The job description for a business leader is dynamic and varied but always includes one key element: making the tough decisions. These days, as our nation’s economy continues its sluggish pace toward recovery, decision-making centers on finding creative ways to grow.

This year’s Business Leaders of the Year know that growth isn’t always easy — but the rewards are well-earned.

David Stone, CEO and co-founder of CashStar, has resisted pressure from investors to relocate his digital gift card company from Portland to Silicon Valley, wooing them with a slice of Maine life: an island lobster bake. In 2011, the company secured $28 million in venture capital that helped it expand into the Canadian market.

Jean Hoffman, president and CEO of Putney Inc. in Portland, made chasing down investment money a top priority in order to attract the right talent to grow her generic pet medication company. The $21 million in venture capital Putney secured last year will help the company compete with its much-larger rivals.

In his two decades of nonprofit leadership, Michael Tarpinian has overseen two mergers, most recently last year’s merger of Youth Alternatives Ingraham with the People’s Regional Opportunity Program. Now, as CEO of the renamed Opportunity Alliance in South Portland, he’s implementing a three-year plan that prioritizes services to those in need while respecting organizational cultures.

And while their companies benefit from their vision, we believe these Business Leaders of the Year play an important role in strengthening Maine’s economy. Let us show you why.
Merger ahead

Michael Tarpinian’s acute attention to culture and symbols smoothes the merger of major nonprofits

By Randy Billings

Michael Tarpinian, the CEO of the Opportunity Alliance, a newly formed social service agency, believes in the power of symbols.

His agency is headquartered in a renovated barn at 50 Lydia Lane in South Portland’s Brick Hill neighborhood. At one time, it was the site of a reform school for troubled boys where restraint, corporeal punishment and hard labor were common therapies. Now the site has been transformed and renamed The Family Center, where the focus is bringing families together.

Inside the building, there are tall paintings of trees hanging on the wall of a second-floor conference room made by members of the agency’s Spiral Arts program, commemorating the group’s move from Portland to South Portland. Tarpinian believes that creating symbols is one way to ease anxiety during mergers of organizations with rich histories and traditions. And he should know — he’s been involved in two in the last four years.

In 1988, Tarpinian was hired as the executive director of Youth Alternatives, which was founded in 1972 to help at-risk youth. Nearly 20 years later, he spearheaded a merger with Ingraham, a well-established mental health agency founded in 1967.

Last year, the combined entity, Youth Alternatives Ingraham, signed an agreement to merge with another storied social service agency, PROP, or the People’s Regional Opportunity Program, founded in 1965, together creating the Opportunity Alliance. At the time, YAI had 275 employees and $20 million budget and PROP, which offered services as varied as heating assistance to Head Start, had 180 employees and a $16 million budget.

During both of those mergers, Tarpinian is credited for bringing his acute attention to the human stakes involved — whether protecting services for needy families or celebrating each organization’s history — while creating a new culture.

In the process, he has streamlined OA’s administration by 19%, eliminated redundancies and maintained a focus on serving the customer rather than sustaining the organization.

Marc Doyon, a member of PROP’s board of directors who led the merger exploratory group, says PROP chose to merge with YAI over other organizations for one reason: Michael Tarpinian, who is “everything you’re looking for in terms of vision and being able to think strategically.”

Although the agency is headquartered in South Portland, Tarpinian said he spent the first year of each merger working primarily in the offices of agencies he was merging, allowing him to get a firsthand look at the way employees worked and interacted.

“It really helped me kind of feel, touch and understand the culture,” he says. “After you figure out what the numbers are, it’s the culture that’s going to make it really work.”

For the most recent merger, Tarpinian also formed a culture committee, which was tasked with identifying the unwritten “sacred aspects” of each organization, ensuring they were incorporated into the new
the shared values. To create something artistic that symbolizes the Opportunity Alliance name — worked on by the organization’s 450 employees — who came up with a quilting theme. After the group’s mission, vision and values were written, he scheduled an all-day exercise where the organization worked to integrate records systems, allowing the group to access information for clients from different towns. That capability could become more important because Tarpinian says the alliance wants to be a “place-based organization,” and have a presence where services are needed, including more rural towns.

As a leader who values firsthand knowledge of the work place, Tarpinian says it’s his job during the implementation process to sense when the pace of change is causing too much anxiety.

“It’s my job to be the barometer of when we need to slow things down and speed them up,” he says.

The implementation process will also address potential program or service changes, which will likely result in increased funding as a result of the merger. He says the merger has reduced administration cost by 19%, resulting in a savings of $500,000 to $600,000 annually. Now, rather than spending up to 14% on administrative costs, he says it accounts for only 9% of the organization’s $36 million annual budget.

Tarpinian says he decided to jump into the nonprofit world after more than a decade in state government — working as a case worker before becoming state director of the Bureau of Mental Health and Retardation — because of values instilled by his dad, Carl, who told him to remember the less fortunate.

After working in Augusta for 12 years, he was hired as executive director of Youth Alternatives. Tarpinian says he relished the “entrepreneurial piece” of running a nonprofit. When he joined YA, it had a budget of only $600,000, but it grew to $12 million by the time it joined with Ingraham.

Tarpinian’s knowledge of state government and the legislative process have been useful, especially with the current economy and an increasing focus on austerity. He has been traveling to Augusta, and in some cases Washington, D.C., more than he’d like to fight proposed cuts in social services.

At the end of the day, though, leading the newly merged nonprofit comes down to one thing: helping those who need it most.

“You can’t go wrong listening to the people and the parents of the children you’re serving,” he says. “Rather than telling people how we’re going to serve them, we as an organization and a culture ask people what they need.”

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