

“What Business Execs Don’t Know – But Should About Nonprofits”

A professional colleague, Shelli Herman, pointed out an excellent article by Les Silverman and Lynn Talienta in the Summer, 2006 edition of Stanford Social Innovation Review. Selected excerpts are below which you will find insightful.

LEAD BY INSPIRATION

“You will have little opportunity to lead by making decisions. You’ll have the power of the budget to some extent, but if you have a vision or you want to make any changes, you’re going to do it by leadership and by inspiration and not by direction. You’ve got to be a Pied Piper.”

Harold Williams, former CEO and Chairman of the Business conglomerate Norton Simon, and former CEO of the J. Paul Getty Trust

GAIN NONPROFIT EXPERIENCE FIRST

“Unless that person is really unusual or unique, I think it would be a mistake for somebody to jump in and run CARE or fund AARP without any not-for-profit sector experience. If I were (on) a board I would never choose such a person... It would be very difficult for somebody to walk in out of a corporate setting and just take over a not-for-profit... We don’t teach humility in business school, do we?”

William D. Novelli, CEO of AARP, and founder
And former president of the public relations firm
Porter Novelli

BELIEVE IN THE MISSION

“Have a passion for that organization’s mission. Otherwise, the frustration just wouldn’t be worth it. Recognize that everything is consensus building. Know that you have the affirmative responsibility to project in every setting the critical importance of what the organization does – to funders, to media, to potential volunteers, to all the constituents.”

Philip Lader, chairman of the communications
Services firm WPP Group, and former university
President and White House deputy chief of staff

REALIZE HOW HARD IT WILL BE

“Don’t assume that the senior staff has the same business training and business background that you’re accustomed to and that you may take as second nature. Be prepared to teach and be helpful in that respect. Finally, don’t think that it’s less of a real job. One of the chuckles I got when I came here was from many of my friends in Southern California, who to this day don’t believe I really had a real job. ‘How hard can it be, Dick, just writing these checks?’ Don’t under-estimate the degree of difficulty of working in a complex nonprofit organization.”

Richard Schlosberg, former president of the David And Lucille Packard Foundation, and form Publisher and CEO of the Los Angeles Times

ANTICIPATE PASSIVE OPPOSITION

“The nature of passive resistance within nonprofit settings (are seen) at levels that could teach Gandhi lessons.

Reynolds Levy, president of Lincoln Center for the Performing Arts and former president of International Rescue Committee

BE YOURSELF

“What people should do is stop and try to objectively assess what they’re best at and what those skills are. Then bring those to the not-for-profit. I think people arrive and they actually hide. (Instead), people should be exercising those skills and leading with those skills. Some of the most outspoken people for the for-profit world arrive at the for-profit board and become the least vocal.”

Robert Higgins, founder of the venture capital firm Highland Capital Partners and former executive Director of the John A. Hartford Foundation

LEADING BY CONSENSUS

“You have to lead by consensus and by influence as opposed to by pure management. You can’t just come in here and wield a stick and make things happen.”

David Chernow, President and CEO of Worldwide Junior Achievement, form President of the Physicians Services Group at US Oncology

UNDERSTANDING THE COMPLEXITIES

“The business side’s failure to understand the complexity, nuance, and criteria for judging success on the nonprofit side has tremendous effects, both on fundraising (and on people’s) understanding of how we’re going to address certain problems effectively.”

Richard Leone, President of The Century Foundation, former President of the New York Mercantile

ROI FOR NON-PROFITS VERSUS FOR-PROFITS

“Every time we nonprofits satisfy customers, we drain resources, and every time for-profits satisfy a customer, they get resources back. That sounds very simple, but it has huge implications, and I don’t think the for-profit people really get that.”

Judy Vredenburg, former CEO of Big Brothers and Big Sisters, former Senior Vice President of March of Dimes