

InterAct Ministries
Executive Director's Report to the Board
August, 2013

In my last report to the boards I gave you a snapshot from the perspective of the executive director picturing how the organization is doing in three critical areas: strategy, oversight and policy (Board Member Orientation, Michael Batts). In an attempt to give you the information needed to govern this organization, I will seek to do the same in this report. As you read the information in the board packets you will begin to glean a picture of the health of InterAct Ministries. So let's jump in.

As I reflect on InterAct's *strategy*, I am aware of the need for closure on our re-visit to the existing mission/purpose/vision. The *current* statements, as identified in our literature, look like this (sorry about the review, but it is more realistic than expecting you to remember it):

Mission Statement

We exist to glorify God by fulfilling the Great Commission among unreached people groups.

Vision Statement

We want to see a culturally relevant church transforming every community in the North Pacific Crescent.

- By *culturally relevant church* we mean a fellowship of disciples that fits in the culture of the community.
- By *community* we mean a group of people who reside in a specific locality and have a common culture.
- By *North Pacific Crescent* we mean that part of the globe centered around the North Pacific.

Core Values

- *Bible*
- *People*
- *Commitment*
- *Overlooked peoples*

The mission world has changed in the last few decades. The presence of believers and churches in most of the places we minister is our new reality. Are they all mature followers of Christ? Of course not. Are the churches among the various people groups where we minister strong enough to carry on the work without our presence? In most places they have not matured to the point that they are able to reach their own people without outside encouragement and support. So where we have historically seen ourselves as a *church-planting* organization, we now live with the reality that our most

critical role should be helping the existing indigenous church(es) develop and mature a host of indigenous believers who can carry on the spread of the gospel across their people group and/or region. Our current *mission/vision/core values* reflect a mindset of a more pioneer era, one where the primary role of the missionary was to plant churches.

Without negating this need, the new *facilitating* missionary era requires that we partner with and serve indigenous churches to help them effectively achieve their own goal of spreading the gospel and planting new churches. InterAct's former vision needs to be reexamined in light of our current mission realities. That is what necessitates the proposed *purpose/vision/core values*. We need to re-identify ourselves as an organization that is seeking to minister to and with existing believers and churches.

I believe you will find the new *mission/vision/values* bring us closer to this goal. Once we have established our new *purpose/vision/values* we will be postured to move forward into determining what strategies will best lead to the accomplishment of InterAct's macro purposes. Until this is in place it is difficult for each field to know the parameters of the "InterAct Box" in which they have freedom to bounce around and determine field strategy. Clarity in this area is a prerequisite to determining organizational and field strategies.

For ready reference let me paste the proposed *purpose/vision/core values* with which you will be grappling:

Purpose Statement

InterAct Ministries exists to make disciples among least reached peoples in cooperation with churches and likeminded organizations.

Vision Statement

InterAct Ministries desires to see disciples who are reproducing disciples across the North Pacific Crescent.

Core Values

- Scripture - Authoritative and sufficient for life and ministry
- Relationships – Loving God and loving people
- Gathered believers - Recognize the centrality of the local church
- Commitment - High priority on long-term incarnational ministries
- Cross-cultural ministry - Recognition of worldview and cultural differences in ministry
- Whole-life discipleship - Walking with disciples through all stages of life and growth

Core Ministries

Evangelism, discipleship, counseling, training, and leadership development

Core Strategies

Determined by the field

Oversight is the next board responsibility identified by Batts. A board is to monitor and evaluate at least six key areas:

1. Adherence to the organization's mission/purpose
2. Evaluating effectiveness
3. Evaluation of and compensation for the CEO
4. Confirming compliance with governing documents and legal requirements
5. Evaluating an organization's financial situation
6. Ensuring appropriate risk management

1. *Adherence to the organization's mission/purpose.* The preceding discussion addressed the need for redefining and clarifying our organization's identifying statements. Who is InterAct? What business are we in? What do we hope to accomplish? These questions need to be reexamined and reconfirmed in order to effectively move forward with any level of cohesiveness. Are we in adherence to the organization's mission/purpose? Yes and no. Let's address that question in depth in the days ahead after we have redefined our mission/purpose.

2. *Evaluating effectiveness.* What do we evaluate? How we are doing at "planting culturally relevant churches in every community that are transforming their communities across the whole North Pacific Crescent?" It is pretty difficult to measure as it stands. Although it will always be difficult to measure "soul growth" in any ministry context, there will be more readily measurable markers with the proposed changes.

3. *Evaluation of and compensation for the CEO.* Like last report, I will leave that opportunity fully in your hands.

4. *Confirming compliance with governing documents and legal requirements.* We are doing well here. In Canada we have the *Canadian Council of Christian Charities* serving as the watchdog in this arena and in the US we have the *Evangelical Council of Financial Accountability*, both of whom monitor and hold the respective organizations accountable for all things legal. Our annual audits in both countries demonstrate our financial integrity as well as the excellent jobs being done by Wes Schellenberg (Canada) and Roy Martin (Inc.) in oversight of our financial health and administrative details. Greg Hamilton (Canada) and Jerry Crosby (US) are effectively keeping abreast of appropriate

and applicable human resource laws to assure we are above reproach in those legal arenas.

5. Evaluating organizational financial health. One determinant of financial health is our audits. Both organizations have come through with high marks and clean audits. Kudos are due to Roy and his team in the US and to Wes in Canada (he has no team).

As the administration director's report has pointed out, there is reason for concern regarding the decreasing income in the US organization over the last four years. Our income still exceeds our expenses, but that is primarily due to the decreased ministry being done on the Alaska field. Unless we change our paradigm to that of hiring and paying salaries, I believe the best solution to our problem is to get new missionaries to the field. For the sake of looking at future viability, we will consider those missionaries who will likely continue for some time in ministry roles. Currently we have 21 missionaries that are part of the Russia and Alaska fields that are under sixty (Josephs, Tramms, Zooks, Jill Horsman, Moles, (Dennis) Richardsons, Marlin Prins, Bell, White, Orners, Hess, Gilberts and Burneshevs). In addition we have one couple at almost 50% support (Miller) and one Russian speaking "MK" who has applied to serve in Russia (Emrick). New missionaries are needed. During my tenure we have lost four missionary units in Russia and Alaska, one to transfer (Slawson), two to resignation (Cobb, Deshane) and one to retirement (Voran). At the same time we have added six missionary units, or ten missionaries, to the Russia and Alaska teams (Horsmans – transfer, Hess – new, Tramms – new, Millers – new, Bell – return, Burneshevs – new). That number rises to seven units, or eleven people, once Emrick is accepted. Although this has not been exponential growth, it indeed demonstrates growth. Am I satisfied? No, but I am also living with the reality that turning a large ship takes time. With intentionality I have no reason to believe we will not continue this turn toward growth and health in Alaska and Russia (Russia is healthy but in need of growth.)

It is safe to say that clear vision for ministry will result in new recruits and new ministries – God willing (Proverbs 16:9). New recruits and new missionaries will result in new interest and new donor dollars to fund the new ministries. Dollars follow momentum (at least momentum that is caused by the moving of God). Solutions:

- Clarify the mission's macro purpose/vision
- Provide leadership that is able to lead us forward in vision and implementation on struggling fields
- Recruit God's missionary candidates to accomplish this new vision

This will not be an overnight turnaround. As we see increased vision on the field of Alaska, followed by new missionaries to live out this vision, there will be money to realize this new vision.

6. *Ensuring appropriate risk management.* The administration in both organizations is doing a good job in effectively managing our organizational risk. In the not too distant future a risk audit might be something to consider. In the meantime, we have watchdog organizations (CCCC and ECFA), appropriate insurance (both organizationally and Officer's & Director's Liability) and good business administrators in both organizations overseeing our liabilities.

Policy – As mentioned in the last report, the US board has recently completed a policy review and now has a newly revised policy manual. This new manual is a solid foundation for the future. As updates and changes are needed, there is a well thought out base on which to build.

Canada is in process of reviewing its policies as it prepares to meet new legal requirements for not-for-profits in Canada.

On the fields:

Dan Mayerle has given a good report of the realities of the Canada field/organization. Vision has been cast, strategy has been identified and the team is moving forward. As the result of both clear vision and intentional targeting of prospective missionaries, this team is growing. They are running an organization that is equal or larger in numbers with the Inc. organization but are doing it with far less cash flow. Presently, they are in the enviable position of having momentum on their side. Recently I identified eleven new field missionaries, recruits or those making application to minister in Canada. I continue to encourage Dan to identify and release responsibility to others so he can be freed to lead at the top level of field leadership, which will simultaneously develop new leaders. Dan is a great leader and is doing a great job in leading his team.

Russia has been a field in transition for a few years. Ever since Thomas Slawson came face-to-face with the reality that he and Cristy would need to come back to the US, the field has functioned with an absentee field director. That is not to say the job he did was in any way second rate. Thomas is a good leader and one who has many gifts. He was hindered by both distance and the distractions that came from living in the US, caring for a special needs son, health issues and picking up many new responsibilities in the US office. To Thomas's credit, the field now has recruited a new missionary (Shawna Hess), bartered a half-time secondment with a native Sakha man and his wife serving in Yakutia (Volva and Tanya Burneshev), and has recruited a young man who is a recent Bible college graduate and is fluent in Russian (InterAct missionary kid, Frankie Emrick). Although this team may not have the degree of momentum that is evident in Canada, I am greatly encouraged by the growth we are seeing.

Before leaving the Russia team, let me clarify Thomas's new role and responsibilities. As of August 1, Thomas will be stepping down as the Russia field director. Lucas Orner, InterAct missionary in Krasnoyarsk, Siberia, will be assuming many of his responsibilities, but his title will be "Russia team leader." The rationale for this is related to the size of the field. Including Ted and Kate Mole, who at this point will only be going to Russia in a transitory manner, the whole field is comprised of only nine individuals. This does not

really require the responsibilities of a field director. Rather, I am choosing to use Lucas in a diminished field director capacity, primarily providing a level of pastoral care to the field and necessary administrative responsibilities for gatherings like conference. He will report directly to me. As the team grows, we will reassess the need for a full field director type role. I will continue to have Lucas bring a written report to the board and he would be available to report face-to-face to the board whenever he is on the continent. If further reporting is desired he assures me he will make himself available for a Skype connection.

Alaska – This is the field that has both encouraging news and less encouraging news. As all of you have heard from my 5-15 reports, David Joseph has chosen to step back from leadership for the summer. This has left a void in leadership on this field but it has not precipitated a crisis. Due to David's responsibilities outside of his field leadership role, he has had limited time to advance the field of Alaska. He inherited problems that were not of his making. He was limited by distance from the center of much of our ministry and support team. He continued to be a full-time church-planting pastor, while mentoring Harry Hafford into the role as his successor. He also has had a very limited team with which to work, thus his focus on recruitment. All of this has gone together to create a situation in Alaska where his absence has not created the void that the absence of a field director might be assumed to create.

What does the future hold? I am not sure. David has set September as the time when he would determine if he will return. From the lack of responsiveness I have had from him I would be naïve to think that he would be a fully recharged, ready to lead, Alaska field director. I have had to make the assumption that he will not be back in the role and plan accordingly.

In the meantime, I have been wearing the hat of the Alaska field director (don't quote me on this as I am denying it). One of the biggest felt needs for Alaska (and hence the whole US org) is for a clear sense of vision – vision to generate new people, vision to generate giving, vision to generate passion, vision to generate momentum. Since we have kept an amazing piece of property in pristine condition for over twenty years (thank you Doug Prins!), it seemed a logical place to consider for meeting some of the needs identified by both the Alaska MAP (thank you Mike Matthews!) and the Christian Native Alaskan community. Needs including whole-life discipleship, Native youth ministry, recovery ministries and ministry training could all be benefitted by the availability of such a facility along with staff to run such ministries. Having this facility and having some clearly identified needs among Native Alaskans begs the question: Is there a viable way to use this facility to meet some of those needs, while at the same time creating critical momentum for the field?

In order to explore that possibility, in May I began asking various people in the Palmer area, both those in InterAct and outside InterAct, if they would be willing to be a part of a committee to explore workable uses for the Lazy Mountain property. Steve and Jill Horsman have the skills and experience to coordinate such a group and are living at the facility. As you will surmise from the appendix, they have been commissioned to lead a one year, cross-organizational team to explore and recommend the best viable uses for

the Lazy Mountain facility. They are keeping me apprised weekly of their progress and their thinking.

In the meantime, we have put this property into maximum use. We are providing Alaska Bible College (ABC) with dorms for both men and women. Every other available home is being rented by ABC faculty or students. Alaska Freedom Journey has reserved space for further modular ministry training, following the pattern already begun earlier this summer. Hearts Going Toward Wellness has two conferences planned on the site. The big lodge, Valley View, and the administration building housing the dining hall are available for hospitality, retreats, etc. Although we do not have a clear picture yet of how this property will be used in the future, it is being fully utilized this year in ministry partnerships, fulfilling one of our key organizational goals.

Across Alaska, ministry continues, centered on the long-standing ministries that various individuals have developed or joined. Fairbanks Native Bible Fellowship is reaching beyond their church doors as they reach into the Native community of Fairbanks with the partnership of four InterAct couples: Joseph, Zook, Henry and Tramm. Bible studies and personal ministry to Native ladies are being done in Anchorage by Virginia Maillelle and Shirley Morgan. Dennis and Celesta Richardson have a thriving, active and growing cross-cultural church-plant in the same city. Ross's continue to lead and develop the ministry of Hearts Going Toward Wellness. Ed White plugs into various IT ministries as his health allows. George and Judy Richardson continue to be active in member care for both Native believers and missionary staff, and on and on. John Hammond continues to record, duplicate and distribute Native New Life gatherings. Doug Prins manages InterAct's properties across the state so they are useful for ministry. Julia McDonald and Rhaylene Abbey carry on regular Bible studies with Native ladies and serve in many other ways. Ted and Kate Mole serve full time counseling Native Alaskan youth at New Hope Counseling Center in Soldotna, while still making forays to Yakutia in an attempt to start a biblical counseling center there. Even Barney Furman continues to invest regular time into the book he is writing about the history of InterAct. It is easy to see the glass half full in Alaska, but we have many people who continue to do ministry quietly and faithfully behind the scenes for which they are getting little credit or recognition.

One last group that is a key part of my leadership world, as well as a key part of the ministry of InterAct Ministries, Inc. is the U.S. office. Administration continues to be the purview of Roy Martin. Roy's succession plan for the financial component of his role is being progressively transferred to Karen Schweitz. Roy's planned departure in the next two or three years requires we carefully consider each role he has carried historically. Diane Schoming has had a good start to her development efforts this fiscal year. She continues to bring a highly relational component to both the donors and the office. Jerry wears the Information Technology (IT) hat, Human Resource (HR) hat and other assorted duties around the office. In the days ahead, I hope to work with Jerry on advancing our mobilization efforts. What that will look like is not clarified. Stay tuned. As mentioned earlier and as you will see in Thomas' report, he is now full-time as our Public Relations director. Some organizations might call this their "communications director" or similar, but the bottom line is that he is responsible for communication to

the public about who we are. Overseeing our image and communicating clearly with the public fall within his new responsibilities.

A further comment about the office team is in order. While the office tasks are being well-handled, some of the directors feel the absence of an executive director onsite. With one week a month in Oregon, there is rarely adequate time to handle the issues on my plate (board meeting prep, visiting with donors, connecting informally with staff, etc). Under Gary's leadership there were complaints about his lack of visiting the staff. Under my leadership, there are complaints about my not spending enough time with the U.S. office. At the risk of giving the false impression that I am asking you to step into management, I merely want to alert you to a real tension. Some of the office staff feel the need for a leader to energize and bring team cohesion. An analogy that has been used is multiple "silos" working in the same office.

What are the solutions being considered? Moving to Oregon would not be a viable solution. The Canada board pays my salary and they have made it very clear that they prefer I remain in Canada as their employee. The truth is that it would not make a lot of difference if I did live in Oregon. My travel schedule would change the amount of time in the office very little. The fields are my priority. "Management by wandering around" is my reality. What can be done?

1. Get an Alaska field director in place once again
2. Begin monthly onsite office team meetings for talking through issues, giving reports, etc, thereby building more trust
3. Communicate more frequently with each. With ten direct reports, calling weekly could easily entail twenty hours each week. With all Alaska as direct reports, it is unreasonable for now.
4. Explore the possibility of doing a U.S. office team MAP to clarify the target and the best steps to reach the target.
5. I have considered having one person responsible for the entire office team who would in turn report to me. The office staff has not seen that as a helpful alternative. As we move forward I will continue to assess. Canada is already operating successfully under a scenario of this type.

I need to keep working toward providing leadership for the office team without micromanaging. The U.S. office team is doing a good job in fulfilling their responsibilities. The field staff are being served and empowered to do the jobs that give us our reason for existence.

I continue to enjoy serving the Lord and Interact staff as their director. Thank you as a board for your support and guidance as together we work to accomplish His purposes across the North Pacific Crescent.

Thanks for the privilege of serving.

Dale Smith
Executive Director, InterAct Ministries