
Case Study: Allison Church, Acquisition and Cultural Assimilation in an Ecclesiastical Organization¹

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ABSTRACT: This case examines the challenges associated with growth in a not-for-profit ecclesiastical organization with a specific emphasis upon expansion through merger/acquisition strategies and the cultural issues that must be addressed in these scenarios. The narrative outlines the experience of the church's pastor, Dave Morehouse, as he wrestles with the challenges presented by congregational growth and seeks to deal with resistance to the change strategy he is seeking to implement in the face of environmental uncertainty.

A GROWING DILEMMA

Dave Morehouse eased his car out of the parking lot at Allison Church in Moncton, New Brunswick, where he held the position of lead pastor. It was Friday, June 13, 2008, and Dave needed to clear his head before getting back to his desk. He had just finished a long meeting with the church's lead team² regarding Allison's growth strategy, and although a plan had been settled on months ago, recent changes to the organization's financial situation combined with other factors were causing the team to second-guess the decision. As he made his way down the Salisbury Road toward the center of town, he began trying to make sense of what the church's next step should be.

BURSTING AT THE SEAMS

The primary "problem" facing Allison was its growing congregation (see Exhibits 1A-1E). While every church desired numerical growth in attendees, Allison had reached a critical mass where fire codes were in danger of being

violated at some of its weekend services, and there was no longer enough square footage for the church's children's ministries. Some relief had been afforded through the addition of a new Saturday night service and via the addition of an extra Christmas service option each year.

Allison was a seeker-sensitive³ and welcoming church that embraced technology in order to offer a modern worship experience that would engage its congregants. Services were characterized by contemporary music stylings performed with guitars and drums, video technology, sermons that could be easily understood and applied to relevant life-issues, and a generally relaxed atmosphere that included designated seats for parents with infants and coffee and crackers available to anyone throughout the meeting. As a reflection of the church's relaxed style, Dave usually delivered his messages wearing jeans and a t-shirt or sweater, as opposed to the traditional suit and tie. There were many young families who frequented the services, and many members of the Moncton business community also attended regularly.

Figure 1: Typical Bulletin Description of Allison Church⁴**About Allison****What you can expect!**

When you come in the doors of Allison Church, the only thing we'll ask of you is simple — RELAX! You're with friends! Whether you've been here hundreds of times or just once, whether you're a seasoned church veteran or you've never been to church at all, you can anticipate an encouraging and enlightening experience. Join us for one of our services:

- Saturday Night Uncut @ 6:15 p.m.
- Sunday Morning Early Edition @ 9:15 a.m.
- Sunday Morning Prime Time @ 11:00 a.m.

No Strings Attached!

As a guest or newcomer, you will not be asked to give money during the Worship in Giving time in our services. Our worship services are our gift to you. If you call Allison home, we invite you to offer your gifts to God.

Do you come with children?

Our services are geared for youth and adults, so Allison provides several childcare options. Little Wonders provides care for infants up to age 2; Critterland is a fun experience for children age 3 - 5; Allison Wonderland challenges kids from grade 1-5. Ask a room manager for directions, or go to our First Impressions kiosk in the Welcome Centre if you have any questions.

DAVE AND A LITTLE HISTORY

Dave recalled his first service at Allison Church in September 1986. He had just graduated from the seminary at Regent College, and Allison was his first posting as pastor. He remembered spending his whole first service talking about God's vision and purpose for the church. He had said emphatically, "It doesn't matter how much we do, or how many programs we run if we don't understand why we're here in the first place. Once everyone begins to realize what the Church is about and starts acting on that, that's when things really get exciting!"

Allison's mission statement was the same today as when he had first written it — only the wording had been changed slightly to make it more contemporary: "Allison Church exists to Lead people to Follow Jesus, Love God, and Love Others." Dave made it a priority in his leadership to ensure that all programs offered by the church were carried out with this mission in mind.

In 1986, Allison had approximately 80 regular attendees and an annual budget of about \$60,000 (over half of which provided Dave's salary). From that time on, Allison experienced consistent growth. In the mid-90s, a building project was completed to expand facilities to the current capacity of 350, significantly more than the congregation had needed at the time. The project had cost Allison a little over \$800,000 and was almost fully repaid. The church had also established an early service option to augment its

traditional Sunday morning offering — congregants had a choice between the 9:15 a.m. Early Edition or the 11:00 a.m. Prime Time offerings.

Prime Time firmly established itself as the most popular worship gathering, and by early 2006, numbers were edging closer to the building's 350-seat capacity. Accordingly, Dave and his staff made the strategic decision to begin offering a Saturday night service — a move virtually unheard of in Baptist churches in Atlantic Canada. Saturday night Uncut was targeted to young adults aged 18-35 and adopted an even more relaxed coffeehouse feel, with tables and chairs where people could sit in groups while they took in the service.

By spring 2008, well over 600 people were gathering weekly to attend one of Allison's three services. Through regular offerings alone, the church operated with an annual budget of over \$750,000 and offered a wide array of ministry programs targeting adults, youth, children, seniors, married couples, men, women, business people, and more.

A big part of the church's mission was to be more than just a locally minded church. Dave had seized on the term "glocal" to describe a church as concerned with local issues as global ones, and vice versa. Allison provided a large portion of the financial support required by the Soucy family, missionaries who had relocated from Moncton to Rwanda in 2006.⁵ Dave himself demonstrated a clear personal commitment to global ministry, as he sat on the board of directors for World Vision Canada, and had spent time on mission trips to Ethiopia and Rwanda.

OPTIONS FOR GROWTH

The lead team had been exploring growth strategies for some time and felt that they had a solid basis of experience stemming from the renovation project of the mid-90s and development of new service options. In early 2006 they had considered another major renovation project that would expand the sanctuary and increase Allison's seating capacity per service to 550, thus providing ample space for future growth. The proposed changes would also add a large center for children's programs that could support up to 150 kids and six smaller rooms that could be used for children's ministries or small group meetings as well as several offices. Beside the additions to actual space (which Dave had estimated would provide for Allison's needs until at least 2015), the project included an overhaul of the church's audio-visual equipment which would dramatically increase the quality of sound in the sanctuary and allow for live video footage to be projected onto three large screens. As an added bonus, the improvements would enable the church to host small concerts and increase revenue potential from other ministry-related events (such as an annual dinner theatre production). The estimated cost for the proposed project was a little over \$5 million.

Dave had been concerned with the renovation proposal — not because of the actual dollar amount but because of the possibility that Allison might be paying for the project for years to come. Being "house-poor" with only limited ability to be effective in its local and global missions was not something Dave considered an option for Allison. If there was a way to increase capacity while still leaving the church financially free to be involved in glocal endeavours, his concerns would be alleviated.

As a short-term solution, the church's facility manager had proposed the acquisition of a portable building that could be attached to the existing children's ministry wing of the church. This \$40,000 investment would enable Allison to — at least temporarily — alleviate over-crowding in the children's programs while continuing to investigate ways to increase capacity for the adult services.

Another option Dave had considered was to simply offer a fourth weekend service, perhaps on Sunday evenings. The only additional cost — beside extra utilities expense — might be the need for more part-time employees to help reduce strain on the ministry staff. A major concern with this alternative, however, was data Dave had seen showing that services in the Sunday 11:00 a.m. time slot remained the greatest attractor for people. While a Sunday evening service might draw some regular morning attendees away — vacating seats for new people — Dave did not think it would provide enough seats for the effort.

ONE CHURCH, DIFFERENT LOCATIONS

Dave had another idea — the possibility that the Lead Team might be able to locate an existing church building and retrofit it for less than what a major expansion project would cost. This would provide Allison with additional capacity on Sunday at 11:00 a.m. and also reach a new audience in a new locale. He had researched the concept and became excited about what he found.

In the United States, some churches — with congregations in the thousands — had begun implementing a multi-site strategy when their growth had been limited by physical space constraints. Instead of acquiring land and building permits, these churches simply found another nearby building they could lease or purchase, retrofitted it to suit their style of ministry, and used video technology to broadcast the messages from the "base church" to the "satellite campus." All other aspects of the service (such as music or prayer) would happen live at the new site. In order to maintain feelings of community, attendees were encouraged to participate in various mid-week small group meetings.⁶

One of the main concerns churches had before launching a multi-site venture was that the pastor might lose touch with the people by not actually being present with them. Most "mega-churches" in the U.S. (defined as having more than 3,000 regular attendees) were already using live video projected onto large screens during their services to make sure that everyone could see the speaker's face — a strategy regularly employed at business conferences, concerts, and other events with large crowds. Research indicated that when a video screen was available, most people actually focused on it more than on the actual speaker, as they could see facial expressions much more clearly on the larger-than-life screen.

Dave's main concern with the pursuit of a multi-site plan was trying to predict whether or not the strategies that worked in big US cities would be effective in Atlantic Canada — and he wasn't sure if there was actually any way to know without trying it. In August 2006, Dave had learned of a shrinking congregation just 12 minutes (and closer to the center of the city) from Allison — Brentwood United Baptist Church. He informally approached Dr. Seth Crowell, the chair of the Brentwood's board, to propose that the church consider becoming a satellite campus. Seth's response was open but cautious; he agreed to mention it to the other board members and left it at that.

BRENTWOOD UNITED BAPTIST CHURCH⁷

Brentwood United Baptist Church had been established in 1961 as a house church that met on Brentwood Drive in

Moncton's "New West End." The burgeoning congregation grew and in 1968 built a new sanctuary one street to the west on Dickson Boulevard. As the years wore on and demographics shifted, Brentwood found itself with a dwindling flock. By 1985 Brentwood had a regular attendance of 70-80 people, most of whom were middle-aged and older (there was only one teenager and one family with an infant attending at the time). In terms of worship style, the church was very traditional with music performed on an organ and hymns that appealed to the average age of the people.

In 1990 Reverend Kaj⁸ Binderup arrived to become Brentwood's new pastor and found a church with an average regular attendance of fewer than 60. For the next 12 years, the pastor worked hard to increase the size of the congregation, implementing outreach programs intended to attract more middle-aged persons. A high-water mark was achieved in 2000 as average attendance spiked in the mid-80s (some Sundays witnessed over 100 in attendance) (see Exhibit 3). Nevertheless, the church continued to struggle to attract younger demographics, and the teen population during this time never exceeded six. As the new millennium began to unfold, the size of the congregation began to decrease as older members grew less able to attend. When Kaj left in 2003, attendance was back in the mid-60s again.

The church quickly recruited a comparatively younger pastor to serve in an interim capacity — Darren McHarg — while a search committee was formed to find a pastor that could lead the church into a new stage of growth. The committee soon ceased its function, however, as the congregation — impressed with Darren's energy and passion — decided to offer him the position of pastor permanently. Darren was in his late 30s (quite young by the standards of many in the congregation) and worked hard to modernize the sanctuary and make it less "churchy" by clearing the choir stands from the stage and leading music on his guitar. The congregation began to have one "traditional" service every month (complete with organ and hymns) and to use a guitar for the remainder. Many other churches were modernizing their music during this time, and Brentwood's leadership concluded that this strategy seemed like a good way to attract younger people to the services.

As is often the case with change, not everyone supported the revisions. During Darren's tenure as pastor, several conflicts — some of which were quite heated — took place between members over such things as music style and whether or not coffee should be served in the sanctuary. One major source of conflict was a \$100,000 annual budget supported by only \$85,000 in revenue. Darren would ultimately leave Brentwood to pursue a career with Wycliffe Bible Translators in late 2005.

The congregation knew that something needed to happen to fix their financial situation and identified several alternatives:

1. Find a way to attract to the services more people who would contribute financially.
2. Reduce expenses by reducing the programs offered by the church.
3. Reduce expenses by hiring only a part-time pastor.

While the first option was clearly the most desirable, it seemed that the only way to make it happen would be to recruit a pastor with both the experience of successful church leadership and the youthful energy required to plan and implement needed changes to the church's strategy. As the church considered what to do next, board members took charge of regular weekly activities such as preaching on Sundays and visiting shut-ins. Attendance dwindled into the 50s, many of whom were now senior citizens with fixed incomes and a limited ability to support the church financially.

In March 2006, the Brentwood board took an unusual step and met with Brent Hudson, a part-time pastor who led River of Life Mennonite Brethren Church in Riverview, just across the Petitcodiac River from Moncton. The River of Life congregation consisted of about 50 people, included many young families, and actively avoided many church traditions — such as organ music — opting instead for a contemporary worship style to which young people could relate. The church lacked a permanent home, renting a building for weekly services and was struggling financially given that the majority of its membership comprised cash-strapped young families.

The board at Brentwood wondered if the two congregations could somehow be combined: Brentwood had a million dollar facility and the wisdom of older members, and River of Life had the passion of youth that Brentwood needed to survive and grow. While a merger of the two congregations was not to be⁹, it was decided that Brent would continue his half-time commitment at River of Life and begin as pastor at Brentwood, also in a half-time capacity. The two congregations would continue to meet in separate locations at separate times to maintain the preferred culture and atmosphere of each service, sharing only a pastor.

When Brent formally began his role at Brentwood in June, he held several meetings with board members in order to discern their vision for the future. They agreed early on that things could not continue as they had, as the church was struggling financially and could not seem to attract younger families to its services, an essential for long-term survival and growth. Brent had suggested several changes:

1. Sell the organ, purchase an electronic keyboard, and begin modernizing the music style.

2. Remove the traditional hard wooden pews from the sanctuary and replace them with comfortable interlocking chairs which could be easily reconfigured for various uses.
3. Offer coffee and crackers at the back of the sanctuary during the service to help people feel comfortable and relaxed.

While the board agreed that changes were necessary, no one was willing to move forward with any of the suggestions given the risk that current attendees might be offended and ultimately leave the church. Brent knew that this attitude would not help their predicament.

ALLISON AND BRENTWOOD: THE MULTI-SITE CONVERSATION

Dave Morehouse had met up with Brent in February 2007 and outlined his idea about placing Allison on a multi-site footing. Brent enthusiastically brought the idea back to the Brentwood board, but was met with the same cautious response that Seth had given Dave months earlier. “Brentwood is dying,” Brent told them. “What will it take for us to want to change?”

The board remained hesitant, but agreed to at least arrange a formal meeting with Dave to determine if this was an opportunity that would somehow meet Brentwood’s needs.

In terms of resources, Brentwood had a million dollar building and a contingency account. Once significant, the account had been reduced over the years to cover deficits when the heating bill exceeded budget. Brent had told Dave there was only \$70,000 remaining, and that when it was gone, Brentwood would have to shut down completely.

Dave went on to meet with the Brentwood board several times as attitudes began to soften (although some remained sceptical). As a result it was ultimately agreed that the leadership of both churches would meet to discuss the multi-site idea more fully. Allison’s lead team, Dave, and some of its other pastors came and met with Brent and his board on April 11, 2007. The two groups agreed on a definition of the challenge before them:

How do two autonomous churches — where one is growing and the other is declining — find the will to do whatever it takes to create and implement a “Great Commission Model” where we “Go and Make Disciples,” teaching them to love God deeply, be transformed by God daily, and serve God diligently.¹⁰

The groups committed to meet monthly to negotiate the details of what a multi-site agreement would look like. The

result was unveiled by the leadership of both churches on January 16, 2008, as a proposal (see Exhibit 4). Essentially, Brentwood’s church building and approximately \$70,000 in cash would be signed over to Allison Church while Allison’s lead team would be replaced with a transition board (that would include one member from Brentwood), which would govern both locations.

As the reality of a multi-site relationship crystallized, emotions began to run high at both locations. Many at Allison were concerned about the full implications of what multi-site would mean — both to their financial situation and their culture. Also, there were those at Brentwood who were not prepared to give up their identity as a congregation and submit to the leadership of Allison. Many had articulated questions and concerns they felt needed to be addressed before moving forward:

1. Will the proposed leadership model and/or Dave Morehouse’s personal leadership style lead to a situation where Brentwood congregants will quickly feel like they have no voice?
2. Will the sheer numbers that can potentially come from Allison simply overrun our present membership and as a result stifle “our voice”?
3. Certain worship practices and even outreach activities could occur that will be well outside my comfort zone. This might make it tough for me to support them.
4. Given all the people Allison has, to do the tasks of ministry, there will be no room or place for Brentwood members to fit in.
5. Watching a screen instead of a live preacher is problematic.
6. When we go to a more contemporary music format, will drums need to be a dominant part of this music style?

Members of both congregations expressed concern that the project was not guaranteed to work; there were too many variables to predict when attempting to integrate two very different churches. To top things off, as negotiations with Allison progressed, Brent’s River of Life congregation began to express concerns that they were losing his focus and energy. They were afraid that if Brent became a pastor at Allison, they would lose him.

In February 2008 the “Brent” problem became more acute as Allison’s lead team solidified its idea as to what the Brentwood “campus” would look like in a multi-site environment. It was generally agreed that a campus pastor would be needed and that this person should be someone familiar with Allison’s approach to ministry — ergo, Brent would need to step down from his current role. While it was agreed that it would be nice to find a role for Brent in the new structure, some of Allison’s leaders pointed out

that the multi-site venture would be more feasible financially if Brent was not retained in a staff role. Suffice to say, Brentwood members were outraged at this prospect, emphatically stating that “Brent comes or no one comes!”

ALLISON BY THE NUMBERS

In March 2008 Allison Church members gathered for an update on the progress of negotiations and the church’s operations. Bernadette Knowles, Allison’s finance team manager, gave a presentation on the financial state of the church, highlighting the fact that it had enjoyed an increase in revenue every year since 2001 (see Exhibit 5). Despite the steady growth in income, however, there was some cause for concern. As Bernadette put it, there were two immediate issues that needed to be dealt with. First, she explained that “giving has not kept pace with ministry costs” (see Exhibit 6). This had left the church with current outstanding payables of \$43,514. Also, during the previous year, some \$30,838 of giving that had been designated for the Soucys in Rwanda had somehow been misdirected into regular operating funds — an error that would need to be corrected immediately. This, combined with all other current and long-term liabilities, had left Allison owing a total of \$220,000 (see Exhibit 7). This was problematic given that one of the church’s core values required it to carry as little debt as possible. She suggested that a consolidation loan from the Baptist Foundation¹¹ for the entire amount might help them to lower their borrowing costs and pay down the existing debt more quickly.

COMPLICATIONS

In light of the less than positive financial update, Dave considered some of the complications that might arise if the church continued to pursue the multi-site strategy with Brentwood. First, Brentwood had a beautiful wood interior, with old fashioned pews. Allison’s desire for relaxing and more comfortable seating would represent a significant expense to be incurred before services could be launched. Then there were other required renovations that would drive up the contracting bill. For example, Brentwood’s steeple would need to come down, as Dave’s research indicated that steeples served as a detriment to attracting newcomers with no church background. Also, Brentwood’s sound and lighting system was not sufficient for Allison’s ministry style. Regardless of which growth strategy Allison chose to pursue, Dave’s

staff had been adamant that they would not sacrifice production values by working with equipment that did not meet their needs. All told, the cost of these renovations was estimated at \$300,000.

SOMETHING WAS MISSING...

As Dave pulled back into Allison’s parking lot, he continued to ponder the situation. He knew that he had to find a solution that balanced good money management with Allison’s mission — something that allowed the church to increase its capacity while not casting it into deep debt for the next twenty years. While it was true that the multi-site negotiations were moving forward and represented a comparatively inexpensive strategy for growth, he was a little uncertain as to how the current financial situation should be handled. Did the current indebtedness mean that the multi-site plans should be put on hold until it was resolved? Or did the existence of a spending deficit mean that expansion needed to happen right away to try to increase revenue? He was confident that he could likely influence Allison members one way or the other, but Brentwood was a different story. How should the concerns of its members be approached?

He thought some more about the idea of a multi-site, video-cast church. He wasn’t even sure if people would stay at a house of worship where the message was regularly on a screen. True, research seemed to show that it would work, but he still had doubts.

Dave completed the short walk from his car to the office, pausing for a moment at the door. He couldn’t shake the thought that he was missing something in the midst of this whole situation.

SUGGESTED TEACHING APPROACHES AND DISCUSSION QUESTIONS

This case seeks to develop the student’s ability to perform systematic strategic analysis toward the development of realistic recommendations, which balance business theory with the needs of a not-for-profit organization with a Christian mission. In addition to the questions below, a comprehensive set of teaching notes with suggested answers is available from the author.

Questions

1. How would you evaluate the situation in which Allison Church finds itself? Conduct a strategic

- analysis and prepare a recommendation for Pastor Morehouse and his lead team. What should Allison Church do?
2. What are some specific tactics that could be used to mitigate the risk of Brentwood’s culture not integrating well with Allison’s?
 3. What are the potential consequences of video-casting? Is there any way to mitigate negative consequences? Remember to consider the distinctive of both cultures.
 4. Can the new location grow fast enough to be financially feasible? Or will there simply be a redistribution of congregants from the Salisbury Road campus to the Brentwood campus, making no positive impact on attendance or finances?

5. In the western world, “bigger” seems to be considered “better” when it comes to church growth; yet this is not the experience of the Church (capitalization intended) elsewhere on the planet, nor has it been the experience of the Church throughout much of its history. Is Allison’s pursuit of growth a biblical one?
6. Is the Allison multi-site proposal best characterized as a merger or an acquisition?
7. Identify the underlying motivation for the merger/ acquisition activity described in the case.
8. Identify the advantages and disadvantages of Allison’s multi-site proposal versus a strategy of internal development.

EXHIBITS

Exhibit 1A: Allison Church Attendance

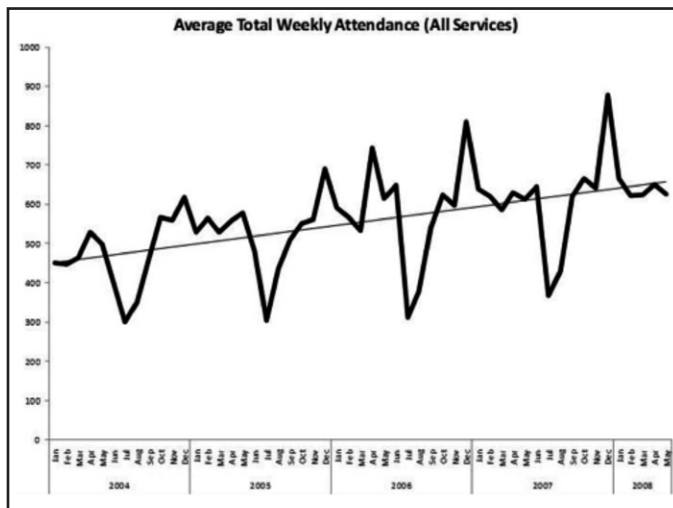


Exhibit 1B: Allison Church Attendance

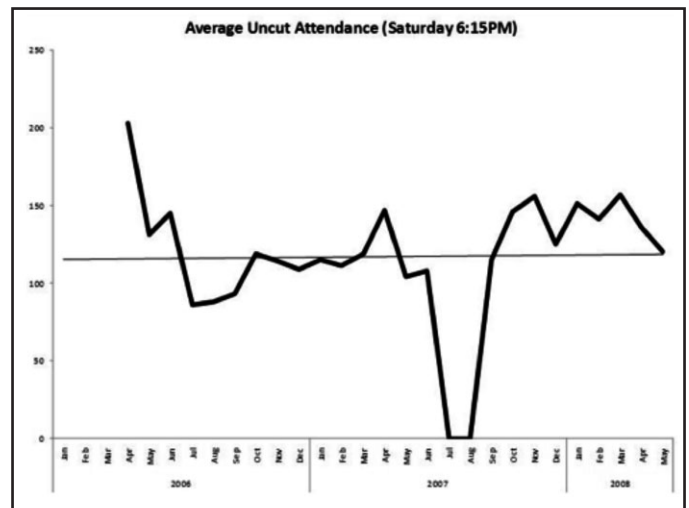


Exhibit 1C: Allison Church Attendance

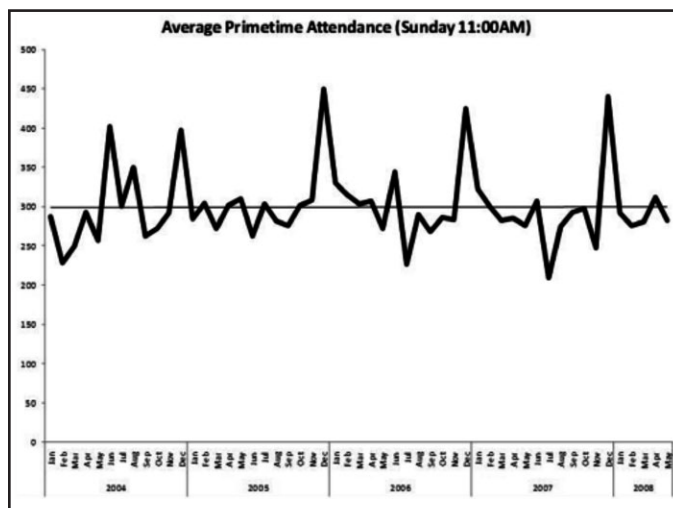


Exhibit 1D: Allison Church Attendance

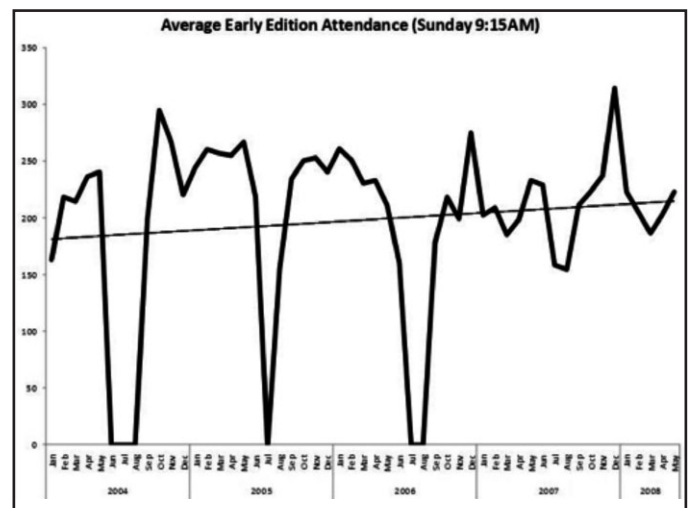


Exhibit 1E: Allison Church Attendance

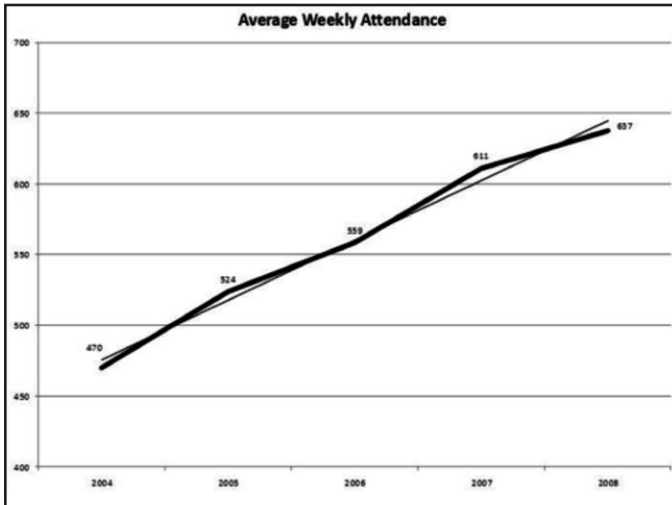


Exhibit 3: Brentwood United Baptist Church Attendance

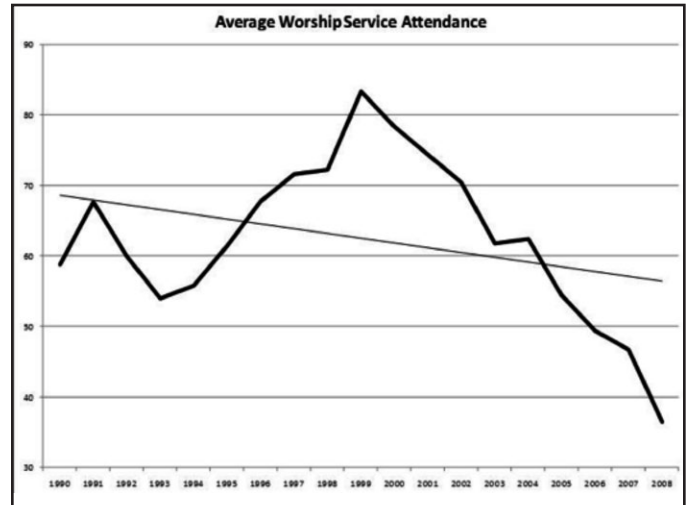


Exhibit 2: Allison Church Organizational Chart

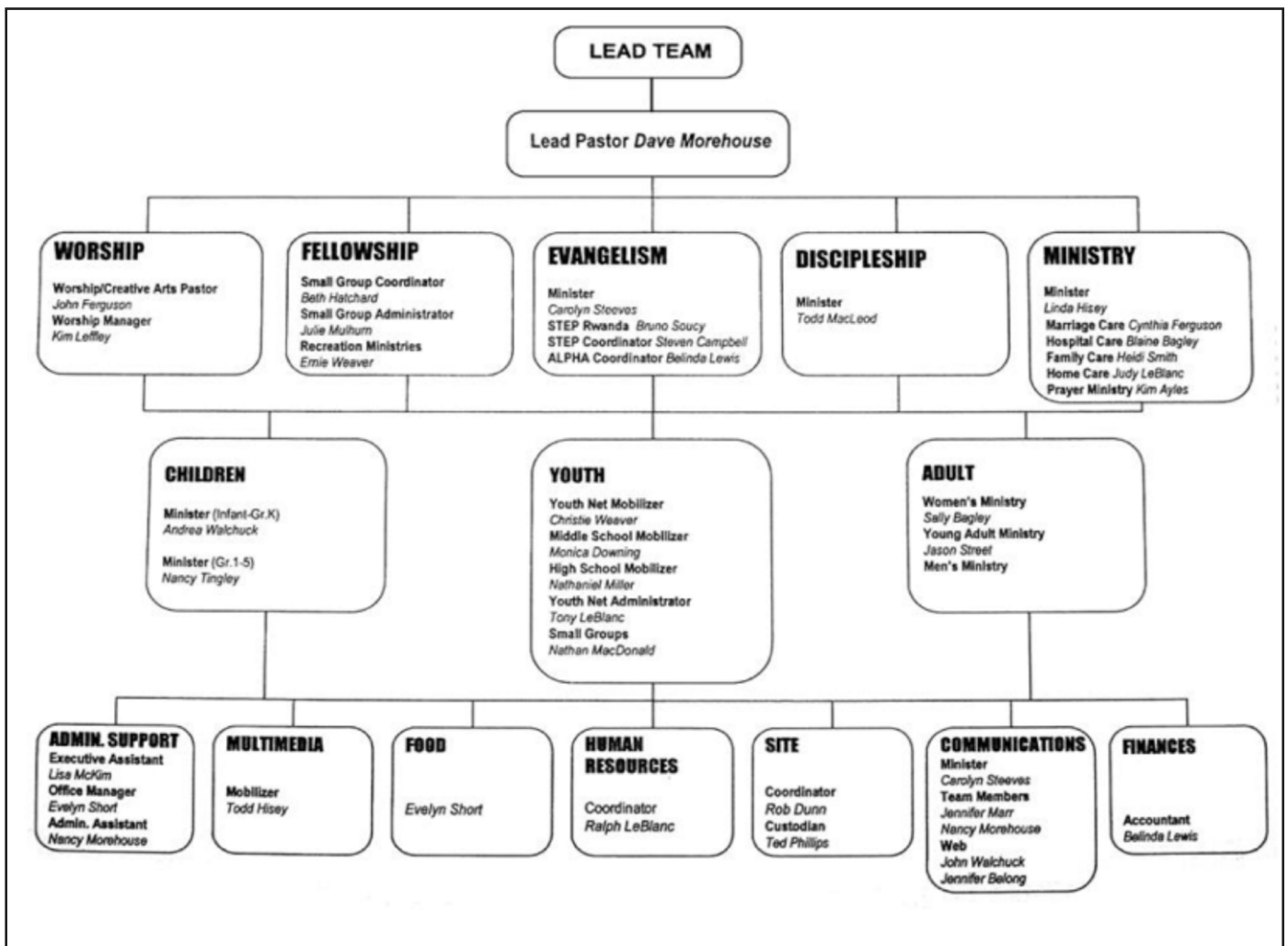


Exhibit 4: Multi-Site Proposal

Following are the 3 key recommendations presently identified as necessary to implement this solution.

1. Leadership:

The governance model will be the Accountable Leadership Strategy. The members of the church will carry out the ministry and mission of Jesus. The staff (paid and unpaid) will manage the members of the church. There will be a lead pastor (David Morehouse) who provides the vision and teaching for the one church in different locations. There will be one governing board that provides accountability and support in order for the church to carry out the mission of leading people to follow Jesus, love God, and love others.

One member of this leadership group will come from the spiritual leadership¹² of Brentwood Baptist Church during the initial phase of multi-site implementation (for a period of 18 months to help navigate transition issues).

The staff/leadership and members will subscribe to the Accountable Leadership Strategy model espoused by John Kaiser in the book, *Winning on Purpose*. The staff/leadership will equip and coordinate the members to fulfill the mission of the church to lead people to follow Jesus, love God, and love others through evangelism, ministry, worship, teaching, and fellowship.

2. Preaching and Worship:

There will be a commitment to live worship at all locations that follow our present approach of contextualization that is deemed both missional and strategic.

The primary method for preaching/communication will be one voice for all locations, whether it is live or video presentation, for any given weekend for our worship services.

The secondary method for preaching/communication will utilize multi-voice¹³ on any given weekend for our worship services.

3. Management:

Though multi-site means one church with many locations, the key management issues — finances, HR, Site Development, and Systems — are to be managed through one central management team and its various working teams. Practically speaking, this means such things as one budget and one bank account for all locations, one set of guidelines for use of facilities, one hiring process standard, central planning calendar for all locations, etc.

Exhibit 5: Allison Church Revenue¹⁴

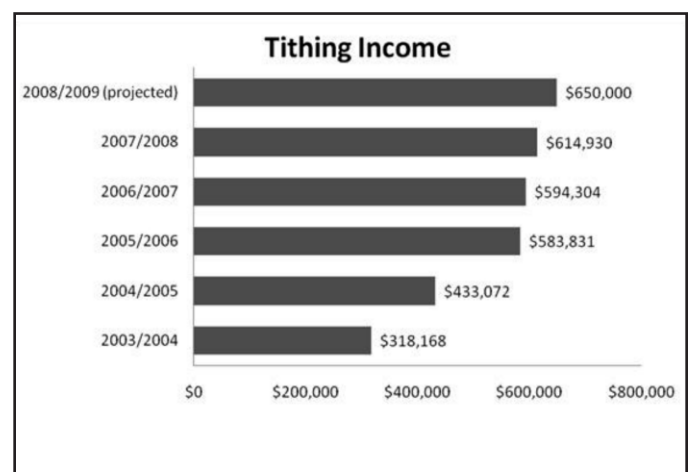
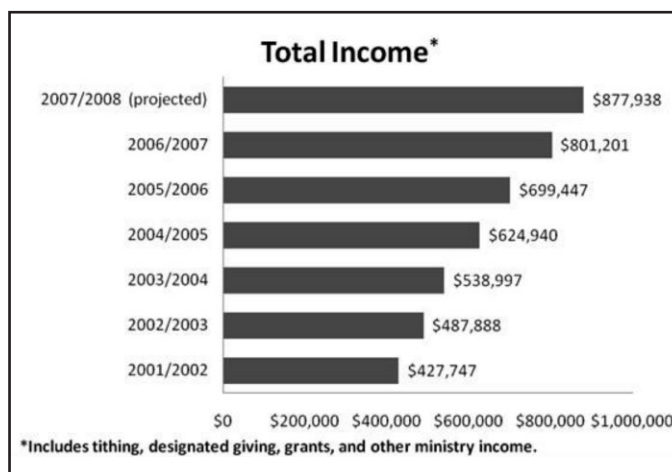


Exhibit 6: Allison Church Ministry Expenses

2006/2007 Expenses	
Worship & Creative Arts	\$38,918
Evangelism	\$74,529
Ministry — Compensation	\$408,744
Ministry — Care & Leadership	\$45,510
Teaching	\$23,025
Fellowship	\$22,925
Administration	\$217,550
Total Expenses	\$831,201

Allison operates under a ministry model called Purpose Driven. Essentially, this means that every dollar can be traced back to its effect on the broad mission of the church. Following is a brief description of the specific expenses that would be found within each category listed above:

Worship & Creative Arts — Includes all expenses related to the multi-media worship experience, including props, instruments, equipment maintenance, rental or lease of equipment, and special events such as guest musicians or speakers.

Evangelism — Includes all outreach expenses including both local and global initiatives. Examples are donations to Bible camps, World Vision, and other mission organizations as well as funding for outreach activities such as youth ball hockey.

Ministry — Includes expenses incurred in “typical” church ministry activities such as visitation, counselling, addiction recovery programs, leadership development, and staff compensation.

Teaching — Includes all resources necessary for teaching, such as sermon helps or small group materials. Also includes all Sunday school curriculum and summer vacation Bible school curriculums.

Fellowship — Includes all expenses related to building connections among congregants, including the coffee and crackers available during the service and any other edibles used at any time in the life of the church. Also includes subsidies towards marriage care programs or other retreats.

Administration — Expenses needed to make all the other ministries run smoothly. Includes stationary, photocopying and other office expenses, and also includes bank fees, accounting and professional fees, and building costs, such as utilities, building maintenance, snow removal, or alarm expenses.

Exhibit 7: Allison Church Debt

Outstanding Short-Term Payables	
\$13,360	Current Payables
\$10,000	Misc. Items
\$20,154	High-Interest Credit Card Balances
\$73,514	Total Outstanding Payables
\$30,838	Funds Currently Owed to the Soucys
Outstanding Long-Term Debt	
\$82,964	Existing Mortgage
\$62,684	Original Building Expansion
\$145,648	Total Long-Term Debt
\$220,000	Total Debt

ENDNOTES

- ¹ This case was prepared as a catalyst for discussion and is not intended to illustrate either the effective or ineffective handling of management decisions. It is based on actual events, and the authors would like to express their gratitude to Pastor Dave Morehouse, Pastor Brent Hudson, Dr. Seth Crowell, Ms. Amy MacArthur, and Mr. Blake Briggs for their assistance in its development.
- ² The lead team serves as the board and provides the governance function of the organization. See Exhibit 2 for Allison's organizational chart.
- ³ A "seeker sensitive" church is one with a focus on attracting individuals (seekers) who might become Christians, maintaining an awareness of their sociological characteristics. One reflection of this strategy was the church's elimination of the term Baptist from its name. While remaining a de facto Baptist church, it was felt that a denominational name might serve to keep some seekers away.
- ⁴ A church bulletin is essentially a paper flyer that is distributed to attendees upon arrival at a service. It would normally contain church news and describe the church's ministry activities.
- ⁵ The Soucys are involved in sustainable community development and leadership formation in Rwanda, dealing particularly with issues pertaining to microcredit and HIV/AIDS.
- ⁶ "Small groups" are church organized meetings — typically of not more than 15 persons — that may take place at the church or some other location (e.g. congregant homes). They typically involve Bible study and opportunities to socialize.
- ⁷ The term "United" in the Brentwood name signifies the church's membership in the Convention of Atlantic Baptist Churches (CABC), formerly known as the United Baptist Convention (UBC). The CABC comprises some 500 churches in the four Atlantic Provinces who affiliate based upon a common vision and purpose. Allison Church also belongs to the CABC.
- ⁸ Pronounced "Kye"
- ⁹ Interestingly, it was the River of Life congregation that resisted the merger suggestion, apparently feeling that the Brentwood's Baptist traditions represented much of what they had left behind.
- ¹⁰ The Great Commission Model refers to Christ's stated mission for the Christian Church (ergo the "Great Commission") as described in the Gospel of Matthew chapter 28 verses 19-20 (Go therefore and make disciples of all the nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, teaching them to observe all things that I have commanded you; and lo, I am with you always, even to the end of the age." Amen) (NKJV).
- ¹¹ The Atlantic Baptist Foundation is a charitable organization with a mandate to provide financial services (including loans) for the churches, agencies, and council of the Convention of Atlantic Baptist Churches.
- ¹² The intent was that this individual would come from Brentwood's Board of Deacons (the de facto management of the church).
- ¹³ The distinction between "one voice" and "multi-voice" is essentially who would be speaking in a particular service. In one-voice scenarios, one pastor would speak at every service, versus multi-voice scenarios, where different pastors might speak (e.g. Dave at Early Edition and Prime Time on a particular Sunday, another pastor at the Brentwood campus).
- ¹⁴ Note that the church's fiscal year is from September 1 through August 31. Most of a church's income is generated from members and regular attendees' generosity. "Tithing" is the Christian tradition of giving a percentage (often de-fined as 10 percent) of income to the church for operating and ministry expenses.