

**Author(s):** Neel Hajra, 2010

**License:** Unless otherwise noted, this material is made available under the terms of the **Creative Commons Attribution 3.0 License:**  
<http://creativecommons.org/licenses/by/3.0/>

**We have reviewed this material** in accordance with U.S. Copyright Law **and have tried to maximize your ability to use, share, and adapt it.** The citation key on the following slide provides information about how you may share and adapt this material.

Copyright holders of content included in this material should contact [open.michigan@umich.edu](mailto:open.michigan@umich.edu) with any questions, corrections, or clarification regarding the use of content.

For more information about **how to cite** these materials visit <http://open.umich.edu/education/about/terms-of-use>.

Any **medical information** in this material is intended to inform and educate and is **not a tool for self-diagnosis** or a replacement for medical evaluation, advice, diagnosis or treatment by a healthcare professional. Please speak to your physician if you have questions about your medical condition.

**Viewer discretion is advised:** Some medical content is graphic and may not be suitable for all viewers.

# Citation Key

for more information see: <http://open.umich.edu/wiki/CitationPolicy>

## Use + Share + Adapt

{ Content the copyright holder, author, or law permits you to use, share and adapt. }



**Public Domain – Government:** Works that are produced by the U.S. Government. (USC 17 § 105)



**Public Domain – Expired:** Works that are no longer protected due to an expired copyright term.



**Public Domain – Self Dedicated:** Works that a copyright holder has dedicated to the public domain.



**Creative Commons – Zero Waiver**



**Creative Commons – Attribution License**



**Creative Commons – Attribution Share Alike License**



**Creative Commons – Attribution Noncommercial License**



**Creative Commons – Attribution Noncommercial Share Alike License**



**GNU – Free Documentation License**

## Make Your Own Assessment

{ Content Open.Michigan believes can be used, shared, and adapted because it is ineligible for copyright. }



**Public Domain – Ineligible:** Works that are ineligible for copyright protection in the U.S. (USC 17 § 102(b)) \*laws in your jurisdiction may differ

{ Content Open.Michigan has used under a Fair Use determination. }



**Fair Use:** Use of works that is determined to be Fair consistent with the U.S. Copyright Act. (USC 17 § 107) \*laws in your jurisdiction may differ

Our determination **DOES NOT** mean that all uses of this 3rd-party content are Fair Uses and we **DO NOT** guarantee that your use of the content is Fair.

To use this content you should **do your own independent analysis** to determine whether or not your use will be Fair.



# PubPol 671: Policy & Management in the Nonprofit Sector

Lecture 21: Social Enterprise continued

Neel Hajra



## Next Week

- Monday: Guest lecture by Kevin Thompson (updated readings in syllabus)
- Wednesday: Wrap up social enterprise, examine future relationship of nonprofit and for-profit sectors



# Final Paper

- Topic to be released later this week
- Due Thursday, April 29 at midnight (last day of exams period)



**LET'S LIVE THE DREAM!**



# Ground Rules

- A “management” exercise that sheds light on the real challenges of social enterprise
- Work FAST
- Solid Note-taking – please submit to Neel by end of this week
- We’ll examine and discuss your collective experiences and results next week
- Your results will be shared with class



## Step 1: Describe Your Services In More Detail

- What kinds of services do you offer? (don't forget your mission and metrics)
- What is the scope of your services (#'s, geography, etc.)
- Who participates in your services?

**TIME: 10 minutes**





## Step 2: Describe Your Funding Sources

- Assume you receive funding from all four common sources (individual, corporate, foundation, local government) *and no earned income*
- Assign a percentage of total support for each source (try to reflect what you think would be typical for an organization like yours)

**TIME: 5 minutes**



## Step 3: Build an Org Chart for Your Nonprofit

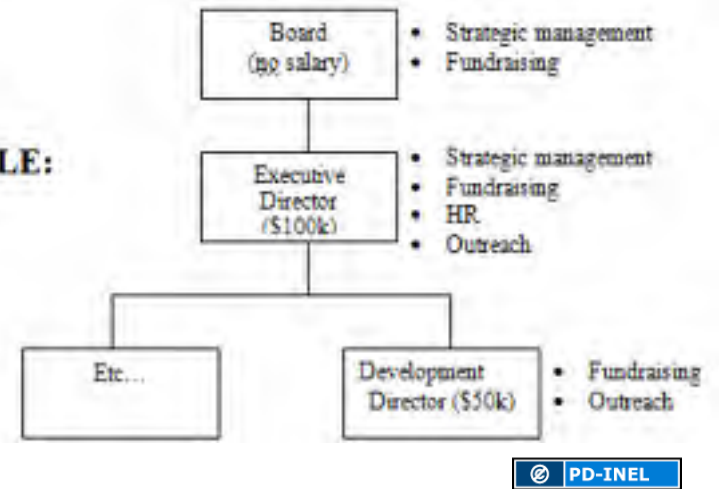
- Positions in addition to Board and Executive Director
- Salary for each position
- Responsibilities for each position
- \$250k in total salary

# Step 3 Examples

## Typical functions:

- Program delivery
- Strategic management
- Financial management
- Fundraising
- Marketing/outreach
- I.T. (e.g., computer systems, phone systems, websites, etc.)
- H.R. (e.g., hiring, payroll, policies, benefits, volunteer management, etc.)

### EXAMPLE:



**TIME = 10 minutes**



**OH SNAP...**


**You project  
a major loss  
in funding!**



## Step 4: Formulate a social enterprise model for your organization

- What activities can generate earned revenues?
- Who are your customers?
- What sort of fees and fee structure will you use?
- What percentage (minimum 50%) of your expenses do you hope to cover through your earned income?


**TIME: 15 minutes**



## Step 5: Identify what changes to your org structure are necessary to support your new business model

- Do you need new staff/skills?
- Do you need to re-assign or eliminate existing staff/skills?
- What about your board?
- What about your volunteers?
- Estimate the cost difference (if any) between your old org chart and your new one


**TIME: 10 minutes**



## Step 6: Identify what changes to your infrastructure are necessary to support your new business

- Facilities
- Communications
- I.T. systems and software
- Etc.

**TIME: 10 minutes**




## Step 7: Identify what changes to your donor (investor) base are necessary to support your new business

- Do you need more or new kinds of supporters?
- Will you retain existing supporters?
- What do you need different levels or kinds of support?

**TIME: 5 minutes**





## Step 8: Identify any other steps you need to take to effect the conversion to a social enterprise model

- Coordinating with stakeholders?
- Planning?
- Changing internal culture?
- Training?
- Marketing and Communications?
- And many other potential areas...

**TIME: 5 minutes**