

John B. Latchford, CPA:

From Board Chair Through Catastrophe to CFO and CEO

Position: President & Chief Executive Officer (CEO), Goodwill Industries of the Greater East Bay (Oakland, CA); former Chief Financial Officer (CFO), Goodwill Industries of San Francisco

Start Date: January 2002 **Education/Certification:** B.S. Accounting, University of Delaware; CPA

Previous For-Profit Experience: U.S. military, public accounting, mergers & acquisitions at Burger King; hospitality and real estate business owner

Previous Nonprofit Experience: Board of directors of San Francisco Goodwill Industries

Organization Information: Human services and social enterprise; founded in 1919; based in Oakland, CA; 620 staff; \$22 million budget

Disaster struck soon after John Latchford assumed the board chair position for Goodwill Industries of San Francisco in 1989. The Loma Prieta earthquake decimated Goodwill's San Francisco headquarters, including the organization's largest retail thrift store, which generated 40% of their \$4 million in revenue. Latchford recalled, "Mary Edington, our CEO, called me up three days after the earthquake and said 'Come down here, we're in lots of trouble.'"

Over his next two years as board chair, Latchford oversaw the rebuilding of Goodwill Industries of San Francisco, including managing the finances, acquiring post-disaster resources from FEMA, and negotiating leases for new property. He did all this while serving as president and CEO of his own hospitality business. In 1991, after stabilizing the organization, the board of directors decided they needed to bring in a full-time CFO. Latchford headed up the committee to find a CFO and by his own description, "failed miserably for nine months to find someone." Then the board turned to him and asked, "Why don't you be the CFO?" Latchford asked his business partners for a six-month leave. "Needless to say," Latchford commented, "I never went back."

"Goodwill was my first taste of community service," said Latchford. "Going from board member to CFO is not a route that most people would follow...but after I got in there and got going, I realized what a challenge it was. After six months, I decided to become a permanent staff member. By that time, I was really enjoying it, and realized I could do a lot of good for the community and for the organization." In his role as CFO, Latchford was responsible for accounting, information technology, legal, real estate, and fundraising for the small organization of eight staff. The only areas he was not responsible for were human resources, workforce development services, and the thrift store operations.

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During his eight years as CFO (1992 to 2000), Latchford not only helped to rebuild Goodwill of San Francisco, but oversaw its growth to an \$18 million organization. Latchford recalled, "When I first became a board member, we seemed to have a complacent attitude about where we were going and what was going to happen. We had pretty much the same \$4 million in revenues for 10 years. Then overnight we dropped to \$2 million in revenues and people got scared. They could see we had to get our act together. Between 1992 and 2000 we grew to \$18 million because people finally saw we needed to be focused and strategic in thinking about our future, and we needed to take more risk. I think the earthquake awakened a sleeping giant. Everyone from board members to staff rallied around to make it happen; it was a real team effort."

By 2000, Latchford felt he had achieved as much as he could as the CFO of Goodwill of San Francisco. Additionally, he "firmly believed leadership shouldn't stay too long because it makes an organization stale." Including his board service, Latchford had been with Goodwill Industries of San Francisco for 14 years. He had every intention of leaving the nonprofit sector when he was approached by Jack Garcia, CEO of Goodwill Industries of the Greater East Bay. Garcia asked Latchford to consider joining his organization as COO with the intention of succeeding him as CEO.

As Latchford recalled, "I had been lucky enough to accumulate some net worth from selling my hospitality business and was going to take a year off to write a book or consult. But Jack and I had gotten to know each other through a joint venture between our two organizations and we thought alike in terms of business philosophy. Jack convinced me that it was a great opportunity to make a difference in the community." After a series of interviews, including a four-hour interview with the board officers, Latchford was assured that he, Garcia and the board were on the same page about how the organization was performing, how his role would evolve over time, and how he would work with Garcia and the board to facilitate the transition to CEO over time.

In May 2000 Latchford became President and Chief Operating Officer of Goodwill Industries of the Greater East Bay, with the understanding that he would take over as CEO within two years when Garcia retired, provided he performed well. In his COO role all functional areas, except finance, reported to him. As Garcia explained, "I don't need to teach you anything in that area." After 19 months of working closely with Garcia, Latchford became President and CEO in January 2002.

Since 2002, Latchford has overseen the growth of Goodwill Industries of the Greater East Bay from \$15 million to \$22 million in revenues. His peers have recognized his achievements by electing him to the board of directors for Goodwill Industries International where he provides leadership for the network of

205 member organizations across 24 countries. Latchford continues to be dedicated to his work, while reminding his board that “they need to demand passion from me for the role.” He reflected, “I didn’t think I would ever be the CEO of a Goodwill, I didn’t have a lot of desire to do that. But the CEO opportunity appealed to me in that I could continue my quest to give back to the community and provide vision and leadership for an organization I really believe in.”

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