

MOUNTAIN ASSOCIATION FOR COMMUNITY ECONOMIC DEVELOPMENT



MACED's loans to small businesses in rural Kentucky support much-needed job creation and vital services, including child care, health services, and arts training (upper left, upper right, and lower left, respectively). MACED's invests in citizens as they plan their own future (lower right), an example of Heron's mission of "helping people and communities to help themselves."

EFFECTIVENESS: MANAGING TRANSITIONS

A few years ago, the Mountain Association for Community Economic Development (MACED), a leading comprehensive community economic development and lending organization in Appalachia, faced a challenging period with two executive director transitions, major staff turnover, and financial struggles trying to sustain a variety of projects. "Core support helped us make the transition through a tough time, and we have come out a stronger organization," says Justin Maxson, MACED's president.

MACED used flexible funds from Heron to tackle several problems. It created what it calls a framework for strategic action. "We

didn't want a ten-page plan," explains Maxson. "We needed to clarify our goals, strategies, and principles and keep it simple enough to be useful in our day-to-day work. The framework is a living document. We use it to shape priorities, guide program development, conduct annual evaluations, and assess new opportunities."

MACED also used core support to invest in internal procedures: revising job descriptions, recruiting experienced personnel, purchasing new accounting software, and improving financial controls. And, the organization is now clearer about its expectations when taking on new projects. "We continue to view program demonstration as one of our critical

roles, but it has to fit within our goal of self-reliance" states Maxson.

MACED has successfully weathered the storm. Programmatic efforts, operations and financial management are on track and growing. Over the past three years, it has nearly tripled its investments in rural businesses. In 2005, MACED lent \$3.5 million to 64 businesses, creating or retaining 526 jobs in distressed rural communities. The organization continues to focus on the sustainable use of Appalachia's unique natural resources and is ready to launch a new project to demonstrate the economic benefits of forest management by low-income landowners.