

November 1, 2010

Gleanings

Lessons from Bankruptcy



Gerald R. Chester, Ph.D.
President

Strategies@Work, LLC

Solutions that Transform

According to the U.S. government, the recession ended in June 2009; however, the effects of the recession, namely bankruptcies and unemployment continue. During the first six months of 2010, the number of U.S. bankruptcies increased by 14 percent compared to the first six months of 2009, and unemployment continues to be high with little, if any, improvement.

Bankruptcies are a possibility for all types of organizations. Every organization is challenged to operate in a wise and prudent manner. In a universe created by a purposeful intentional God who is engaged in governing His creation, one would expect obedience to God to produce economic blessing and disobedience to produce economic calamity. And more specifically, one would expect organizations with the objective of advocating obedience to God to be blessed economically, right? Well, hold on there.

On October 18, 2010, Crystal Cathedral Ministries (CCM), founded by Robert H. Schuller, filed for bankruptcy protection.

CCM offers many services including a traditional church, youth groups, counseling, a high school, major public performances at Easter and Christmas, an opulent facility, cemetery, and television program. At its peak the television show *Hour of Power* reportedly reached two million people worldwide.

During its fifty-five-year existence, the organization has avoided major scandals, which have plagued so many other similar organizations. However, longevity and the lack of major scandals did not protect this organization from bankruptcy. Why then would an organization that is supposedly engaged in serving the cause of Christ so faithfully for so long have to file bankruptcy, which hurts creditors and tarnishes CCM's reputation and the name of Christ?

The mainstream media offered four explanations for CCM's financial crisis: the economy, too much debt, poor succession planning, and out-of-date TV programming.

From 2008 to 2009, CCM's revenue, mostly from donations, declined from \$26.6 million to \$18.8 million—a 29 percent drop. CCM's leadership blames the economy.

Coupled to the economic issue is CCM's debt. Before the economic recession, CCM borrowed money for projects. By the time of the bankruptcy filing, CCM had accumulated \$48 million in debt—mostly mortgage debt. With the revenue decline, the organization could not timely service its debt.

Founder Robert H. Schuller is eighty-four years old and has five children—the eldest is a son and the others are daughters. Robert and his wife expected his successor to be his son; however, this led to a family feud about the qualifications of his son. As a result, CCM's leadership has been in turmoil for several years.

As for the television program, viewership has been declining. Some believe that this is the result of out-of-date programming and increased competition from more contemporary preachers, such as Joel Olsteen.

To defend its decision to file bankruptcy, CCM offered some of the above explanations. But are these more symptomatic than causal?

My thesis is that, notwithstanding the good that CCM has done, there was a theological misalignment. Therefore the reasons noted above are symptomatic and not root issues. Instead, may I offer the following as a more fundamental analysis of CCM's financial calamity?

CCM was built and focused on the charismatic gifting of Robert H. Schuller. Arguably, CCM made Schuller famous. CCM's situation reminds me of the tower of Babel project in which the people were seeking to make a name for themselves (see Genesis 11:4). God is not inclined to support people and organizations that are

Services

Consulting

Planning

Training

Coaching

Affiliate Consultants



Free PodCasts
Click here to subscribe.

View online
Print

driven to glorify man. God's response to people and organizations whose motives are not aligned with Him is to defund these people and organizations (see Genesis 11:6ff and James 4:1-4). One of the questions for CCM is motive. Was the organization more about Schuller than the Lord? (Of course, only the Lord knows Schuller's heart.)

To fund a vision using debt is dangerous for any person or organization. If you believe the Bible teaches that God funds those seeking to do His will, then financial calamity is an indication of someone who is not aligned with His will (see Matthew 6:33). On some level, debt is based on presumption. To take on debt is an act of faith and should be based on a clear directive from God, not presumption, and there is a fine line between faith and presumption. I am not contending that debt is sin, but debt is dangerous. One must be very clear before the Lord before assuming debt of any kind. God always provides the means to do His will.

CCM is driven by opulence. Just look at their facility. The belief apparently is that if CCM builds impressive facilities, then donors will give. Perhaps CCM modeled the opulence of their physical facilities after Solomon's Temple in the Old Testament. But note: first, Solomon did not incur any debt to build the Temple; and second, the purpose of the Temple was to point to Christ, not to man. Being overly focused on opulence is materialism—another form of idolatry.

The celebrity leader organizational model is widely practiced today. In this model, organizations are built based on the strengths of a dominant leader. The weakness of the model is that it generally does not strongly support a multi-generational philosophy. In the case of Robert H. Schuller, it appears that he sought to make his son his successor, but perhaps he did not understand the call of God on his son's life. The role of a wise father is to help his son find his divinely ordained calling; hence, the father should not try to force a call on his son. Based on the reports that I have read, it appears that there is no successor in Robert H. Schuller's immediate family to carry on his vision. If this is true, this reality is from the Lord—the maker of all people. So wisdom is to seek the Lord to discern His will for the future of CCM rather than trying to force something to happen.

In the end, CCM appears to have learned at least one lesson. Since they now have no ability to borrow, they have to live within their means. Senior Pastor Sheila Schuller Coleman, Robert Schuller's oldest daughter, declared that they will use biblical money management to get out of bankruptcy. In other words, they intend to practice what they preach. This begs the question, what were they practicing before?

Man is easily deceived and thinks that his choices are right, but God always looks at the heart (see Proverbs 16:2). A wise response from CCM would be humility and repentance. CCM should seek godly biblical counsel to discern their errors and make the appropriate course corrections.

CCM has paid a big price for the education they are receiving. And education always costs. So let's learn from them. Consider some of the lessons we can glean from CCM's bankruptcy.

Motive: Motive is very important. God looks at the heart and desires obedience both internally and externally (see 1 Samuel 16:7). Don't try to justify human vision that is not from the Lord by putting a Christian wrapper around it. Always check your heart and solicit godly input from others who can help you discern your true motives.

Means: The means and methods for doing anything should come from God. He has a will and ways for executing His will (see Isaiah 55:8). Become a wise student of Scripture, always seeking to discern the will and ways of God about everything in life. Remember God funds His will, so our responsibility is mainly to seek alignment with Him.

Materialism: Materialism, the excessive focus on material things, is idolatry. God is a jealous God in that He does not tolerate the worship of anything other than Himself (see Exodus 20:3ff). We must be diligent to discern and destroy the idols in our lives because they block our alignment with God.

Multi-generational: God is executing a multi-generational plan centered on Christ. Organizations should be built multi-generationally focused on finding and fulfilling the purpose of God. Any organization that is built to exalt a man will not be multi-generational and, therefore, is inconsistent with the nature and purpose of God, which is to exalt Christ (see Colossians 1:15-17). We must always think beyond ourselves and seek alignment multi-generationally with the greater purposes of God.

Regardless of the type of organization and the nature of their business, all organizations exist to do the will of God. There is no other reason for any organization to exist. This means that the lessons noted above apply to all organizations. One could do the same type of analysis of the bankruptcies of Lehman Brothers, General Motors, and Delta Airlines. No organization is exempt from God's will and God's ways.

And wouldn't it be appropriate for organizations, whose value proposition is to teach others about God's will and God's ways, to model how to run excellent organizations? On this point, CCM failed.

References

<http://www.insidearm.com/go/arm-news/total-u-s-bankruptcies-in-first-half-of-2010-up-14-percent-over-2009>.
http://hosted.ap.org/dynamic/stories/U/US_CRYSTAL_CATHEDRAL.
http://hosted.ap.org/dynamic/stories/U/US_CRYSTAL_CATHEDRAL_BANKRUPTCY.
<http://online.wsj.com/article/SB10001424052702304011604575565060738315760.html>.

Training for Work and Life from a Biblical Worldview

Your Need	Training Venue	Information (click on date)
Inspiration for Life and Work	Lunch Event : Executive Forum	January 2010
Purpose in Life	Seminar : Strategic Life Alignment	First Quarter 2011
More Help for Purpose in Life	Seminar : Strategic Life Alignment Alumni Event	Second Quarter 2011
Biblical Principles in the Workplace	Webinar : Understanding Behavior Patterns	November 2010
	Retreat : Financial Management II	January 6–9, 2011