



Front view of the building

Faith-Based Business Leadership & Decision-Making

A Case Study of Knoxville, TN's

4MSE and 4 Market Square

Meg Goddard

Global Leadership Scholars

Dr. Lane Morris
2012

Table of Contents

Faith-Based Business Leadership & Decision Making: A Case Study of Knoxville, TN's 4MSE and 4 Market Square

I.	Introduction and Literature Review.....	1
	A. The Rise of Faith-Based Businesses	
	B. The “Business Sense” Driving Faith-Based Businesses	
II.	Thesis.....	4
III.	Methodology (Materials and Methods).....	4
IV.	Results and Discussion.....	5
	A. Origins	
	B. Overview of Organizational Structure, Building, Operations, and Programs	
	C. The Restaurant: Café 4	
	D. The Venue: The Square Room	
	E. Crossings Overview	
	F. Crossings—A Glance Inside Worship Services in the Square Room	
	G. The Non-Profit: Knoxville Fellows’ Program	
	H. Executive Profile: Rick Kuhlman, Director of Knoxville Fellows' Program (4 Market Square)	
	I. Executive Profile: Lori Klonaris, Director of Operations (4MSE)	
	J. Executive Profile: Jenny Baker, Director of Finance (4MSE)	
V.	Conclusions.....	26
VI.	Appendix.....	27
VII.	Works Cited and Consulted.....	47

Faith-Based Business Leadership & Decision-Making

A Case Study of Knoxville, TN's 4MSE and 4 Market Square

I. Introduction and Literature Review

A. The Rise of Faith-Based Businesses

Over the last several decades, across the country, faith-based businesses have been on the rise. Many are familiar, nationally recognized corporations and brands—Tyson Foods, In-N-Out Burger, Tom's of Maine, Whole Foods, Forever 21, Hobby Lobby, JetBlue, eHarmony, Chick-fil-A, Service Master (the corporation that owns TruGreen, Terminix, and American Home Shield), Curves, Herman Miller, Interstate Batteries, Wal-Mart, George Foreman Cooking, Mary Kay, Timberland, Alaska Airlines, Marriott International, Trijicon, and many more, all of which have established Jewish or Christian ties. Some corporations implement faith-based programs internally, like Tyson Foods, which employs over 100 corporate chaplains to minister to the needs of its employees. Other companies distribute faith-based references with their products, like Forever 21, which prints "John 3:16" on the bottom of plastic merchandise bags or In-N-Out Burger, which prints the same reference on the bottom of its soft drink cups. Some companies institute faith-based policies that impact consumers and employees. The most famous example is probably Chick-fil-A, which has always chosen to remain closed on Sundays,

contrary to the vast majority of competing fast food chains. Chick-fil-A also offers Christian-based toys in kids' meals, like "Veggie Tales" books, and the company website states that Chick-fil-A is "dedicated to providing good nutrition and promoting good values" for kids (Kid's Meals). Other examples of faith-based corporate decision making include Marriott International's 2011 decision not to offer pornography among the pay-per-view in-room movie selections and Hobby Lobby's regular practice of running overtly religious ads around the holidays.

B. The "Business Sense" Driving Faith-Based Businesses

Some proponents of faith-based business believe that leveraging faith, as a marketing ploy, may create a powerful market advantage for faith-based businesses. With the advent of mass media has come a decreasing reliance on demographic data in favor of a growing interest in consumer beliefs and interests, which many marketers believe have much greater influences on buying behavior. Faith-based business marketing aims to target the largest belief-based segment in the U.S.— the 140 million church-going Christians (Kuhn).

Besides a potential marketing advantage, incorporating faith into business may simply be a natural impulse for some believers; and yet, bringing prayer into the boardroom or overtly religious references to the consumer can also mean walking a thin line as a company. Some faithful consumers may wholeheartedly approve, yet other consumers may be offended or resent feeling unwillingly evangelized. The 2012 Chick-fil-A same-sex controversy demonstrates the potentially divisive effects of vocalizing faith-based beliefs.

Besides the marketing impact of being recognizable to the consumer as a faith-based business, some business experts and faith-based business executives view the (re)turn to faith-based business principles as a means of strengthening not just the brand but the company itself. Some business experts view the shift as a natural reaction to corporate wrongdoing and scandal, as with Enron and WorldCom (Tibbles). Through more explicit faith dialogue, these believers hope to create a moral imperative within the company culture and a moral transparency that precludes such wrongdoing. These companies may institute policies not explicitly faith-based but modeled around a “higher calling,” “greater purpose,” “trust,” “faith,” etc.

Examples of this trend abound, including JetBlue and Google. Former JetBlue CEO David Neeleman, a Mormon vocal about his faith, while CEO, served as a flight attendant once a month to stay in touch with his customers and employees. When flying, Neeleman always rode in the last row as a way of literally “putting the customer first,” and he donated his entire \$200,000 annual salary to the JetBlue Crewmember Crisis Fund (Wade). Another American megacorporation, Google, seems to create faith through business maxims, like, “Life is beautiful; you can make money without doing evil; and, uniting the world one user at a time,” in an attempt to give employees purpose and direction, or “spiritual fulfillment,” in what has been called “organizational sacralization” (The Faith-Based Corporation).

Whether the motivation for a company to become faith-based lies in marketing impact, avoidance of corporate scandal, better serving of the public, or a true desire to serve a higher calling, a central concern for faith-based businesses lies in balancing the potential marketing leverage and other strengths of being faith-based with the accompanying potential liabilities. Proponents of faith-based business cite

improving the lives of employees, improving customer perception, and even improving the bottom-line. “Organizational sacralization,” however also means that the company, particularly in the eyes of believers, has a higher minimum standard of performance (Faith-Based Corporation).

II. Thesis

This thesis project seeks to determine in what ways a Knoxville-based organization, 4MS, LLC (more familiarly, sister organizations 4MSE, a for-profit dining and entertainment enterprise, and 4 Market Square, a closely affiliate non-profit) acts out its “faith-based” nature, particularly as regards its managerial leadership and decision-making, both internally, as impacts employees, and externally, as impacts customers and the Knoxville community.

III. Methodology (Materials and Methods)

Findings and conclusions are based on secondary sources through the literature review of primarily of web-based and print media of national and local news sources, for example *The Knoxville-News Sentinel* and *Metropulse*. Findings are also based on primary sources within the organizations 4MSE/4 Market Square, obtained through multiple personal interviews of members of both 4MSE and 4 Market Square, including Mrs. Lori Klonaris, Mrs. Jenny Baker, and Mr. Rick Kuhlman. In addition, a special section of the “Results and Discussion” section is devoted to Crossings, a church hosted by, and affiliated with, 4 Market Square, following the author’s visitation to that church’s services, held in the building also occupied by 4MSE/4 Market Square. In the Appendix section can be found photography featuring the building and spaces utilized by various arms of the 4MS, LLC umbrella group. All photography is the work of the author and was made with consent of building management.

IV. Results and Discussion

A. Origins

In his book *Market Square: The Most Democratic Place on Earth*, local author Jack Neely describes Knoxville's Market Square, the physical site of 4MSE/4 Market Square:

Conceived in 1853 as a canny real-estate scheme by two young investors expecting to get rich off the idea, Market Square came to be Knoxville's most public spot, a marketplace familiar to every man, woman, and child in the area. By the 1860s, it was the busiest place in a burgeoning city, a place to shop, work, play, eat, drink, and live. In a town that became bitterly divided by politics, race, and background, Market Square became a rare common ground: a place to buy all sorts of local produce, but also a place to experience new things...(Neely, *Market Square*)

Now "in the midst of unprecedented downtown revitalization" (District), Director of Operations Lori Klonaris testifies to seeing a recent resurgence on Market Square to its bustling commercial origins and critical role as downtown's lifeblood. Five years ago, it was a "dark place," says Klonaris. Bliss, a contemporary locally-owned retailer of accessories and home furnishings, and Tomato Head, a vegetarian-friendly, hipster pizza and sandwich eatery, were the only viable businesses with staying power on the Square, according to Klonaris. The foundation and donors involved in 4MSE's formation felt the city would never flourish based on its current state, as Market Square largely faltered with a series of mostly fly-by-night businesses.

Today, the Square is a radically different place. Besides Bliss, Tomato Head, and 4MSE's Café 4, other newer businesses like Latitude 35, Bella Luna, and Tupelo Honey Café have come to the Square to stay. For Klonaris and her team, even restaurants like Tupelo, with similar price points and intended clientele as Café 4, pose not a threat but an opportunity for synergy. As Director of Finance Jenny Baker is quick to optimistically point out, "A rising tide lifts all boats."

B. Overview of Organizational Structure, Building, Operations, and Programs

4MS, LLC is the Tennessee non-profit single member LLC that owns the building occupied by sister organizations 4MSE and 4 Market Square. The sole member of 4MS, LLC is Cornerstone Foundation, a non-profit corporation treated as a charity. The stated educational, charitable, and religious purposes of 4MS, LLC are as follows:

- i. "To benefit the public through programs and activities that encourage community-building, leadership personal development, and individual responsibility"
- ii. "To support faith-based ministries"
- iii. "To encourage community and economic development and downtown revitalization in and around Knoxville, Tennessee" (Baker, Exemption Application)

The stated educational, charitable, and religious purposes of 4 Market Square are as follows:

- i. "primarily to spread the gospel of Jesus Christ in the downtown of Knoxville, Tennessee"
- ii. "to that end, to encourage artists, including dramatists, musicians, writers, story-tellers, and visual artists, by providing them *inter alia* an entertainment venue and an enriching community"
- iii. "to seek the peace, health, and shalom of the City of Knoxville, Tennessee"

- iv. “to serve the community in the greater Knoxville area through the provision of services, resources, worship, teaching, fellowship, and networking capabilities” (Baker, Exemption Application)

4MSE, the for-profit restaurant (Café 4) and entertainment/worship venue (the Square Room), and 4 Market Square, the adjoining non-profit, are symbiotic—4MSE enables the non-profit to be sustainable. While 4MSE’s Café 4 and Square Room are technically run as “for-profit” entities, both aim to serve the mission of the larger organization, albeit in more subtle ways. The Square Room hosts concerts of faith-based artists as well as secular artists whose “message and presentation are deemed to encourage community and thoughtful dialogue on life’s meaning and purpose and not be antithetical to the Christian gospel” (Baker, Exemption Application.) Besides featuring concerts, the Square Room is also the worship space for two churches—Crossings, which holds two Sunday morning services, and All Souls’ Church, which has a Sunday evening service.

The building occupied by the organizations was acquired and developed primarily through the Cornerstone Foundation, generously assisted by the Haslam family and a few other foundations. The original foundations and donors raised about \$8 million for a project in the heart of the city—a project, as Lori Klonaris says, to be based “on God’s principles and God’s economy.” Prior to the restaurant’s opening in late 2008, the 34,500 square-foot site required a renovation originally estimated at around \$6.5 million (Hayes). According to Rick Kuhlman, Director of the Fellows Program, during renovation, the cost of developing the building skyrocketed. Mertie Elliott, a founder, assisted in fundraising, and \$350,000 was borrowed from Home Federal Bank. Following the renovation, Knoxville’s *Metropulse* called the building “the most astonishing downtown preservation project completed in 2008,” and the

building won the 2009 Excellence Award in Historic Renovation awarded by the Knoxville-Knox County Metropolitan Planning Commission (Smee + Busby Architects). Today, the building houses the restaurant Café 4 with bakery, coffee bar, and mezzanine loft, the 300-seat Square Room, office spaces, a conference room, a small library, and apartments for visiting artists and for 12 students participating in the Knoxville Fellows' Program. The conference room and library spaces are treated as community resources and available free of charge. Hosted community groups include weekly Bible studies, educational seminars, and board meetings.

C. The Restaurant: Café 4

In order for the nonprofit 4 Market Square to be sustainable, its creators realized the need for a strong for-profit component. Rick Kuhlman has called Café 4 a “prayer fulfilled.” The restaurant continues to surpass profit projections and to increase in revenue annually. Headed by Lori Klonaris and now in its 4th year of operations, Café 4 serves as an “urban retreat with a twist on comfort food” (Café 4). The restaurant has been recognized both by *Metropulse* in its Best of Knoxville annual awards and by *Gourmet.com* as a “Most Romantic Restaurant” (Café 4). Breakfast, lunch, and dinner, as well as weekend brunch, are served seven days a week, including menu items like flatbreads, steaks, salads, a macaroni bar, seafood and pasta entrees, and Southern favorites, such as chicken and waffles and fried meatloaf. Beer and wine are available with lunch and dinner, but, in accordance with the organizational vision and desire to be family-friendly, no hard liquors are served.

Ambiance, warmth, hospitality, and an awareness of downtown's history are also central ingredients to the restaurant's success. Upstairs, a loft mezzanine, decorated with posters from past Square Room

shows and inviting couches and armchairs, offers a cozy getaway for coffee-drinkers and a place to enjoy the free WiFi. In past years, the mezzanine has also acted as a gallery space for local artists as part of Knoxville's First Friday events. The coffee and pastry counter at the entrance to the restaurant tempts guests with cupcakes, cookies, and hot beverages, from the perennial favorites like the Signature Latte to seasonal drinks like hot cider. The full-service bakery counter is also a preservation of downtown history. Baking is Klonaris's creative passion, evinced by her enthusiastic participation in competitions like the International Biscuit Festival held on the Square—her submission: a chocolate chip biscuit filled with brandied cherries—and the annual Cupcake Fest held in Krutch Park, neighboring the Square. When Klonaris discovered that Knoxville's first bakery, Kern's, was originally located on Market Square, in what is now Oliver's Hotel, she says that she knew that the Café 4 bakery was an indispensable part of the vision. "We wanted to recapture that nostalgic feeling of buying baked goods downtown," she has said (*Everything Knoxville*, "Women").

D. The Venue: The Square Room

The Square Room, behind the restaurant, is an intimate space for concerts, seating 300 comfortably or holding a maximum capacity of around 420 for standing-room-only shows. After the restaurant opened on Thanksgiving weekend of 2008, the Square Room's first event was hosting a Young Life program. Since then, many concerts, meetings, parties, and events have occupied the space (Kuhlman). During monthly jazz lunch concerts, given by the Knoxville Jazz Orchestra, or for private events, like company Christmas parties, circular tables fill the room. During Sunday services for All Souls and Crossings, rows of chairs organized into sections like pews define the space. The wall nearest the restaurant is actually made of glass paneling, allowing the concert space to be visible to restaurant guests or to be

concealed with a pull of the curtains. Opposite the stage is an elevated platform with a state-of-the-art sound booth.

On the Square Room's stage, many local favorites and nationally-known acts have performed, including Brett Dennen, Harry and the Potters, Amy Grant, The Dirty Guv'nahs, Malcolm Holcombe, RB Morris, Imogen Heap, Wanda Jackson, Elenowen, Gavin Degraw, and many more. Artists are booked through independent agents and then extended the opportunity to stay, free of charge, in the upstairs artist apartment, which houses 6 comfortably. Often fellows participate in hosting these visiting artists, bringing tea or coffee to their rooms and talking with the musicians between their sound check and concert or after the show. Besides free temporary housing, the restaurant provides complimentary beverage and snacks and meal discounts to the entire band as an expense to "Artist Hospitality." Artists seem appreciative of these unusual overtures. Many of the posters in the upstairs mezzanine are signed by artists with frequent references to Café 4/the Square Room as a "home away from home."

After the first year or so of operations, 4MSE management realized that private parties were the primary area in which the Square Room could operate most profitably, rather than through concerts (Klonaris). Today, private events, like office parties, University of Tennessee recruiting programs, and wedding receptions, are regularly booked, but concerts are, and will continue to be, held because, in the words of Lori Klonaris, "that's what we were called to do," that is, to provide the community a space for gathering, fostering the arts, and sharing the love of Christ. Kelly Kirk, Square Room manager, and partnering booking agents seek to recruit and sign artists that mesh with the vision of 4MSE and remain

true to the organization's roots and then to share with those artists the hospitality and love of Christ at work in the heart of Knoxville.

E. Crossings Overview

Crossings' downtown location meets on Sunday mornings in the Square Room at 9:00am and 10:30am. Crossings also has a North Knoxville location. The Crossings' body of believers describes itself as a faith community "helping people find their way back to God," and valuing and seeking "story," "creativity," "wholeness," "authenticity," and "restoration." It encourages and fosters small groups that meet outside regular services, designed for couples, guys, or girls. It also has book-club-based small groups. Crossings' core community initiatives involve partnerships with Amachi, a faith-based organization which matches mentors to children who have an incarcerated parent, Circles of Support, a faith-based mentoring program to assist those formerly chronically homeless, and the Restoration House, an organization "to help restore single mothers and their children back to God's good intent for their lives" (Crossings).

F. Crossings—A Glance Inside Worship Services in the Square Room

On an October Sunday morning at Crossings in the Square Room, pre-service, people mill around the room, especially concentrating around the tables in the back, tables laden with snacks and coffee. On stage, a 6-piece band tunes its instruments, and a projection screen displays a powerpoint with the words "*story restoration wholeness creativity authenticity*" printed in all lower case and "Crossings- A Faith Based Community" underneath with the tagline, "Helping people find their way back to God."

After an opening song, “Beautiful One,” led by the band and with words having been projected on the screen, a middle-aged man in a polo and jeans, pastor Mark Nelson, takes the stage to “give a teaching,” as part of a series of sermons studying the book of Acts, a book which chronicles, as he describes “30 years that changed the world.” The message has to do with the radical, counter-culture nature of the early Christian movement, an idea uncomfortable for many modern Christians in a consumer-and self-centered society. Nelson asks if Christians today have a true “willingness to know” and to be “part of a movement that restores all things,” a movement of “intensity, passion, longing, hunger.”

The sermon, or message, is brought to life through modern references. The Biblical passage of the day, from Acts 5, which involves buskers outside the temple, Nelson imagines in terms of the Square Room and musicians outside on the Square. Nelson also talks about early Christians as outlaws, whom he compares to familiar pop culture outlaws—Kevin Costner and Errol Flynn from the movies, Gandhi and Martin Luther King from history. He describes the shame-culture contemporary to the passage from Acts and the public flogging of Christians; he emphasizes the fact that these early Christians *rejoiced* that they were considered worthy to suffer for the sake of the [Christ’s] name.” The passion of the early Christian movement and “the story behind the passion” he compares to the Red Sox obsession of Jimmy Fallon’s character in the 2005 movie *Fever Pitch*. A short clip from the movie is shown on the projection screen. He concludes by paraphrasing author Dorothy L. Sayers, who said that many people today consider the story of Jesus a fairy tale, a contemptuous indifference that is due to one thing: they have never seen it [Christianity] as a real thing.

Following the message, Nelson introduces eucharist/communion with the words, “Does passion describe how we take this meal this week, and if not, should it?” The invitation to participate is extended to all with a note about gluten-free crackers being available. “Be My Everything” is sung, and an announcement from Monica Nelson, Mark’s wife, is given about a “baptism celebration” for that afternoon to be held at Knoxville Botanical Gardens, where, Mark smilingly comments, that, if unbaptized and “if you’re interested...I think there’s enough water.” The service concludes, as it always does, with the pastor saying “shalom” and the congregation echoing it.

G. The Non-Profit: Knoxville Fellows’ Program

The Knoxville Fellows’ Program, now in its 6th year, headed by founding director Rick Kuhlman, is a residential community and program for recent college graduates, a structured “gap year,” designed to help the participants, or fellows, transformatively grow one another in Christ and to demonstrate the hospitality of Christ to the city of Knoxville. The program is a member of the Fellows Initiative, a national organization committed to prepare leaders of tomorrow to live out their faith.

According to Kuhlman, the idea that would become 4MSE/4 Market Square came about in 2006 with support from multiple foundations, donors, and Mr. Laurens Tullock (the acting president of Cornerstone Foundation). In the words of Kuhlman, “the dream” was a community space that “loves on artists and raises the next generation of leaders” and that would allow a Fellows Program in Knoxville to be self-sustaining. Tullock, Kuhlman, and a few others—Gregory Smee, Doug Bannister (future All Souls pastor), Chris and Kenny Wooddall, and Joe Petree— attended a “come and see” conference about the Fellows’ program in Washington, D.C. Kuhlman recalls being 100% on board with the idea. The founding members, realizing a need for spiritual vitality to undergird the economic and community

growth of downtown Knoxville, joined forces to create a veritable *tour de force* of downtown ministry. Kuhlman remembers that the original idea was simply to have a coffeeshop with the Fellows' program upstairs. At the time, the restaurant was Sullivan's. Kuhlman knew that the Klonaris's had just sold their last restaurant and asked them to join the project. "And the rest," he says, "is history" (Kuhlman).

The Knoxville model is somewhat unique in its communal living arrangement; most program models utilize host families. In the first year of the Knoxville Fellows' program, the fellows actually lived at Sterchi Lofts while the current space was under construction. Now, Knoxville fellows spend one year living together in community in apartments on the third and fourth floors of the building, while also participating in a paid Christian internship (meaning with a Christian employer) Monday thru Thursday, as with most other Fellows' programs—of which there are a dozen or so in various cities across the U.S. Besides living together "as brothers and sisters," fellows also study together in graduate-level classes on Fridays, worship together in various downtown churches on Sundays, and volunteer for special events, like this year's Just Lead project every Wednesday night. A description of the program on the Fellows' website reads:

An inconspicuous brick building sits on a bustling square at the center of town. Patrons come in and out of the restaurant's doors while deeper inside musicians serenade a listening audience. Take a closer look inside 4 Market Square in Knoxville, Tennessee, and you will find twelve recent college graduates learning how to follow the teachings of Jesus — exploring His values of being together, serving the city, and living out of truth. This is the Knoxville Fellows Program.

Resident scholar Doug Bannister, an author and the All Souls pastor, assists with curricula and teaching. Bannister has a Masters of Divinity from Talbot School of Theology, Masters in Medieval Studies from the University of Tennessee, Doctor of Ministry from Gordon Conwell Divinity School and a Bachelors of Science from Northwestern University. Following successful completion of the program, students earn 12 hours of seminary credit.

Fellows tend to be bright, compassionate, visionary, and highly motivated young people. Besides enhancing their Biblical knowledge in the classroom, fellows' four-days-a-week apprenticeships are intended to foster a mentoring relationship with the business leaders with whom they come into contact. This year, fellows hold internships at Dunkin Donuts, Knox Area Rescue Ministries, The Fisher McClothin Group at Morgan Stanley, Market Square District Association, Inventure Laboratories, Second Presbyterian Church, Crown Financial Ministries, Pyxl, J.A. Fielden Co., Blackberry Farms, Covenant Health-Parkwest Hospital, and the Knoxville News-Sentinel.

Fellows' experiences are diverse as are their post-fellowship pursuits. Katy Warren is a current fellow interning with Market Square District Association, a "non-profit organization dedicated to balancing the needs of residents, businesses, property owners, government and the community through ongoing communication and collaboration," which produces the Market Square Farmers' Market, First Night Knoxville, and the International Biscuit Festival (District). Warren is a graduate of Duke, where she majored in Psychology and Religion and was a member of Alpha Delta Pi and CRU. Besides her time spent on MSDA affairs, she also does work for 4MSE, where she performs special projects and assists

with private event bookings for the Square Room. Past fellow and 4MSE manager Caitlin McCall has just been hired by Pilot Corporation to manage travel centers' food accounts. Other fellows have gone on to medical school, law school, teaching, missions, and ministry. Despite widely disparate internships, certain themes echo again and again in past fellows' testimonies. When asked in an informational video to describe (in one word) the Knoxville Fellows' program, Fellows from 2008 responded: "revealing," "expanding," "passion," "persist," "intentional," "community," "truthfulness," "profound," "leadership," "experience," "discipline," "embrace" (Fellows Initiative.)

Kuhlman recruits and interviews candidates for the program and says that an ideal applicant is one who is "a believer in Christ, has a servant heart, has a strong desire to stay in Knoxville, and has a discerning spirit." A love of Knoxville is prioritized because part of the mission is to cultivate leaders who will uplift the Knoxville business community. Kuhlman stresses also that the program seeks to develop individuals who are "ministers in vocation"—whatever that vocation may be. This phrase imparts a central element of all the Fellows programs: the belief that all work is sacred and that faith must bridge a growing disconnect in an increasingly secularized, polarized workplace (Overview). Moreover, Kuhlman seeks to challenge his fellows through creating a community that is "hard" but also "rewarding," explaining that, by recruiting "cheerleaders, jocks, granolas, frat guys, and social justice-types alike," the program brings together a group of people who would "not likely hang out together otherwise." Previous fellows participation on the selection committee and reunions help foster the program's continuity and greater sense of community. Long-term, Kuhlman would love to see program expansion and the recruitment of more fellows from urban backgrounds.

H. Executive Profile: Rick Kuhlman

Rick Kuhlman, Director of the Knoxville Fellows program, has been with the organization from its infancy. When interviewed, he spoke mostly about the organization's history and Fellows' program, barely mentioning his own accomplishments. Kuhlman, a native Knoxville, was in the Air Force for over 30 years and operated several Stefano's pizza restaurants in Knoxville for almost 20 years. He brings that marketplace knowledge and experience and self-discipline to his leadership of the Fellows' Program but in a manner of utmost humility. To fellows past and present, he is not their "director" but instead a beloved figurehead and friend. Not only does he interview candidates, he also actively participates in every stage of their involvement in the program. Annually, he and his wife Beverly welcome the fellows into their home. He is known to arrange a game of "ultimate" (Frisbee) in the park, to frequently invite fellows as friends to a talk over lunch, and to provide support and love to whomever he can. Throughout the day, his phone rings with former fellows just "checking in" or "catching up." Talks always end with some variation of "I love you, man/brother," etc. He is fond of saying "now you've drunk the Kool-Aid," and, in a way, seems to be saying, "I know you feel what is special here, too." Rather than bragging about successes, in which he was clearly a great part, as his own, he points to his "kids" and the program.

I. Executive Profile: Lori Klonaris

Lori Klonaris, Director of Operations, is a hands-on and people-driven managing partner of 4MSE. On a typical day, she might meet with the 4MSE board of directors to discuss budgeting or might bounce around ideas with an intern in the process of developing a phone app for downtown restaurants and retailers. Her office door is almost always propped open— but seems revolving—with a steady stream

of visitors—employees asking for time off or for more hours, a fellow coming to talk about a graduate school interview, the maintenance man following up on a leaking sink, the head baker bringing up some samples of desserts under consideration for placement at the coffee counter, etc. Once a week, Klonaris also meets with the restaurant management team to candidly discuss problems, policies, and goals. It's a dialogue—not a lecture. She uses the time to ask for feedback about new hires or to hear their suggestions for greater efficiency or service. She also meets regularly with Kelly Kirk, manager of the Square Room, to discuss matters like artist hospitality, ticket sales, or negotiations with outside booking agents. She bobs in and out of Director of Finance Jenny Baker's office to check on last day's revenue numbers or to ask how the new gift card promotion is going. Klonaris handles all of the human resources decision-making related to the restaurant.

Klonaris, an unconventional manager, constantly seeks to remain in close contact with the process, the product, and the personnel, whom she prefers to call “the staff” rather than her employees. In spite of all her regular managerial duties, occasionally she also “sneaks” downstairs to the basement-kitchen to lend a hand baking. And when things go wrong, she solves the problem. If the computer system crashes, she's on the phone with Micros. When the Hobart dishwasher fails, she's been known to wash the dishes by hand, a task she claims to love. She also takes on projects like framing old concert posters to decorate the mezzanine, the loft area above the main floor for gathering and drinking coffee. And, at the beginning of the Christmas season, the restaurant closes early on a Sunday, and Klonaris and her husband, Jim, along with the rest of the staff, decorate the restaurant together—at the same time celebrating and socializing over pizza and beer. Over the holidays, the entire staff is invited to the

Klonaris home in the 4th and Gill neighborhood of Knoxville for a festive pancake brunch. In these and many other ways, Klonaris works alongside her staff in ways forgotten by many modern managers.

For nearly 25 years, Klonaris has been married to her husband Jim, a UT Art & Architecture graduate, former 4MSE director, former FranklinCovey speaker and Client Partner/Global Account Manager to Wal-Mart, former Coca-Cola employee of 14 years, former restaurateur and service industry entrepreneur—managing businesses in floor care, construction services, janitorial, and consulting businesses, and current VP of Sales for Crown Financial. Jim and Lori also have three children, Desi, Demi, and Leni, all of whom are twenty-something and have work experience in various capacities at Café 4. The couple is proud to have instilled their children with Christian values, a strong work ethic, and an appreciation for “delayed gratification” (Everything Knoxville, Redefining). Jim says that 2 of the three children have already purchased cars on their own, and Demi, the couple’s son, bought his first home several years ago at age 20.

In her youth, Lori Klonaris attended the University of Indiana, where she studied advertising and was a student-athlete who ran track. As part of a work-study program, in a time predating Title 9, Klonaris also worked in the school cafeteria, which she enjoyed because of her friendship with the head chef and the discovery of her passion for working with food. After graduation, she spent \$6,000 to buy a diner in downtown Cedar Rapids. Laughing at the recollection, she admits that she did not make any money but had a fun adventure. That entrepreneurial spirit and determination never left her, and Klonaris is proud to have always been self-employed. While running the diner, she met Jim, who is from Knoxville, and soon thereafter married. The couple would go on to open 12 restaurants, from The Count of Monte

Cristo and Kalamata's, Greek concept restaurants, to Tijuana Taco's, a Mexican food venue. In 2006, feeling "burned out" with the restaurant business, they sold everything, but, two years later, they were approached by Rick Kuhlman and others involved in the planning of what would become 4MSE. Jim and Lori felt called to join in the dream.

During an interview, Klonaris is willing to speak candidly about the ins and outs of running a faith-based business. She says that, first and foremost, Café 4 must be a great restaurant in order to be profitable and stay alive. The "other stuff" is internal; she volunteers the fact that she believes most customers do not know what goes on upstairs or about the restaurant's involvement with the Fellows' Program. On the topic of financial versus moral trade-offs, Klonaris feels that making moral decisions are simply "good business" practices. She is proud of the fact that the business holds itself to a high standard, even in tough times, what she refers to as Café 4's "standard of excellence." Even when the company was financially weak, she says they simply kept going and never missed payments on bills or debt. As a faith based business, says Klonaris, "Everything you do honors God," and so running a business profitably is only one piece of the "standard of excellence."

Klonaris believes that once an employee "gets in that chair" [the chair opposite the desk in her office], her "number one responsibility" becomes moving them to "the next level" in their lives, whatever that means. Klonaris readily acknowledges that many young people in their twenties find themselves serving in a restaurant either to pay for school or because they have chosen not to attend college and are figuring out what they want to do with their lives. She seeks to provide the employees with "love and respect." Her role as a manager, she believes, also encompasses a higher obligation, not just to employee those

young people but also to inspire them. She “takes it personally,” and if “someone doesn’t get that from [her],” she feels as though she has failed. As how her faith influences her human resource policies, Klonaris believes that Christianity does not need to be voiced in order to be communicated to, and felt by, her staff. She hopes that the Café 4 environment produces a “shining light” by which all the staff can “feel the radiance.” Even if they cannot relate it, she believes that people notice when they are cared for and loved. She’s proud to say she considers her staff “happy” and sums it up by saying that “the greatest way you can evangelize is to be quiet and let Christ speak.”

Relatedly, one of her primary difficulties is dismissing employees, and, in the past, she has experienced problems stemming from “holding on” to an employee for too long. Once when a young man quit not long after being hired, Klonaris sent him an email asking about his motives for doing so. The young man sent a lengthy reply, and after hearing about his extenuating circumstances, Klonaris was comforted the restaurant had not “failed” him. And, while Café 4 does have security cameras installed, the staff is highly trusted. If, for example, there is a discrepancy with cash in the drawer or safe, both Klonaris and Director of Finance Baker, reserve judgment until talking with the acting floor manager. Both Klonaris and Baker expect employees to be honest if they have made a mistake. Klonaris recently dealt with an employee who was involved in a prank at another local business that led to the police being called. Even though she intended to dismiss the employee, after talking to him she determined his intentions were innocent. She gave him a warning about being irresponsible and forgave him. In many ways, Klonaris treats the staff as she would her own children, giving them “second chances” and, in response, the staff generally responds with a strong desire, as one staff member has said, “to not let Ms. Lori down.” Further, Klonaris hopes impart the same values to her staff that she has with her children, and through

Jim's work with FranklinCovey, money management classes have been offered to the staff free of charge.

The most difficult part of the job, admits Klonaris, is feeling misunderstood. She regrets that she does not always get to "share [her] heart because of [her] position of great responsibility." When questioned further, Klonaris explains that it is not always possible to explain the reasons behind a certain decision, and this leads to feelings of isolation. As an example, she recalls firing a popular employee after learning that the employee stole from the restaurant. Not wanting to humiliate the individual, Klonaris chose never to disclose the grounds for dismissal to the rest of the staff, which resulted in, she believes, some misunderstanding from other employees.

Klonaris describes feeling particularly conflicted following Worship in the City. The event, Worship in the City 2011, funded largely by 4MSE, was a benefit festival held on the World's Fair Park lawn, featuring Christian bands like Mercy Me and local church choirs and musicians and Christian art on display at the Convention Center. The festival's goal was to collect 1,000,000 meals with the intention that 100,000 stay in Knox County and 900,000 be sent to the Horn of Africa with help from logistical support from the organization Kids Against Hunger. Even though the ambitious meal numbers were achieved, 4MSE, according to Klonaris, lost "a lot of money—a lot" due to the event. She describes her anxiety during that time when she felt the board lost confidence in her. She also questioned herself many times. She felt that she had become too proud, and recalls, "I'm not really sure I brought it [Worship in the City] to prayer. Sometimes you're just telling God all your great ideas...it was a lesson in humility."

Yet in spite of the nearly financially disastrous consequences, she could not overlook the fact that the event had produced a tremendous amount of good for the people served.

Klonaris's greatest joys lay in seeing charities connected to 4MSE— like KARM and the Abundant Life Kitchen— flourish. Under her leadership, 4MSE has hired 3 graduates of KARM's drug and rehabilitation program. She also gives thanks for her close friendship with Jenny Baker, head of accounting, with whom she works closely daily and freely confesses that she loves the people with whom she works.

Looking to the future, Klonaris would like to see an endowment established for the Fellows' program to provide scholarships for deserving students. Her greatest hope for the restaurant is that it will continue to provide greater excellence. She is excited that, if anticipated revenues are met, all building and other asset investments will be paid off in roughly 18 months. She hopes that 4MSE will continue to find meaningful ways to give back, maybe one day putting on another event like Worship in the City, avoiding a repeat of the negative financial ramifications.

Advising budding entrepreneurs, as perhaps she might like to able to tell her past self, particularly following the Worship in the City fallout: "Sometimes despair is where we learn our greatest lessons." Also, she reminds that sometimes even seemingly compassionate ideas come not from God but from vainglory. As she learned from owning her own business at 24, she urges others to "get good counseling."

J. Executive Profile: Jenny Baker

Jenny Baker, the Director of Finance and Building Administrator, is responsible for financial organization and reporting, legal and regulatory compliance, preparing and presenting annual budgets, and building management, which includes the physical spaces housing the restaurant (Café 4), the music venue (the Square Room), apartments for the Fellows' program and for visiting artists, office spaces, a conference room, and a small library.

Baker's life story is one of remarkable resilience. Originally from New York state, Baker grew up in a large family below the poverty line. She never felt like she was "college material." In 1991, after moving to Knoxville with her first husband, she was diagnosed with Hodgkin's Disease. Not only was she only 24 years old, she was also 8 months pregnant. She underwent 42 radiation treatments and, in her own words, "surrendered [her] life to the Lord." In 1993, she was out of remission with a toddler at home and underwent 6 months of chemotherapy. She and her husband divorced, and she stayed at home, continuing to recover.

In 1996, Baker interviewed with Renda Burkhart. Burkhart was strongly influenced by Baker's life story and hired her, in spite of Baker's lack of accounting experience. Burkhart went on to invest immensely in Baker—mentoring her professionally and personally and encouraging her to return to school. Baker heavily attributes Burkhart's mentorship with her own professional accomplishments. Baker began taking classes at Pellissippi at night.

While Baker worked through the week, studied and attended classes at night, volunteered on the weekends with organizations like New City Café and Eagle Rock camp, she tried also to be the best mother possible to her son Matt. She recalls one night when she was working late at home, Matt came to her asking for help with a paper. She “shoo-ed” him away, and the next day, Matt withdrew. Baker recalls the realization that “Matt was only going to be a kid once.” Baker took a \$10,000/year cut in pay by taking a job as the Maryville Intermediate School bookkeeper in order to be home when Matt got off from school. He was her number one priority.

After 11 years of being single, Baker met her now husband, Greg, through eHarmony in 2004. In marrying Greg, Baker became a stepmom to two children, one of whom has nonverbal Autism and the other who has Asperger syndrome. She describes dealing with these disabilities as a challenge but helping to raise the children a true joy.

In August 2005, Baker was diagnosed with acute myeloid leukemia. She had induction chemo and spent 48 days in the hospital. She suffered intensely and told her friends and family that she “wanted to go home”—meaning that she felt ready to die. And yet, Baker found strength in scripture, came to feel that her suffering was not purposeless but instead led her to trust more fully in God. She spent four months living at Vanderbilt, awaiting a liver transplant, and then another two years recovering physically.

Finally, she felt well again, she grew restless, and a phone call came. As with many other instances in her life, Baker felt that God was pointing her in the right direction. Baker’s old friend and mentor Renda Burkhart was on the board at 4MS, and they “need someone to help” with the accounting.

In conclusion, Baker believes firmly in divine providence and “God’s timing;” she also testifies to the impact of individuals who invest in others, enabling them to believe in themselves. Annually, Baker addresses the fellows during one of their Friday afternoon lunches, provided by 4MSE. She recounts to the fellows the influence that Renda Burkhart had on her own life in order to emphasize the importance that the fellows can have through involvement with organizations like Emerald Youth, with which the fellows volunteer and through which they can personally invest in at-risk youth.

Furthermore, since joining 4MSE in 2008, Baker has hired a number of accounting interns and considers this also as an opportunity for her to invest in others. Baker has a particular interest in helping young women. Baker’s last intern to leave, Rebekah Tompkins, did so after completing her Masters of Accountancy at UTK and is now employed on Wall Street. Tompkins speaks very highly of Baker and emails her regularly with updates about her life. In hiring past interns, Baker has sought to hire students; historically, Baker’s gut instinct and sense of an individual’s potential for learning have outweighed some applicants’ greater experience or fluency with particular software packages or programs. Like Klonaris, Baker seems to feel an obligation to help those whom she employs to “get to the next level” in their lives.

V. Conclusions

This thesis project brought to life the complexities of faith-based leadership and decision-making, complexities lost in cursory glances at the business niche. Specifically, the project delved into difficult decisions when managers feel responsible to a “higher calling.” Unexpectedly, the project discovered the diverse life experiences of those who find themselves in positions of leadership in a faith-based

business; in the case of this study, those individuals were not only exceptionally driven but also unusually self-disciplined, humble, and optimistic in the face of tremendous adversity. This study also indicated that, contrary to publications on the benefits of faith-based business marketing, in most ways, 4MSE does *not* seek to exploit its faith-based nature for marketing advantage. Instead, faith-based influences are evinced in internal policies and managerial ideology. In totally private measures did the spirit of faith seem most evidence: for example, an adult man with mental disabilities, Derek, regularly uses the 4MSE office space “to work,” even though he does not contribute to the business in any tangible way. Derek is simply someone who needs a support system and has found it at 4MSE/4 Market Square. Another example lies in a former female employee who worked at 4MSE while living at the downtown YWCA, immediately after completing substance abuse rehabilitation. The woman regained her life and became a lifelong friend of Lori Klonaris (Baker). The author finds that 4MSE/4 Market Square follows common guidelines for successfully incorporating faith without risking legal liability or likely offending employees (Schreiber). Klonaris and her management team seek to demonstrate Christian principles, often without articulating them. And yet, in spite of not “advertising” its Christian-ness, 4MSE manages to not only run a successful business but to minister to the community. While the “influence” of the organization’s faith-based-ness is not statistically tracked or measured, the organization is likely reaping the benefit of believers, for example the congregation of Crossings, who can be a powerful marketing tool to spread support among other believers through positive word-of-mouth (Viana).

VI. Appendix



3rd floor conference room space available to the public



3rd floor nursery used by Crossings' Sunday morning childcare program



Square Room's state-of-the-art sound booth



Main-level coffee counter during lunch



Posters featuring previous Square Room shows, hung in the mezzanine



Restaurant wall featuring accolades from community organizations



Exterior alleyway signage for the Square Room



Patio seating on the Square



Square room seating and stage



Space in the mezzanine for enjoying food, coffee, and free WiFi



Staff member Felipe working in a food preparation area



*Basement-level baking, food prep,
and dishwashing area*



Basement-level dish storage



Basement-level staff lockers and uniform storage

*Baked goods at the coffee counter including cupcakes—
complimentary with a Knox County Schools' coupon*



Mailboxes belonging to the fellows



Living room of the artist apartment extended complimentary to visiting acts



Kitchenette of the artist apartment

*Christmas decorations
adorning the door of the
male fellows' apartment*





The Square-facing window is decorated for the holidays as part of a friendly window-decorating competition among downtown area businesses



All Souls' prayer room



This sign hangs in Café 4's window— "Live at Five at Four," a WBIR

*A sign outside the restaurant
advertises coffee and baked
goods features*





Signage outside the front door advertises the Thursday Blue Plate Special—fried meatloaf with brown sugar catsup



Red velvet. “va-vanilla.” “death by chocolate.” and German chocolate cupcakes



The largest table in the restaurant is called the “Fellows” because it seats twelve—the number of students in the program



Dumbwaiter used to transport dishes to the basement-level dishwashing station



Staff member David at work in the kitchen during lunch



The open style kitchen allows guests to see the staff at work



Full bathroom attached to the Artist Apartment

VII. Works Cited and Consulted

- "Architecture Projects: 4 Market Square Before and After." (2011). Smee + Busby Architects. Retrieved from http://smeebusby.com/Proj_Pg/Page09.html.
- "Archive: The Fragile 15 List of Knox County's Most Endangered Properties." (2007). Knox Heritage, Inc. Retrieved from <http://www.knoxheritage.org/fragile15>
- Baker, Jenny. Interview.
- "Crossings: a faith community." Crossings. Retrieved from <http://crossingsknoxville.com/>
- "The District." (2012). Market Square District Association. Retrieved from <http://knoxvillemarketsquare.com/>
- "Education." (2010). Knoxville Fellows. Retrieved from <http://www.knoxvillefellows.com/education.html>
- "The Faith-Based Corporation: Organizational Sacralization and Sacrilege." (2008). W.P. Carey School of Business, Arizona State University. Retrieved from <http://knowledge.wpcarey.asu.edu/article.cfm?articleid=1670>
- "The Fellows' Program: Overview." (2010). Oregon Leadership Development Institute. Retrieved from <http://www.thefellowsprogram.org/>
- Hickman, Hayes. (2007). "Christianity & commerce at Market Sq. venue: Cafe, auditorium to fund training for business leadership." Knoxville News Sentinel, Co. Retrieved from <http://www.knoxnews.com/news/2007/dec/03/christianity-and-commerce/>
- Kennedy, Rose. (2010). "Lori Klonaris, Cafe 4 Owner and Inventor of the Chocolate Chip Biscuit With Cherries for the International Biscuit Festival." Metropulse. Retrieved from

<http://www.metropulse.com/news/2010/may/19/lori-klonaris-cafe-4-owner-and-inventor-chocolate-/>

"Kid's Meals: More than Just Food." (2012.) Chick-Fil-A. Retrieved from <http://www.chick-fil-a.com/Kids/Meal>

King, Michael. (2012). "Chick-fil-A is not the only company that puts its faith first." Retrieved from <http://www.11alive.com/news/local/story.aspx?storyid=249667>

Klonaris, Lori. Interview.

"Knoxville Fellows: '08-'09." (2009). The Fellows Initiative. Retrieved from <http://vimeo.com/4263719>

Baker, Jenny. Interview.

Baker, Jenny. (March 2011). Exemption Application for 4MS, LLC to State of TN Board of Equalization. Internal document.

"Crossings: a faith community." Crossings. Retrieved from <http://crossingsknoxville.com/>

"The District." (2012). Market Square District Association. Retrieved from <http://knoxvillemarketsquare.com/>

"Education." (2010). Knoxville Fellows. Retrieved from <http://www.knoxvillefellows.com/education.html>

"The Faith-Based Corporation: Organizational Sacralization and Sacrilege." (2008). W.P. Carey School of Business, Arizona State University. Retrieved from <http://knowledge.wpcarey.asu.edu/article.cfm?articleid=1670>

"The Fellows' Program: Overview." (2010). Oregon Leadership Development Institute. Retrieved from <http://www.thefellowsprogram.org/>

- Hickman, Hayes. (2007). "Christianity & commerce at Market Sq. venue: Cafe, auditorium to fund training for business leadership." Knoxville News Sentinel, Co. Retrieved from <http://www.knoxnews.com/news/2007/dec/03/christianity-and-commerce/>
- Kennedy, Rose. (2010). "Lori Klonaris, Cafe 4 Owner and Inventor of the Chocolate Chip Biscuit With Cherries for the International Biscuit Festival." Metropulse. Retrieved from <http://www.metropulse.com/news/2010/may/19/lori-klonaris-cafe-4-owner-and-inventor-chocolate-/>
- "Kid's Meals: More than Just Food." (2012.) Chick-Fil-A. Retrieved from <http://www.chick-fil-a.com/Kids/Meal>
- King, Michael. (2012). "Chick-fil-A is not the only company that puts its faith first." Retrieved from <http://www.11alive.com/news/local/story.aspx?storyid=249667>
- Klonaris, Lori. Interview.
- "Knoxville Fellows: '08-'09." (2009). The Fellows Initiative. Retrieved from <http://vimeo.com/4263719>
- "Knoxville's Urban Retreat: Community + Hospitality + Art." (2012). Café 4 at Market Square. Retrieved from <http://www.cafe4ms.com/>
- Kuhlman, Rick. Interview.
- Kuhn, Eric. (2009). "How-to: Faith-Based Marketing." The Huffington Post. Retrieved from http://www.huffingtonpost.com/eric-kuhn/how-to-faith-based-market_b_209919.html
- Nazworth, Angela. (2012). "5 Faith-Based American Businesses: Chick-fil- A is not the only company that has religious roots." InvestorPlace. Retrieved from <http://investorplace.com/2012/07/5-faith-based-american-businesses/>
- Neely, Jack. (1995). Knoxville's Secret History. Scruffy Books, p. 130.

Neely, Jack. (2009) Market Square: A History of the Most Democratic Place on Earth. Market Square District Association, p. 97.

"Redefining Success – Restaurateur Jim Klonaris reflects on the real lessons of parenthood." (2010). Everything Knoxville. Retrieved from <http://www.everythingknoxville.com/2010/06/02/juneklonaris/>

Schreiber, Lynne Meredith. (2012.) "Religion Can Work in the Workplace – But No Hard Sell." Retrieved from <http://www.startupnation.com/business-articles/3708/1/religion-workplace.asp>

Tibbles, Kevin. (2005). NBC News. Retrieved from <http://today.msnbc.msn.com/id/7283642/ns/today/t/putting-faith-back-big-business/#.UNvXfYnjnsc>

Viana, Liza Porteus. (2011). "Faith Based Marketing Can Tap Into Powerful Consumer Base. FOX Business: Small Business Center. Retrieved from <http://smallbusiness.foxbusiness.com/entrepreneurs/2011/09/28/faith-based-marketing-can-tap-into-powerful-consumer-base/>

Wade, James B.; O'Reilly III, Charles A.; Pollock, Timothy G. (September–October 2006). "Overpaid CEOs and Underpaid Managers: Fairness and Executive Compensation." *Organization Science* 17 (5): 527.

Whipple, Adam. (2011). CelebrateKnoxville.com. "Worship in the city feeds souls and bodies." Retrieved from <http://celebrateknoxville.com/2011/08/30/worship-in-the-city-feeds-one-million.aspx>

"Women to Watch-- Lori Klonaris." (2009). Everything Knoxville. Retrieved from
<http://www.everythingknoxville.com/2009/09/01/women-to-watch-lori-klonaris/>