological Seminary.

ACTION PLAN:

No further steps are required.

2. Southern Baptist Foundation

REVIEW: The Covenant for a New Century calls for the responsibilities of the Southern Baptist Foundation (SBF), which currently is officed adjacent to the Executive Committee in the SBC Building in Nashville, to be assigned to the Executive Committee. The Covenant for a New Century states that "the Executive Committee will assist churches, denominational agencies, and state conventions through estate planning consultation and investment management for funds designed for support of Southern Baptist causes." After consultation with the SBF and legal counsel, giving consideration to issues such as ascending liability, client confidence, investment expertise, and efficiency, the ITF presented a plan to the Executive Committee that makes the SBF a subsidiary corporation of the Executive Committee. In June 1996, the SBC will be asked by the Executive Committee to approve such a charter revision. The corporation will have a seven member board of trustees elected by the Executive Committee with the president of the Executive Committee serving as chairman of the board. The president of the Executive Committee has announced his intention to recommend that the current president of the SBF Hollis Johnson continue to serve in that capacity after June 1997 and that the programs in place continue. The Executive Committee has already made 1996-97 Cooperative Program Allocation requests for the SBF work it will oversee.

ACTION PLAN:

- a. The Executive Committee takes up the issue of SBF trustees in its September meeting.
- b. Between the 1996 SBC annual meeting and September 15, 1996, a detailed transition plan will be developed by ITF, SBF, and Executive Committee staff.
- c. The current SBF board will ratify the SBC action by voting the charter revision in its December 1996 meeting.
- d. On June 19, 1997, the new board elected by the Executive Committee will hold its organizational meeting.
- e. In September 1997 and afterwards, the Executive Committee will hear reports in its regular meetings from the SBF board and from the ITF on implementation progress.

3. Historical Commission

REVIEW: The Covenant for a New Century recommends the following assignments with regard to preserving our denominational heritage: that the six seminaries be assigned to preserve the history of our denomination, that the Council of Seminary Presidents provide

oversight and administration of the Southern Baptist Historical Library & Archives (SBHLA) to be located in the SBC Building in Nashville, Tennessee, and that the Sunday School Board be assigned the responsibility for assisting the churches in the study and promotion of Baptist history through its church curricula. The Historical Commission will be dissolved by charter revision creating the Council of Seminary Presidents as a part of the SBC's new structure.

The ITF, Historical Commission leadership, Council of Seminary Presidents, and Sunday School Board have worked together in anticipation of the transition. The Sunday School Board is developing a strategy for including the study of history in its curricula. The Council of Seminary Presidents has under advisement an operating plan for the SBHLA. The current director of the SBHLA Bill Sumners will be asked to continue to serve in that capacity.

Trustees of the Historical Commission have adopted retention and severance policies for current employees. As a part of the transition plan, the Executive Committee will become responsible for Historical Commission retirees' benefits. The Historical Commission, also, has encouraged the Southern Baptist Historical Society (SBHS) to take up some of its ministries slated to be discontinued. The SBHS has agreed and will locate its new operation at Oklahoma Baptist University, Shawnee, Oklahoma. Although this work is not mandated by the Covenant for a New Century and will not be under the auspices of the SBC, the ITF has offered its assistance to the Historical Commission and the SBHS in the transition processes.

ACTION PLAN:

- a. By September 15, 1996, the Council of Seminary Presidents, ITF, and Historical Commission will finalize a transition plan which will include personnel decisions for SBHLA.
- b. By April 1997, the Historical Commission will notify discontinuing entities of the need to collect and forward historical and archival materials to SBHLA.
- c. In April 1997, the Historical Commission trustees will meet for the final time to vote on the restated charter and authorize action that will insure that requirements of the Covenant for a New Century are met.
- d. On June 19, 1997, the Council of Seminary Presidents will commence administration of SBHLA at its present location in Nashville, Tennessee.

4. Education Commission

REVIEW: The Covenant for a New Century recommends the dissolution of the Education Commission with only the administration of funded scholarship programs remaining as an SBC ministry. Legal steps for the dissolution by merger with the Executive Committee have been taken and await SBC and Education Commission approval. The ITF has consulted with the

Education Commission staff and trustees about a timely transition. A method of administering the scholarship funds which continues their legal and historical intent and purpose is under study and will be implemented by the Executive Committee. Trustees of the Education Commission have instituted retention and severance plans for current employees. The Education Commission has encouraged the Association of Southern Baptist Colleges and Schools (ASBCS) to continue certain functions currently done by the Education Commission. This is under discussion. Although this work is neither mandated by the Covenant for a New Century nor under the auspices of the SBC, the ITF has offered its assistance to the ASBCS in transferring certain ministries to that body should they desire to perform them.

The Executive Committee, as the surviving corporation, will be responsible for administering the Education Commission retirees' benefits and other liabilities of the Education Commission.

ACTION PLAN:

- a. In June 1996, the Education Commission approves articles of merger which dissolve the Education Commission effective June 19, 1997.
- b. In September 1996, the Executive Committee approves articles of merger which dissolve the Education Commission effective June 19, 1997.
- c. By September 15, 1996, the Education Commission and ITF agree on final transition plan and coordinated transfer of programs to ASBCS.
- d. In June 1997, the Education Commission meets for the final time to assure all action has been taken to accomplish the goals of Covenant for a New Century.

5. Stewardship Commission

REVIEW: The Covenant for a New Century recommends that the programs currently directed by the Stewardship Commission be reassigned to the Executive Committee and the Sunday School Board, thus discontinuing the Stewardship Commission. The Sunday School Board will be responsible for capital fund raising and stewardship education, and the Executive Committee will be responsible for Cooperative Program advancement.

In coordination with the ITF, the Sunday School Board and the Stewardship Commission have entered into discussions about how the ministry assignments will be transitioned. Consideration has been given to utilizing current Stewardship Commission personnel where possible and to making joint decisions about Stewardship Commission operations during the 1996-97 fiscal year in order to avoid any gaps in ministry performance.

The ITF anticipates that a detailed transition plan which identifies the departmental organization for both stewardship education and capital fund raising within

the Sunday School Board, names personnel, and maps out an agreed-upon timetable between Sunday School Board and the Stewardship Commission for joint supervision of the transferring ministry and personnel will be ready by September 15, 1996.

The ITF has also initiated conversations between the Stewardship Commission and the Executive Committee staff regarding Cooperative Program promotion. The Executive Committee staff has received a briefing on the status of Cooperative Program promotion and has begun work on developing an organization within the Executive Committee to manage this assignment. Discussions will take place this summer with state convention stewardship leaders to get their input. The ITF anticipates that the Executive Committee and Stewardship Commission will complete a detailed transition plan by September 15, 1996, which will specify the Executive Committee Cooperative Program promotion organization, identify personnel, and provide a timetable for transitioning the ministry assignments. As with the Sunday School Board assignments, the goal is to achieve an orderly transition with no loss of ministry to the constituency.

The Stewardship Commission has implemented a severance plan for its employees and taken other necessary steps in preparation for legal merger in 1997. The Executive Committee, as the surviving corporation, will be responsible for Stewardship Commissions retirees' benefits and other liabilities of the Stewardship Commission.

ACTION PLAN:

- a. By September 15, 1996, the ITF, Stewardship Commission, Sunday School Board, and Executive Committee will complete detailed transition plans.
- b. In its September 1996 meeting, the Executive Committee adopts the articles of merger with the Stewardship Commission.
- c. From October 1, 1996, until June 19, 1997, the Stewardship Commission directs its ministries in cooperation with the Sunday School Board and Executive Committee according to the transition plan.
- d. In March 1997, the Stewardship Commission votes on articles of merger approved by 1996 SBC ending the operation of the Stewardship Commission effective June 19, 1997, and also acts to cause final audit and inventory to be done and to insure that all goals of the Covenant for a New Century with regard to the Stewardship Commission are accomplished.

B. Creating The NAMB

REVIEW: The most significant and complex facet of the Covenant for a New Century is the SBC directive to merge the Home Mission Board, the Brotherhood Commission, and the Radio and Television Commission into a new entity to be called the North American Mission Board.

The covenant identifies the primary responsibility of the NAMB as “reaching the United States and Canada for Christ, using every appropriate means of evangelization and church planting.” The Covenant recognized that each of the former entities would bring significant contributions to the new entity. The desired result was for the NAMB to experience a dynamic synergy, that is, the new organization would be greater than the sum of its former parts. Early analysis reinforces this expectation. Not only will financial efficiencies, as outlined above, be gained, but, more importantly, the hoped-for advances in ministry effectiveness have a high probability of becoming a reality. This conclusion is remarkable, given the tremendous amount of successful ministry that already takes place under the current structure.

Stating confidence in the overall vision for the NAMB does not minimize the complexities in implementing the vision. The ITF is utilizing the services of an international consulting firm in order to achieve the best results in the implementation process. Coopers & Lybrand is functioning on behalf of the ITF and the Executive Committee in order to fulfill the Convention’s assignment to the Executive Committee to develop this transition plan and to implement the Covenant for a New Century.

The desired result was for the NAMB to experience a dynamic synergy, that is, the new organization would be greater than the sum of its former parts. Early analysis reinforces this expectation.

The consultants have provided the following assistance to the ITF as it prepared for the 1996 SBC:

1. Cost/Benefit Analysis (see above) – includes a report on the potential savings as well as implementation costs and a planning level estimate of the overall budget required to support the NAMB.
2. Stakeholder Analysis – identifies and prioritizes the issues and concerns that exist in the three current entities related to the restructuring into NAMB and the most efficient means for addressing them.
3. Hypotheses on Strategy and Organization – identifies issues and actions required to develop and complete strategy and organization, achieve consensus, and implement successfully.

These studies, which involved numerous interviews and focus groups with entity employees, review of pertinent data, site visits, questionnaires, and independent research, form the basis for developing a NAMB implementation plan.

ACTION PLAN:

1. Early Transition Year: June 1996-September 1996
 - a. The ITF coordinates NAMB implementation.
 - b. The NAMB incorporators begin the search process for the NAMB president.
 - c. The ITF mobilizes transition teams from the three entities made up of persons with expertise for the tasks of developing NAMB’s strategy, the transition plan, and a communications plan. This process would consider ministry assignments, goals and objectives, strategies, processes, organizational studies, and personnel decisions.
 - d. Officials of Canadian Southern Baptists, the Foreign Mission Board, and the Home Mission Board will continue to work with the ITF in finalizing recommendations that will outline the transition of ministry support to Canada from the Foreign Mission Board to the NAMB.
2. Late Transition Year: October 1996-June 1997
 - a. The ITF continues to coordinate NAMB implementation.
 - b. NAMB incorporators complete presidential search.
 - c. Transition teams would be mobilized by the ITF for the tasks of developing a personnel utilization plan, NAMB organizational structure, and defining key leadership roles.
3. NAMB Launch: June 1997
 - a. NAMB board of trustees is convened.
 - b. NAMB president is elected and legal organization is put in place.
 - c. NAMB president and board mobilize transition teams within the NAMB (ITF available as resource) for the tasks of completing organizational and personnel plans, developing a financial plan and a 3-year strategy/plan, and monitoring performance gains.

SUMMARY:

It is the opinion of the ITF that the action plan outlined above needs to be done along the time frame indicated in order to achieve the most effective, cost-efficient, timely, and orderly implementation of the Covenant for a New Century. The ITF believes this approach in creating the NAMB is in keeping with the spirit of the Covenant for a New Century, best serves the interests of the SBC, and in no way infringes upon the assignment given to trustees of the current entities prior to their dissolution.

V. TIME LINE FOR IMPLEMENTATION

- A. June 1996: Final approval of Bylaw 15 revisions.
- B. June-September 1996: Detailed Transition Plans are finalized by the ITF and the various boards.
- C. October 1996-June 1997: The Transition Plans are executed in order to achieve orderly and timely legal and organizational transfer to the new structure.

The Executive Committee and the ITF affirm the goals of Covenant for a New Century and are convinced that, by God’s grace, they are attainable, workable, and full of promise.

- D. June 1997: The Executive Committee reports to the SBC, recommending any further necessary legal revisions; the entities become legally operational; the former agencies cease.
- E. June 1997-June 1998: The ITF monitors the implementation of Covenant for a New Century.

- Reviews Annual Ministry Plans and progress of entities in assuming ministry assignments of the Covenant for a New Century
- Reviews budgets to insure cost savings are achieved
- Reports to Executive Committee any ministry statements in need of reformulation
- Evaluates ministry assignments for any deficiencies or oversights and recommends action
- Insures that provision has been made for displaced personnel
- Insures that appropriate audits and inventories have been completed
- Insures that record and document retention has been accomplished by SBHLA for discontinued entities
- Reports to Executive Committee

- F. June 1998: The Executive Committee gives implementation progress report to the SBC.
- G. June 1998-June 2000: The ITF monitors the status of new ministries, reviews Annual Ministry Plans and budgets, and reports to the Executive Committee, assisting the Executive Committee with reports to the SBC.
- H. June 2000: The Executive Committee reports to the SBC the final implementation of approved programs and structure for major advance in ministry in the third millennium.

CONCLUSION

This transition plan is intended to provide a general overall description of the process to be utilized in implementing the Covenant for a New Century. It assumes not only the intention of the SBC to have the Executive Committee coordinate the implementation but also the goodwill and the cooperation of the leadership of the affected entities. Because the implementation is a strategic, complex, and on-going enterprise, the ITF covets the prayers of all Southern Baptists for this work.

The ITF appreciates the confidence expressed in them by the Executive Committee and thanks the SBC for the opportunity to serve in this capacity. The ITF further thanks *Baptist Press* and *SBC Life* for their cooperation in writing and disseminating reports to Southern Baptists about the implementation. The task force pledges to continue to keep Southern Baptists informed in appropriate and timely ways.

The work of the ITF to this point has been greatly aided by the employees of SBC entities who have embraced the goals of the Covenant for a New Century even though it required difficult decisions on their part. Southern Baptists are justifiably proud of the people who have rendered service both to them and to our Lord Jesus Christ through the far reaching ministries of SBC entities.

The Executive Committee and the ITF affirm the goals of Covenant for a New Century and are convinced that, by God’s grace, they are attainable, workable, and full of promise. May these endeavors bring glory to God and accelerate the extension of the kingdom of Jesus Christ to the ends of the earth “exceedingly, abundantly beyond all that we ask or think, according to the power that works within us” (Ephesians 3:20).

Respectfully submitted,

The Implementation Task Force of the Executive Committee of the Southern Baptist Convention:

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| Robert E. Reccord, Chairman | T. C. Pinckney |
| Michael S. Hamlet | Joe H. Reynolds |
| Rudy A. Hernandez | Theodore (Ted) R. Warren |
| C. B. (Bill) Hogue | Donald (Don) H. Wills |
| Sarah O. Maddox | John O. Yarbrough |

Staff to the Implementation Task Force:

David E. Hankins, Vice President for Convention Policy
Executive Committee of the Southern Baptist Convention

Executive Committee of the Southern Baptist Convention:

- Morris H. Chapman, President and Chief Executive Officer
- Ronnie W. Floyd, Chairman
- James P. Guenther, Legal Counsel