

Partnership on Nonprofit Ventures Prepares for Final National Business Plan Competition for Nonprofit Organizations

Partnership fosters interest, enthusiasm for nonprofit business ventures

New Haven, Conn., April 19, 2005—The Yale School of Management-The Goldman Sachs Foundation Partnership on Nonprofit Ventures will host its third and final National Business Plan Competition and Conference and Awards Ceremony on June 9-10, 2005, at the Hyatt on the Hudson in Jersey City, NJ. Twenty entrepreneurial nonprofits from across the country will present their earned income venture business plans and compete for \$500,000 in prize money and business planning assistance. (For a complete list of finalists, visit http://www.ventures.yale.edu/statusreport_third_competition.asp.)

The Partnership, an initiative of the Yale School of Management, was created in 2001 with funding from The Goldman Sachs Foundation and The Pew Charitable Trusts to respond to a growing interest among nonprofits in generating income. Many of these organizations seek to supplement their charitable activity with business income, but need assistance to do so. The Partnership has educated organizations about nonprofit enterprise and provided tools and resources for the sector-at-large.

The Partnership also developed the first-ever National Business Plan Competition for Nonprofit Organizations as a way to provide targeted guidance and resources to nonprofits most capable of launching and operating revenue-generating business ventures. The competition encouraged sound business practices, provided the sector with important guidelines for achieving scale, sustainability and impact, and served as a vehicle for communication among practitioners and funders.

“When the Yale School of Management began The Partnership with The Pew Charitable Trusts and The Goldman Sachs Foundation in 2001, the field of nonprofit enterprise was in its infancy,” said Professor Sharon M. Oster, co-faculty director of The Partnership. “People in the field looking for examples of great business plans by nonprofits launching ventures or best practice in the field found precious little. Today, after four years of work by The Partnership, much has changed.”

Since its launch, The Partnership has produced:

- An information-packed website where nonprofits as well as scholars and students can learn about successful earned income ventures (www.ventures.yale.edu);
- Case studies on nonprofits and their social ventures, for use in management school classes. Cases are available from the Yale Program on Social Enterprise’s website and from Caseplace.org. Cases have already been used both at Yale and in a program run by National Arts Strategies;
- Exemplary business plans;
- Two spectacular Conference and Awards Ceremonies, registering more than 1,000 people and with more than 100 speakers of note, including Senator Bill Bradley and former Procter & Gamble CEO John Pepper (a third Conference will take place in June 2005 with a keynote by Jonathan Tisch, Chairman and CEO of Loews Hotels and author of “*The Power of We: Succeeding Through Partnerships*”);

- *Generating and Sustaining Nonprofit Earned Income*, a book that serves as an essential hands-on guide for helping nonprofits achieve greater financial stability through a diversified stream of revenue; and
- \$2 million in monetary awards and consulting services to 16 social enterprises, with an additional \$1 million scheduled to be awarded to the 8 new winners in June 2005.

“For the three partners, our greatest accomplishment is an enduring infrastructure that will live well beyond the business plan competitions,” said Stanley J. Garstka, co-faculty director of The Partnership. “This program has enabled us to learn about and help evaluate almost 2000 distinct nonprofit venture ideas. We have provided help in the development of over 200 complete business plans and guided 60 nonprofits from all over the United States to hone their plans in a national competition. This has been a critical formative experience for nonprofits and academics alike.”

Over the past four years, The Partnership has drawn on the time and talents of well over 500 Yale alumni who served as evaluators. The Partnership also tapped the expertise of Goldman Sachs, which provided advisors to The Partnership and judges at the business plan competitions, and consulting firms, including McKinsey & Company, which provided strategic direction for The Partnership in its early stage and whose consultants served as evaluators and judges throughout the process.

The early research work into earned income ventures undergirding The Partnership was provided by two leaders in the field, Cynthia W. Massarsky and Samantha L. Beinhacker, who continued to manage The Partnership throughout the last four years. “The outstanding work of Massarsky and Beinhacker goes a long way to explaining the success of The Partnership in reaching so many diverse nonprofit organizations,” said Sharon Oster.

“While we are delighted that the three business plan competitions helped recognize and provide capital for some outstanding earned income ventures, we are most pleased with the growth in intellectual capital in this field. The Partnership has fostered interest and enthusiasm for the work of nonprofit enterprises and we look forward to seeing new growth in this field as it moves into maturity,” said Stephanie Bell-Rose, President of The Goldman Sachs Foundation.

“The Yale-Goldman Sachs Partnership on Nonprofit Ventures has been a pioneering project in stimulating social entrepreneurship among nonprofits—and also in demonstrating that these kinds of ventures are not for everyone,” said Don Kimelman, director of The Pew Charitable Trusts’ Information Initiatives. “The Trusts is proud to have offered our support to this unique and effective partnership of the nonprofit, academic, philanthropic and business worlds. The initiative has provided a strong launching point from which this new field can flourish for many years to come.”

The Partnership on Nonprofit Ventures educates nonprofits about social enterprise; capitalizes promising profit-making ventures and job training/employment programs with financial support; and provides intellectual capital to build the practice of social entrepreneurship in the nonprofit sector at-large (www.ventures.yale.edu).

The Goldman Sachs Foundation is a global philanthropic organization funded by The Goldman Sachs Group, Inc. The Foundation’s mission is to promote excellence and innovation in education and to improve the academic performance and lifelong productivity of young people worldwide. It achieves this mission through a combination of strategic partnerships, grants, loans, private sector investments, and the deployment of professional talent from Goldman Sachs.

Funded in 1999, the Foundation has awarded grants of \$62 million since its inception, providing opportunities for young people in more than 20 countries. Visit the Foundation's website at www.gs.com/foundation.

The mission of the **Yale School of Management** is to educate leaders for business and society. The school prides itself on preparing men and women to combine rigorous business skills with a broader appreciation for the economic, social, and political factors that shape the global environment. The Partnership on Nonprofit Ventures brings together three strands of the Yale School of Management's teachings—entrepreneurship, business skills, and social responsibility—to nonprofit organizations, infusing its program with the philosophy that superb business and management skills are a critical ingredient for leadership in every sector of the economy—private, public, and nonprofit. Since 1993, the Yale School of Management has been consistently rated #1 in Nonprofit Management among the nation's graduate management programs by *U.S. News & World Report*. For more information, visit <http://www.mba.yale.edu>.

The Pew Charitable Trusts serves the public interest by providing information, advancing policy solutions and supporting civic life. Based in Philadelphia, with an office in Washington, D.C., the Trusts will invest \$177 million in fiscal year 2005 to provide organizations and citizens with fact-based research and practical solutions for challenging issues. For more information, visit <http://www.pewtrusts.org>.

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