

What's Your Plan?

By Jacklyn P. Boice

How to prepare for the planning process and avoid the most common pitfalls when developing and writing a successful plan

Knowing how to start the planning process can be difficult because you have to have a solid plan before you begin developing your strategic plan—or operational plan, business plan, marketing plan, contingency plan or any other type of plan you and your organization will need. Already sound confusing? On top of that, if you think the process can be a simple back-of-the-envelope effort, you will want to reconsider. Without careful preparation, any planning process will most likely fail—and then you will have to plan what to do next.

According to Theresa Nelson, CFRE, principal with Theresa Nelson & Associates in Oakland, Calif., there are three main stumbling blocks to successful strategic planning. “The first is not having the necessary resources—not allowing enough time, energy and

money for the planning process,” she explains. “The second is inadequate communication, and the third is poor accountability. Almost every time I see poor planning, it is because of one of these three pitfalls. You have to plan to do your planning!”

Plan to plan, indeed. With charities finding it necessary to use different means to achieve their mission and goals, good planning is more critical than ever. Yet, how do you know if your plan will be feasible and successful? One way is to enter a competition.

National Business Plan Competition for Nonprofit Organizations

During the past few years, a growing number of nonprofits have investigated and initiated business ventures in order to generate income. Some of these ventures have succeeded, while many others failed to meet either their

social or financial goals, or both.

To support this growing interest in income generation, the National Business Plan Competition for Nonprofit Organizations was created as a way to provide targeted guidance and resources to nonprofits most capable of launching and operating revenue-generating business ventures. The competition also encouraged sound business practices; provided the sector with important guidelines for achieving scale, sustainability and impact; and served as a positive vehicle for communication among practitioners and funders.

In the fall of 2001, The Pew Charitable Trusts made a four-year \$3 million grant to the Yale School of Management to “build and house” the competition. Shortly thereafter, The Goldman Sachs Foundation joined with another \$3 million commitment



to launch the Yale School of Management–The Goldman Sachs Foundation Partnership on Nonprofit Ventures. The partnership runs the competition as its signature event.

During the competition’s three-year history, the partnership has received more than 1,500 applications from nearly every state in the United States and from organizations of every type and size. Of those, about 20 percent were repeat competitors, according to Samantha L. Beinhacker, deputy director of the Yale School of Management–The Goldman Sachs Foundation Partnership on Nonprofit Ventures. After the preliminary stage, 80 nonprofits are selected to submit working drafts of their business plans, and then, in the final round, 20 nonprofits advance to present their business plans to a panel of expert judges at the Annual Conference and Awards Cer-

mony. The judging panel selects four grand-prize award recipients, each of whom receive \$100,000, and four runners-up, each of whom receive \$25,000. In addition to cash awards, the winners received hundreds of hours of technical business planning consultations to assist their organizations in implementing their ventures. (More information can be found at www.ventures.yale.edu.)

“The concept of social entrepreneurship has gained tremendous ground in recent years,” Beinhacker explains. “This does not mean that we believe all nonprofits should become for-profit enterprises, however. We would never want them to shed their identity. With this competition, we’re encouraging nonprofits to employ business techniques without losing their heart and soul. We’re talking about thinking creatively about non-

profits’ assets and core competencies and leveraging them for growth.”

This process does not happen overnight—good planning is not some type of magic trick. As Nelson points out, having the necessary resources can mean the difference between a successful plan and one that fails.

The Planning Process

Does your organization have a written business plan—and a strategic plan, an operational plan, a marketing plan or a financial plan—or are you operating under the “fly-by-the-seat-of-your-pants” plan? If your nonprofit falls into the latter category, it is not alone. “We designed the competition as a vehicle to send a strong message that a plan is a critical component of running your organization,” Beinhacker says. “Yet, our research suggests that a significant number of nonprofits operat-



The opening of the \$1 Shopper run by the Rescue Mission in Syracuse, N.Y.

ing revenue-generating activities have not written a business plan.”

That is true for three nonprofits that have won the competition. “We started from scratch,” says Darlene Carrington, director of business development at the Rescue Mission in Syracuse, N.Y. (www.rmsyr.org), a 2004 grand-prize winner. “Most of the work we had done was research, in addition to a feasibility study to see if we could do the project. We were in the planning stages for putting a plan together when we entered the competition.”

The Rescue Mission planned to launch a “\$1 Shopper” in its Thrifty Shopper stores in New York state. The \$1 Shopper sells household necessities including kitchen items, cleaning supplies, disposable products, baby-care items, hardware, socks, gloves and seasonal crafts for one dollar. Revenue

from the \$1 Shopper will be used by the Rescue Mission to decrease dependence on government funding and establish more sustainable and diversified revenue streams to pay for services for the homeless of Central New York.

1. Time required

Developing and writing a successful plan takes time—more time than you realize. “Before starting the strategic planning process, some organizations will say, ‘Let’s have a board retreat to do the planning.’ This isn’t feasible,” Nelson says. “It takes more than a few hours. You can get a good start, see the vision, bring people to the table and see expectations and how to proceed at a retreat, but that’s all. The time allowed is not enough.”

Mark Hoisser, executive vice presi-

dent of DARTS (Dakota Area Resources and Transportation for Seniors) in West St. Paul, Minn. (www.darts1.org), and a 2004 grand-prize winner, agrees. “Be prepared to spend 1,000 to 2,000 hours of staff time to do the plan,” he advises.

Put another way, 2,000 hours are the equivalent of one person’s time for an entire year. “If we hadn’t participated in the competition, we wouldn’t have seen the necessity of the time required,” DARTS President Richard Graham admits. “But like anything else, what you put into it is what you get.”

Established in 1974, DARTS provides specialized transportation for seniors and persons with disabilities. The DARTS Vehicle Maintenance Service offers vehicle repair and preventive maintenance services for Twin Cities-area (St. Paul and Minneapolis) agencies that operate their own vehicles for transporting individuals and are looking to reduce vehicle downtime, improve safety and increase vehicle reliability of their growing fleets.

The DARTS team began working on the plan in earnest in July 2003. During the first six months they prepared the key elements of the plan, and then in the next three to four months they polished the plan and fine-tuned their skills for an effective presentation. In addition to having more direct board involvement during the later stages of the process, the team sought input from outside business leaders. “We had a dress rehearsal with them,” Hoisser explains. “We wanted to see how our plan resonated with them.”

Carrington started the process with research. (For more on research, see the sidebar on page 26.) She looked on the Internet for a franchise business, but found it was too expensive. She studied the dollar-store business and then went to the ASD/AMD Merchandise Group’s Variety Merchandise Show to learn about the vendors. That helped staff at the Rescue Mission to get a better feel for what products to offer and what vendors they would be working with. The research took about two months, drafting the plan

Resources

Generating and Sustaining Nonprofit Earned Income: A Guide to Successful Enterprise Strategies by Sharon M. Oster, Cynthia W. Massarsky and Samantha L. Beinhacker (Eds.) (Jossey-Bass, 2004)

“In Search of (Business Plan) Excellence” by David Bornstein, *Trust* (The Pew Charitable Trusts), Vol. 7, No. 1, Winter 2004

“Nonprofit Enterprise: Right for You?” by Cynthia W. Massarsky and Samantha L. Beinhacker, *The Nonprofit Quarterly*, Fall 2002

Social Enterprise Alliance (www.se-alliance.org).

Inspiring the Inventive **Genius** in Everyone

Any visitor to the Museum of Science and Industry, Chicago, can attest to the incredible exhibits throughout the complex. However, are they as exciting and compelling as they can be? This is a question that prompted the museum to conduct an extensive, institution-wide, four-year strategic planning process, during which the organization re-created its core ideology, vision and mission statement, and developed ideas for fascinating new exhibits that are at the heart of an upcoming capital campaign.

The process involved developing operational, marketing, financial and long-term strategic plans—all requiring the necessary resources, communication and accountability to make them succeed.

Refocused Mission and Vision

Jamie Phillippe, CFRE, vice president, external affairs, says the previous mission statement was two paragraphs long with seven bulleted points (two sentences each). Now it is seven words: “To inspire the inventive genius in everyone.” This will be accomplished by presenting captivating and compelling experiences that are real and educational. “To do this we must be fun, inclusive, provocative and spectacular,” she says. “That mission statement is espoused by all employees in the museum, from the highest to the lowest and everyone in between.”

When rethinking the museum’s core ideology for the 21st century, Phillippe explains, the museum looked to philanthropist Julius Rosenwald (1862–1932), who was president and later chairman of the board of the mail-order house of Sears, Roebuck & Company. “He wanted to inspire America’s inventive genius and desire to learn more—that inspirational moment that sparks discovery and leads to more open minds.”

Bold, Cutting Edge and Compelling

The museum then developed a conceptual plan and took it to the potential donor public. While totally supportive of the planned capital campaign, potential donors said that the plan was too conceptual. It needed to be as bold, cutting edge and compelling as the museum has been and is expected to be. Consequently, the decision was made to create new ideas and exhibits that fit the museum’s history and the public’s expectations of what the museum should be.

The planning process began in January 2003 and was completed in June 2004. This involved working with many people with a wide range of experiences:

1. There was an oversight committee comprised of some board members, some civic leaders who were not involved with the museum, as well as people interested in the museum’s future. They looked at a range of exhibit topics and narrowed them down to three general topics where the museum should create big exhibits: life and health, essential science and human exploration.



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2. A task force was created for each topic. “We recruited two types of people for each task force—civic leaders from the Chicago area and national content experts who were not necessarily museum experts,” Phillippe says. “The experts recruited may not be household names, but they are leaders in their field.” There was Bruce Murray, Ph.D., professor of planetary science at the California Institute of Technology and co-founder, with Carl Sagan, of The Planetary Society; Jill Tartar, Ph.D., director of the SETI (Search for Extraterrestrial Intelligence) Institute and one of the leaders of the scientific effort to discover intelligent life in the universe beyond our planet; the leading cave explorer in the world; a scientist from NASA; as well as a futurist and geneticist, to name a few.

During an 18-month period, each task force met three times, familiarizing themselves with the museum. From the original topics, three new concepts emerged:

1. Life and health became “body human”
2. Essential science became “science storms”
3. Human exploration became “Mars”
3. Two other task forces were formed that were not content-specific. One included museum professionals and educators from throughout the United States who looked at what came out of the other three task forces in order to plan education programming and outreach that fit the resulting topics.
4. A fifth task force, made up of people in very creative fields, met for one two-day session for “mind storms.” Their goals included looking at what came out of the three topics and what could be used elsewhere in the museum, Phillippe explains. They looked at the welcoming experience to the visitor—the signage, clarity of exhibit flow, etc.—and the public areas of the museum that don’t contain exhibits, to make them more

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DMSTZ Business plan for Vehicle Maintenance Services (VMS) Page 1

C. Industry and Market Analysis

VMS will expand its competitive advantage within the vehicle maintenance and repair market by targeting, acquiring and providing excellent customer centered service.

Competitive Analysis

VMS will be part of the after-market vehicle service industry, which is a \$237 billion industry in the United States alone, according to the Automotive Aftermarket Industry Association (AAIA), a non-profit trade association. The AAIA estimates that the after-market industry has increased 3.7% in the past year (see www.aaia.org). Continued growth is projected.

VMS competition will fall into four categories: (1) Vehicle Dealerships, (2) Fleet Vendors, (3) Independent Shops and (4) Specialty Shops. Many agencies providing specialized transportation rely on multiple vendors for their maintenance. Some customers are currently using as many as seven different vendors to maintain their vehicles.

DMSTZ customer service has been consistently superior to the many other vendors we have used to maintain our vehicles. - *Stacyville Thomas*

	Vehicle Dealerships	Fleet Vendors	Independent Shops	Specialty Shops
Competitors	Laboratory Ford, River Ford, Sun-Cats Auto Dealers	Empire Bus, Empire American Bus Sales	Smith East, Coach Coaches	Time Plus, Rapid Oil Change, Jiffy Lube
Strengths	Specialized, volume, point of sale contact, website, recognition	Specialized, volume, point of sale contact	Convenience, location, brand, understanding of market	Specialized, convenience, name recognition, set pricing
Weaknesses	Price, location, lack of specialization	Location, concentration on same vehicle service	Lack of specialization, high cost, need regulatory requirements	Service hours, customer support, regulatory requirements

DMSTZ Business plan for Vehicle Maintenance Services (VMS) Page 4

D. Marketing Plan

DMSTZ VMS will target nonprofit organizations and public service providers that operate passenger transportation vehicles. Through targeted and word-of-mouth marketing, VMS will provide a high-quality, one-stop vehicle maintenance and repair facility for specialized leased vehicles.

Positioning

Because DMSTZ is a community-based, expert leader in nonprofit management, service delivery, and high-quality transit services, DMSTZ VMS will be the first choice of non-profit providers seeking reliable, full-service vehicle repair and maintenance. VMS understands the needs and challenges of the specialized transit provider and will be responsive to all their transportation issues, ensuring customer satisfaction and loyalty.

Pricing

Vehicle repair rates in the Twin Cities metropolitan area range from as little as \$25 per hour to over \$100 per hour. The price fluctuates based on the type of service, volume, location and experience. Based on a customer focus group conducted in March 2004, the average per hour price is approximately \$40.

The VMS rate will be established with four factors in mind:

- (1) Covering VMS cost to provide service
- (2) Generating a financial return for DMSTZ
- (3) Generating a social return on investment for the community
- (4) Maintaining a competitive advantage by pricing below the average market rate.

Given these considerations, the labor rate for DMSTZ VMS will be set at \$47.40. VMS will continually evaluate this rate based on the four criteria outlined above. The rate will reflect changes in the vehicle service market as necessary.

DMSTZ Business plan for Vehicle Maintenance Services (VMS) Page 10

A thorough, successful business plan involves many different plans. Read the complete plan at www.ventures.yale.edu.

took another two months and preparing the final plan required another three months.

“The amount of time was surprising,” Carrington says. “Every piece is so critical, and it could have been overwhelming if we had allowed it. During the final stage, a Yale MBA student helped with financials and Yale assigned a consultant to work with us. Yale has done due diligence finding these consultants.”

Another equally important resource to consider is money—what you will have to pay for those 2,000 hours of work. “Whether it’s your time, staff’s time or an outside consultant’s time, someone will have to do the work,” Nelson points out. “This isn’t something you jam in a half hour a week.”

2. People involved

The importance of the people involved in the planning process cannot be overstated. If the plan becomes one individual’s project, others will feel they don’t have to deal with it, Nelson says. “You have to have a broad cross-section of the organization involved,”

she emphasizes. “If a planning process seems to be driven by an individual or a group with a certain agenda, it can fall apart. It isn’t a good process if people feel excluded before the planning starts or during the planning process. After the plan is completed, that is when good communication is critical. Know who will tell people what is going on after the strategic planning committee disbands and who will share the information with everyone. Many organizations simply put the completed plan on a shelf, or else it becomes the property of just a few people.”

Cindy Arnold, executive director of El Puente Community Development in El Paso, Texas, a 2003 competition grand-prize winner, says teamwork was key to their planning process. This ranged from a group from the factory who contributed their expertise to consultants who helped with the business side of the plan, providing the business language. “Rather than individuals, we thought of roles that had to be played,” she explains. “There were three aspects to consider. There were

people who would be involved in the implementation and operation, people who would represent the nonprofit from the management and administration side and people from the ‘outside,’ such as consultants, who know the business. We needed to have all of these, although the balance changed at different stages of the process.”

El Puente Community Development (www.mujerobrera.com) is dedicated to the empowerment of low-income Mexican immigrant women and their families that have been adversely affected by global restructuring. Diseños Mayapán is a garment manufacturing facility that manufactures customized medical scrubs to meet the increasing demand for affordable, attractive uniforms for the expanding health, childcare and medically related professions in the El Paso/West Texas area. The business also creates new business and employment opportunities for low-income, NAFTA-displaced workers and Hispanic residents in the South Central El Paso area.

Developing the plan is just the first step, however. Actually implementing

it requires knowing who will do what and when. You have to know what you want to do, Nelson says. You can go down path A or path B, but you have to know the choices and options. This is part of the planning and the communication issues. “Who is responsible? Who will do the planning and carry out the implementation?” she asks. “After we have outlined the goals and identified measurable objectives, then what? Who is in charge of everything? If no one is implementing the plan, people will feel that it isn’t important.”

The Plan and Your Mission

With good planning processes, Nelson explains, there is articulation of the vision, an understanding of the organization and its constituents, the ability to deal with difficult decisions, as well as involvement, sharing the power and making it happen.

In fact, these issues comprise the criteria against which the submitted business plans are judged in the National Business Plan Competition for Nonprofit Organizations:

- Feasibility of the business model
- Marketability
- Financial return on investment
- Social return on investment



The DARTS Vehicle Maintenance Service offers vehicle repair for agencies in the Twin Cities area of Minnesota.

- Fundability
- Management team
- Integration of the venture’s social and financial missions
- Performance benchmarks
- Risk assessment and contingency plans

The business size and scale must be compatible with the size and scale of the nonprofit, fulfilling the financial mission of the nonprofit, Beinhacker explains. “Do they have core assets that can truly demonstrate market demand to pay for the product? Do they have the internal capacity? Do they have board support? Do they have the necessary leadership? All of these are things we look for.”

For the Rescue Mission of Syracuse, the financial return on investment presented the greatest challenge. Carrington explains that the plan required a three-year projection, with asset and liability reports. “We also had to have performance benchmarks,” she says. “We knew what competitors did, but what could we expect? What is our risk assessment? We also prepared a contingency plan. We could move any slow-moving item to one of our thrift

stores. And if we don’t have enough margin to make the \$1 Shopper work, we can shut it down. But we really want to master this store because it is the model for others to come.”

The social return on investment was a key issue for both DARTS and El Puente Development Community. “Research has shown that the closer the fit of the business with its social mission, the more successful it will be,” Beinhacker says. “The business is driven by the organization’s core competencies and has clear objectives that reflect the culture and vision of the organization.”

“We hadn’t considered or measured social return on investment in any specific way,” DARTS’ Hoisser says. “Our social return is the difference between our prices for the repairs we do and the market rate. That difference could go back to our customers’ programs. We could quantify that.”

At El Puente Community Development, looking at the social return on what the organization does and how to measure it has been critical. “You have the operational costs from this business and then you have the business costs from being a social enter-



Low-income Mexican women at Diseños Mayapán, part of the El Puente Community Development in El Paso, Texas, manufacture customized medical scrubs.

Fast. Good. Cheap. Choose Any Two

By Gerry Backs, MA, CFRE

One of my early childhood memories is of a visit to the local corner garage with my father. As I waited in the reception area, the jumble of pictures, cartoons and notices tacked to the grimy walls fascinated me.

Way up high on the main wall was one large, time-stained notice. On it, inscribed in plain bold letters, were the words: FAST. GOOD. CHEAP. Choose any two.

Obviously that little sign made an impression that still resonates in me to this day. It was a simplification of a principle that every manager and leader must understand to be effective: there is an inherent tension between time, talent and capital in any endeavor. A change in any one will affect the other two—and the success of the venture. The real cost of every trade-off must be carefully considered.

This maxim extends into all aspects of our lives. If you are like me, you know it is a challenge keeping up with current trends in professional development. For most fundraisers, just finding time to read a good book related to the profession is a luxury. It becomes a real trial to attempt to keep in touch with the latest research affecting the sector.

While preparing this article on recent developments in planning and evaluation research, I was faced with those three factors again: how to do this fast, cheap and good. My first recourse was to contact friends and peers and ask them for advice. The AFP Resource Center (resctr@afpnet.org) was the next step in gaining valuable direction for my search. And finally, I did a fast and cheap literature review of my own. What I discovered in this exercise is that there is a wealth of information out there, but it takes an investment of time, talent and/or capital to retrieve it.

A trend in recent years has been the growing pressure on our sector to provide in-depth evaluations and documented planning to institutional funders, government regulators and donors. The balancing act we already do with time, talent and capital in our day-to-day nonprofit world often leaves us with little leeway for proper planning and evaluation.

With a little search of the shelves of libraries and bookstores, we can find a few books that deal with planning and evaluation in the nonprofit sector. There are many more that deal with organizations in more general terms. One of my all-time favorite resources is Peter Senge's *The Fifth Discipline*. In this seminal work, Senge highlights how organizations have a tendency to assume a single future when planning and how we often fail to understand the complex consequences of even the most simple management decisions. His observations and counsel have stood the test of time and have served as a major influence for those who have followed.

Wesley Lindahl's *Strategic Planning for Fund Raising* is another good resource and gives a solid grounding in the benefits of planning. Another favorite is *Reframing Organizations* by Lee Bolman and Terrance Deal. They advise us to view management processes from many different "frames." Each view gives its own valuable insight, and the combined views can enhance the quality of our decisions. Dr. Vic Murray from the University of Victoria recently contributed a chapter on evaluation to the Jossey-Bass *Handbook of Nonprofit Leadership and Management*. This chapter provides an excellent overview of the types of evaluation in use in the nonprofit sector. There are many other great books that will give you insight and guidance, and the AFP Resource Center can help you in your search.

To get closer to the source of new knowledge, we need to look directly at the research itself. In the past 30 years there has been a growth in interest: a national survey by Tony Myers and Shauna Klein found that Canadian research in the sector has increased exponentially in the past decade. Similar surveys in the United States and the United Kingdom have mirrored these findings. Both government and business are gradually realizing the impact the nonprofit sector has on both the economy and our quality of life.

As practitioners, we know it is intrinsically difficult to place a common value on what we do. In business it is easier: they can simply measure profit margins or shareholder divi-

dends. However, the "bottom line" in the nonprofit sector is less easily defined, and because of our special tax status, we are also held accountable to different standards of efficiency and efficacy. These factors, combined with the multitude of missions and methods, make research into our sector a real challenge.

In their 1998 research into nonprofit evaluation practices, Allison Fine et al. found that the diversity left them in a struggle to find statistically significant results. While they could measure the meteoric growth of evaluation practice within the sector, they had difficulty defining patterns in this growth. One finding that did stand out was that holistic methods—involving participants in the complete process of evaluation from design to dissemination—were becoming more prevalent in the sector.

If you are interested in finding out more about recent research, you may want to befriend a local university librarian. They are skilled in directing you to the best academic resources. A quick way to find information on your own is through the Internet, but often the quality is questionable or the cost is prohibitive. With time and effort, however, you can find a number of websites that are good at disseminating some of the research to a broader audience. There is also a growth in organizations focused on linking researchers directly to practitioners, so that the sharing of information and resources can be done in a timely fashion.

Research into our sector is helping us to define who we are, to learn how to be better at what we do and to work out how to communicate effectively to the community what we do. In the struggle to be fast and cheap in our day-to-day operations, we must remember that the GOOD of our missions must remain the top consideration.

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www.nonprofitresearch.org (Nonprofit Sector Research Fund)

www.arnova.org (Association for Research on Nonprofit Organizations and Voluntary Action)

prise,” Arnold explains. “You need to have a social-purpose column as well.”

Do revenues cover the organization’s social mission? Arnold says you have to sit down and analyze financial data, keeping an eye on the mission. El Puento pays wages, which are operational costs, but then there are the costs involved in training and helping the women learn career skills. “These are tricky issues you wouldn’t have if you were a regular business,” she points out. “They all affect the financial bottom line. You have to be clear about the social impact and the social costs of your venture. You can’t be overburdened. There is a longer learning process to sustain mission costs, social costs and operating costs. You have to learn the social nuances involved, and there isn’t a textbook telling you how to do everything.”

Lessons Learned

Was all the time and effort of taking part in the competition worth it, aside from the monetary benefits? Yes! Carington acknowledges that the Rescue Mission would not have taken the plan to the level they did if they had not entered the competition. “Starting a new venture requires so much thinking it through, thinking to that level of detail. You learn how important it is to map out every detail. With these details, you set up milestones, and the milestones show the progress we have made.”

Her only regret was not having a business plan writer from the beginning. “We hired a grant writer in round one, but a grant writer is not a business plan writer.”

Research has shown that writing a plan for a business has tremendous halo effects, since it requires thinking more strategically about mission, delivery, finances, marketing, etc., Beinhacker explains. DARTS’ Graham agrees. “There are not a lot of opportunities to create new horizons for staff people. To have something like this happen to us has created a dynamic environment here,” he says.

For Maria L. Picard-Ami, social

enterprise coordinator at El Puento Community Development, one important benefit was bringing together so many different people from all parts of the organization. “You learn to understand balanced teamwork—to combine a lot of different skill sets and experiences,” she says. “If you rely solely on the business community, you won’t come up with a well-thought-out document.”

Arnold says understanding the different bottom lines is invaluable. “You have to have better and clearer articulation of financial returns and financial investments with the ‘programmatic’ expectations of your enterprise,” she explains. “It’s not just about growing revenue. If your strategy is also to fulfill the nonprofit’s mission and further the mission of the nonprofit, that is different.”

“You see how to use the economy to achieve social good,” she adds. “To have a successful bottom line you also must have social good. Many nonprofits are seeing that the old school of relying on just donations to meet their needs is not sustainable. They have to be market savvy and use revenue-generating means. Nonprofits have been doing social enterprise for years, but they just don’t realize it.”

That does not mean that revenue generation is for every nonprofit, Beinhacker warns. “We discourage those that have projects that do not make sense, and we let them know if they are barking up the wrong tree. Also, we look to see if they are desperate. If they are, they won’t make it. Business is tough.”

“One of the major flaws we see in business plans is the ‘if we build it, they will come’ mentality,” Beinhacker adds. “We look really carefully at that. There must be a demonstrated demand for the product or service. They also must show that they have thought through how the product will get out the door. We look at everything—capacity, fit, marketing, their competitive advantage and the people who are leading it.”

Excellent advice for any nonprofit in the process of developing and writing a plan. 🍎

lively and engaging.

Some, but not all, board members were involved on the task forces. "We have 65 board members. From January 2003 until now [the end of 2004], we met individually with those board members not directly involved to keep them informed and to ask them for feedback and recommendations," she says.

Work to raise funds for new exhibitry will start in January 2005, and the new exhibits will open over time beginning in 2008.

"It was a lot of very thorough work, involving considerable deliberation and research," Phillippe admits. "And now the museum has a lot of new friends. One hundred eighty people, not including staff, were involved on the task forces and committees, working more than 2,500 hours. We hope that the civic leaders of Chicago and visitors to the museum feel that we have done a very good job in planning."