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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.)

**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 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**