

Science Center to remain closed

By Sherri Welch <<mailto:swelch@crain.com>>

October 26, 2011

The **Detroit Science Center** plans to remain closed while its efforts to raise \$5 million in emergency funding continue.

After closing Sept. 26 over concerns about making payroll and other financial reasons, the center indicated earlier this month that it could reopen by Oct. 27.

But in a statement released today, the center said it will remain closed while it continues to take the "recovery plan" it developed with assistance from Birmingham-based turnaround consultant **Amherst Partners LLC** to corporations, foundations and individual supporters in an attempt to raise \$5 million.

The center declined to say how much it has raised so far or which organizations have contributed.

It also declined to discuss the specifics of its plan for turning around its financial troubles, other than to say that it is a three-year operating plan that calls for a \$5 million cash infusion before the center can reopen.

For now, DSC Design & Exhibits, the science center's exhibit-building subsidiary will remain closed, as management and Amherst continue to evaluate it as a separate operation, the center said in a prepared statement.

The **Detroit Children's Museum**, which is operated by the science center but receives separate federal funding to support limited operations, reopened Oct. 11.

Having a firm like Amherst working with the science center to put together a business plan that calls for \$5 million worth of capital, "begs the question how much of that \$5 million is supporting losses," said James McTevia, managing member of Bingham Farms-based turnaround firm **McTevia & Associates**.

"Many nonprofits tend to think along the lines that because they are nonprofit, they don't have to operate with positive cash flow."

But obviously they do need positive cash flow to pay their bills, he said.

"I think the \$5 million that needs to be raised is probably supporting losses," McTevia said.

Unless the science center can demonstrate that money will solve all of its immediate issues, and it has made changes to operations that will solve future cash flow issues, donors won't be likely to give, McTevia said.

-- Crain's Detroit Business