

# Business Review

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**NON-PROFITS** by Dave Szymanski | Tampa Bay Editor

## Led by Legacy

David Dennis and the staff at Eckerd Youth Alternatives have strengthened the organization by applying business and Biblical principals.

On a wooded field in Brooksville, drug store magnate Jack Eckerd founded a wilderness camping program and eventually a nonprofit organization 40 years ago to help troubled youth.

He saw it as an alternative to punitive, prison-like detention centers and expensive hospitals.

Business savvy generated the profits to create Eckerd Youth Alternatives. And recently, business savvy helped preserve it — along with a dose of mission founded on Eckerd's Biblical-based principals.

In the past two years, David Dennis, 54, chief executive officer of Eckerd Youth, reviewed the organization and began cutting staff and closing off-site facilities. Dennis slashed overhead costs from 17% to less than 10% of overall expenses.

Why? Because the organization, which had grown into 40 programs in nine states with a \$140 million budget and 1,400 employees, was tapping into its endowment.

"That was the biggest challenge when I came 22 months ago," Dennis recalls.

Today, Eckerd Youth not only has preserved the endowment, but it has reinvested its savings and started new home-based treatment programs for youth. It is growing right.

Although Dennis never met Jack Eckerd, he sees it as his responsibility to remember Eckerd's goals to help troubled children.

After Eckerd Youth began drawing from the Eckerd endowment to break even, the organization's board, which includes some Eckerd family members, asked for a



David Dennis, chief executive officer of Eckerd Youth Alternatives, has used a business approach to strengthen the nonprofit organization, cutting overhead costs from 17% to less than 10%.

Mark Wemple

new business model for the organization.

Dennis and his staff met and decided that to preserve the endowment and respond better to youth, they needed to be more of a performance-based organization. They needed to validate results and communicate better, to capture data and demonstrate outcomes.

So it invested in technology and systems to track outcomes. It also needed to take better care of its staff, so it improved opportunities for merit pay and cost-of-living increases and created new job opportunities.

Eckerd Youth asked itself what are the evolving needs of kids and what can the organization do. One answer: Get involved earlier in children's lives, including foster care activities.

Dennis closed four residential programs and opened seven new community-based programs in the past 21 months.

The organization expanded into Texas with two programs in Dallas for kids whose parents are in jail in Florida. Eckerd Youth staff visit the home of troubled kids to offer counseling on substance abuse and tutoring. The organization saves money by not owning or renting a facility there. A therapist does family counseling.

The organization also broadened its board to gain greater diversity and business experience. After 41 years, it held its first fundraiser in December, Jingle Jangle Jamboree, a successful event that attracted 350 people.

It became clear that the organization needed to reach out more to the Gulf Coast, and has begun doing so.

"We can evolve with the times and stay relative," Dennis says. "Research shows home-based services are effective. We've got to learn that and do that."

When strategizing at Eckerd Youth, Dennis recalls the renewal Lou Gerstner brought to IBM when he took over as CEO. IBM was losing \$100,000 a week. He helped the company evolve, but also remember its original vision.

"What stood out to me was that they forgot that, by God, we are IBM," Dennis says. "That was the rallying cry. It meant something. He said we need to return to that, to act like who we are."

## Eckerd Legacy

The familiar blue and white pill-shaped oval signs with the Eckerd name are gone from Gulf Coast drug stores.

But the legacy of Jack and Ruth Eckerd, business and community icons, lives on throughout the Tampa Bay area.

There is Eckerd College in St. Petersburg. And Ruth Eckerd Hall in Clearwater. And Eckerd Youth Alternatives, a youth treatment organization in St. Petersburg.

The Eckers also worked with Prison Fellowship Ministries and other faith-based outreaches. They established the Eckerd Family Foundation that supports other non-profits in their efforts to improve the lives of vulnerable children and families and also funded the National Foundation for Youth that is a separate foundation for supporting best practices and services to youth, families and communities.

Those who work at those organizations recall the vision of Jack Eckerd and try to stay focused on it. By the end of this year, Eckerd Youth will have helped about 100,000 children.

"Good business bears good fruit," says David Dennis, chief executive officer of Eckerd Youth Alternatives.

## Margins & mission

Although CEO David Dennis has improved Eckerd Youth Alternatives with a new business strategy, his background isn't based on economics or accounting. He doesn't have an MBA.

Instead, Dennis' preparation was largely influenced by his entire life.

Dennis is a licensed clinician. As a child, he was removed from his home by child protective services. His mother died in a fire.

He was eventually reunited with his sister and raised by an aunt and uncle.

"I got a second chance," Dennis says.

Bitter and angry as a child, he began working with kids as a youth pastor. Dennis went to the seminary and earned a masters degree in marriage and family counseling.

In college, Dennis volunteered in a shelter for troubled youth.

"I learned there are no sure things in life," he says. "I had a sense of gratitude and urgency."

Dennis eventually entered a career serving troubled youth, but he learned

business principals from his father. He quickly learned the value of taking care of resources. And that the mission of an organization couldn't continue without a profit margin.

"It's no margin, no mission," Dennis says. "I didn't get into this work because of a love for business. But the better the business is done, the better you fulfill your mission. They are so linked for me. Good business is taking care of kids."

What attracted him to Eckerd Youth Alternatives was its Web site, which tied its programs to Christian morals.

"While not overtly Christian, those values permeate this organization," Dennis says. "The Bible asks us to guide the fatherless. That's our mission."

So while good business practices are important to Dennis, they don't tell the whole story at Eckerd Youth Alternatives.

"In a time when our economy is struggling and there are so many people in need of services, during a time also where our state and federal budget cuts are affecting our most vulnerable citizens, it is more important than ever to realize the need for all organizations to not only do good business... but also to do good deeds," Dennis says.

Applying that to business, Dennis says that it may be good for the margin of a business if that business had a mission that superseded the goal of making money with a higher goal of making a difference too.

He quotes an Old Testament verse: "When you reap the harvest of your land, do not reap to the very edges of your field...or pick up the grapes that have fallen. Leave them for the poor and the alien." (Leviticus 19:9)

The point is that successful people are admonished to be generous or to share with the less fortunate from what they reap in their work, Dennis says.

"I have often wondered if part of the reason Mr. Eckerd's business endeavors were so successful was perhaps because of his generosity," Dennis says. "Mr. Eckerd sure seemed to reap what he sowed back into the community to help others. He did not keep all he made financially to spend on himself. He left the 'edges of his fields and the grapes that had fallen,' so to speak, for those who needed help."