Bill W.'s Twelve Concepts for World Service

The Eighth Concept

The Trustees of the General Service Board act in two primary capacities: (a) With respect to the larger matters of over-all policy and finance, they are the principal planners and administrators. They and their primary committees directly manage these affairs. (b) But with respect to our separately incorporated and constantly active services, the relation of the Trustees is mainly that of full stock ownership and of custodial oversight which they exercise through their ability to elect all directors of these entities.

SINCE OUR TRUSTEES bear the primary responsibility for the good conduct of all our world service affairs, this discussion deals with the basic concepts and methods by which they can best discharge their heavy obligations. Long experience has now proved that our Board as a whole must devote itself almost exclusively to the larger and more serious questions of policy, finance, group relations, public relations, and leadership that constantly confront it. In *these more critical matters,* the Board must of course function with great care and deliberation. Here, the Board is expected skillfully to *plan, manage, and execute.*

It follows, therefore, that the close attention of the Board to such large problems must not be subject to constant distraction and interference. Our Trustees, as a body, cannot be burdened with a mass of lesser matters; they must not concern themselves with the endless questions and difficulties which arise daily, weekly, and monthly in the routine conduct of the World Service Office [General Service Office] and of our publishing enterprises. In these areas, the Board cannot possibly manage and conduct in detail; it must delegate its executive function.

Here, the Board's attitude has to be that of custodial oversight; it cannot be the executive. Hence, the Trustees are the guarantors of the good management of AA World Services, Inc., and the AA Grapevine, Inc. They discharge their custodial obligation by electing the directors of these services, a part of whom must always be Trustees. By this means, the executive direction of these functions is securely lodged in the active service corporations themselves, rather than in the General Service Board. Each corporate service entity should possess its own charter, its own working capital, its own executive, its own employees, its own offices and equipment. Except to mediate difficult situations and to see that the service corporations operate within their budgets and within the general framework of AA and Headquarters policy, the Board will seldom need to do more, so far as routine service operations are concerned.

This arrangement is in line with modern corporate business practice. The General Service Board is in effect a holding company, charged with the custodial oversight of its wholly-owned and separately incorporated subsidiaries, of which each has, for operating purposes, a separate management. We have demonstrated to our satisfaction that this corporate basis of operation is superior to any other.

This lesson, as we have observed before, has been learned the hard way. When discussing "Participation" in Concept IV, we saw that earlier attempts to manage the AA General Service Office and AA Publishing Company through a multiplicity of Trustee committees did not work well. These were really efforts to make our services into departments of the old Alcoholic Foundation (now the General Service Board). It was found difficult to define the powers of these several Trustee service committees respecting each other and respecting the work in hand. Responsibility and authority rarely could be kept in balance. Point-blank directives, rather than participating decisions, were the rule. In these committees, nobody held titles that fully denoted what individual responsibilities actually were; and, naturally enough, those who handled money and signed checks assumed the greater authority. The control of money, therefore, too often determined AA policy, regardless of the views of the workers and volunteers at the office who sometimes Understood these matters better.

But the moment we consolidated our service-office function into a single and permanent corporate structure wherein officers and directors had legally defined titles and duties and responsibilities — the moment such a corporation was provided with its own working capital, employees, and facilities — the moment its directors could legally vote in proportion to their actual responsibilities — the moment we were able in this way to define clearly executive authority — from that moment we began to see great improvement. More harmonious and effective conduct of our business has been the result ever since.

We finally learned what the business world well knows: that we could not, at the level of top management, run a large, active, and full-fledged business entity with loose-jointed committees and departments. For example, how could our Trustees function today if they were to become a mere "committee" or "department" of the General Service Conference, instead of the legally chartered and carefully defined body that they necessarily are?

Neither can our General Service Board be made into an operating corporation. Any corporation conducting a large and active business always must have a single executive head who is familiar with every department, who is actually on the job most of the time, and who therefore can directly coordinate the several departments and mediate their differences. This would mean (if we tried it) that the General Service Board "divisions" would have to report to the General Service Board chairman, as their chief executive. But unless he was *an executive in fact*, and constantly available to them, how could they do so? In the very nature of our particular setup, our Board chairman can never be such an executive. He is usually a nonalcoholic and could not give the required time. Nor, as a Trustee, could he be paid a salary for the work that would be required of him as the top executive of all our services.

Suppose, however, that the Trustees engaged a full-time manager who would actively conduct all three of our service enterprises as departments of the Board. An immediate difficulty would be that such a person could never be a Trustee and could therefore never act as the chairman of the General Service Board. He would therefore have no real status. He would become a man-of-all-work under the absentee direction of the Board chairman. Consider, too, the fact that half of our Board of Trustees normally live out of town and the further fact that we cannot well ask our nonalcoholic Trustees to give the active services close and continuous supervision. Altogether, these are weighty reasons why we should never turn the General Service Board into an operating corporation.

Nor would we be much better off if we formed one big subsidiary service corporation, wholly-owned by the General Service Board and designed to encompass under a single top executive all of our active services, including the AA Grapevine. This plan would also create executive difficulties, because it would overconcentrate executive; authority. And. finally, an individual executive having the many diverse talents required would be hard to find and hard to replace.

A further consideration is that we

have always rigorously avoided any great money or executive concentration by placing our reserve funds with the Trustees and by dividing our total working capital between AA World Services, Inc., and the AA Grapevine, Inc., each entity having its separate executive. There is always a powerful connection between money and authority. Whenever we concentrate money, we shall inevitably create the temptation for the exercise of too much executive authority, an undesirable condition for us. Therefore, we should strenuously avoid placing too much money or too much authority in any one service entity. These are potent reasons for maintaining separate incorporations for each of our active services.

However, experience dating from our earliest days strongly suggests that future Trustees and service workers, in the supposed interests of accounting simplicity, tax savings, and hoped-for efficiency, will be periodically tempted to go in for concentrations and consolidations of one kind or another. Should this be again attempted, we know that the risk of making an administrative shambles out of the total operation will be great indeed.

These observations are not intended to bar any future needful change. It is urged only that we avoid unnecessary repetitions of those painful experiences and mistakes of the past which sometimes resulted from too much concentration of money and authority. It can only be left on the record that we still see no workable way to convert the Board of Trustees into an active, all-purpose service corporation.