



## TATUM PARTNERS

Financial and Information Technology Leadership

### EXECUTIVE PROFILE SERIES: TATUM CFO IN ACTION - NATURAL HISTORY MUSEUM



*Dr. Mick Hager (right), CEO of the San Diego Natural History Museum presents Tatum CFO Partner Irwin Hurn with a symbolic photo created by the museum staff.*

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**Dr. Mick Hager, CEO  
San Diego Natural History Museum**

The board members and management team of the not-for-profit San Diego Natural History Museum held a special party in June 2004. Its purpose was to symbolically put behind them four difficult years and to celebrate a new day. “We beat a piñata that represented past construction problems, and we wrote down our negative thoughts about the past budget difficulties, put them in a coffin, nailed it shut, and burned the coffin,” says Dr. Mick Hager, CEO of the Museum. “It’s a new day here. We are forward-focused. The transition began with the arrival of Tatum.”

The San Diego Society of Natural History, founded in 1874, is the second oldest scientific institution west of the Mississippi. Established to support the natural science of southern California, the Society opened its first museum in 1912. Over the years, the Museum focused its research and education on southern California and Baja California. In April 2001 it more than doubled the size of its 1933 vintage building in historic Balboa Park, with a \$40 million, 90,000 square foot addition. It was this recent expansion that drove the Museum to the edge.

Hager says the Museum was in a critical financial state, caused by a long construction project. “The project resulted in challenges and obligations that took time, money and energy. This diverted attention from operations, especially finance, and it pretty much put a stop to fund-raising as well,” he notes. The morale of the 23-member board and the staff plummeted. The Museum needed financial turnaround expertise.

Recommended by the Museum’s audit firm, Tatum was selected for its financial knowledge and because of the ease of bringing in high-level financial leadership quickly without making a long-term commitment. Tatum partner, Irwin Hurn, was engaged for a four-month, part-time assignment. Hurn’s financial expertise and leadership capabilities as well as his scientific background in biology and natural sciences made him the ideal executive for this transitional leadership position.

“Bringing in Tatum was the start of our turnaround,” says Hager. “Irwin is a person who engenders a lot of trust. Knowing we had the backing of the Tatum organization, our board and staff quickly regained their confidence in our ability to solve the issues, get the Museum back on track and move forward.” Hager adds that Hurn’s scientific back-

ground was a big plus. "It gave him credibility with our staff of about 120 people. He understood that the staff is not financially minded and he was able to explain to every department its budget and how it relates to the whole Museum. He eased a lot of their concerns about how to manage money."

Hurn faced immediate and critical challenges: Accounting and financial functions and records needed attention; the accounting staff was dispirited; and he had to deal with major cash flow problems to meet daily needs. Moreover, within three weeks after Hurn started, a major fire caused extensive damage to the museum, requiring the Museum to shut down for one month while round-the-clock crews repaired the smoke and water damage.

Hurn became an essential part of the executive team and reported to the board and its executive, finance and audit committees. "Tatum rapidly stabilized the situation," says Hager. "It was intense and hard work, but Irwin brought order to what seemed like chaos." Hurn set straight the Museum's cash flow and accounts payable. For example, the Museum was spending valuable time dealing with angry vendors who had not been paid. Yet there were grant funds available. "The system and the people were not functioning properly, so the vendors went unpaid," remarks Hager. Using Tatum's knowledge network of its 400 partners as a resource, Hurn established a payroll system that was more efficient and followed best practices. He also dramatically

improved financial reporting and then trained members of each department to understand their role in the budget process. "That really helped us get the budget back on target and in order," notes Hager. A difficult audit was completed successfully with an unqualified audit opinion. With the financial situation stabilized, the Museum staff and Board, in early 2004, were able to secure a major \$5 million gift. Because of the resources provided by the gift, the Museum is now actively planning its future.

The Museum extended Hurn's part-time CFO position by four months and Hurn restructured the accounting department and hired an experienced controller. He also coordinated an open search for a permanent full-time CFO who would lead the Museum forward on strong financial footing. With numerous experienced candidates to choose from, the Museum unanimously selected a Tatum partner, George Brooks-Gonyer. Brooks-Gonyer's education, financial experience, and leadership record made him the "dream candidate" for the Museum. Brooks-Gonyer immediately established a rapport with the Museum and began a strong budgeting and financial planning process involving the staff, a key element for moving accountability to the departments. "Both Irwin and George love the museum environment and believe strongly in the Museum's mission," says Hager. "Tatum inspired us and led us through an unbelievably tough time. I have tremendous respect for Tatum Partners and what they do."

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