



By Donald G. Doty, Ph.D.

Six practices highly successful social entrepreneurs with case studies

Imagine a world focused on high-impact giving, where nonprofit organizations collaborate with business, harness market forces for good causes and leverage resources for planning operational excellence. This kind of world may be within reach when six critical principles are mastered, argue authors Crutchfield and Grant, in *Forces for Good*. Currently an estimated 5 million nonprofits account for more than one trillion revenues in the nation's economy, and as a group are larger than construction, banking, and telecommunications. In *Forces for Good* Crutchfield and Grant analyzed hundreds of these nonprofits (NFPs) to surface the best practices across 12 highly successful nonprofits that had made a significant impact on society (e.g., Habitat for Humanity's 1 million homes constructed, America's Second Harvest's 1 billion pounds of food distributed each year). These NFPs aspire to change the world, and to solve many of the biggest problems that plague our world- hunger, poverty, feeling education and climate change. For example, Teach for America does not seek to raise test scores of students, it seeks to transform the entire educational system. Habitat for Humanity's vision is much greater than simply building houses, but to eliminate homelessness from the face of each Social entrepreneurs are not content to merely give a man a fish, or even teach someone how to fish. These entrepreneurial NFPs won't stop until they have revolutionized the entire industry. Crutchfield and Grant argue that we need dramatic change in how nonprofits do business to address the global problems that plague society today. They suggest six principles for how organizations seeking greater impact can do just that~

1. **Advocate and serve constituents for change.** Work with other organizations and advocate for policy change at a regional and national scale. Provide services to constituents that need assistance.
 - Self Help learned that about 10,000 people were losing their homes each year in North Carolina alone. Low income, poorly educated borrowers in minority or elderly populations made up the majority of the people who were being harmed. Self Help viewed this as predatory lending and decided to advocate for stronger industry regulation. They first tried to lobby Congress to close loopholes in the Home Ownership Protection Act, without success. Learning from this setback, Self Help then focused regionally on North Carolina, where the organization possessed an advantage in local relationships and influence. Self help mobilized

credit unions, churches, local affiliates of the AARP, and the National Assoc. of Colored People and promoted stories about the issue to the regional press, and suggested to several of North Carolina's most powerful banks that it was their moral responsibility to support legislation. In 1989 North Carolina enacted the landmark into predatory lending laws, which addressed abusive lending practices without limiting the amount of credit that could be made available to low income people. Self-help was contacted by other groups nationally around the country for assistance in passing legislation in their states to. In 2002 Self Help launched a center for responsible lending, and national subsidiary that was formed to conduct research, advocate for policy reform, and serve other states in changing their lending laws.

2. **Harness market forces and see business as a powerful partner, not as an enemy to be disdain or ignored.** Influence business practices, build corporate partnerships, and development income ventures as a way of leveraging market forces to achieve social change in larger scale.

- Share our Strength mobilized the food restaurant industry to help those in hunger and developed early Corporation sponsored events such as taste of the nation and raised millions of dollars for hunger relief. Millions of dollars were raised through the charge against hunger campaign when American Express sponsored them as a lead contributor in 1993 for three years. How did it work? Share our Strength contributed its connections to the restaurant community and return, American Express invested millions of marketing dollars in the campaign. American Express generated more card usage and greater profits, Share raised millions more for hunger that it could have done alone.
- This is called social cause marketing and in it many Corporate sponsored fund-raising events were spawned including the great American bake sale, restaurants for hunger, and a peaceful pursuit.

3. **Create meaningful experiences for individual supporters and convert them in the evangelists for the mission.**

- America's second harvest has national hunger awareness week. City year has service parties where for one day local volunteers work in service projects. Habitat hosts a one day event for high-profile housing volunteers meet and work with former president Jimmy Carter. Share our Strength sponsors the great American bake sale and taste of the nation events organized by volunteers to raise funds for hunger. CEOs, politicians, academics and dignitaries prepare lesson plans to teach in public school classrooms for Teacher for America's regional events.
- Nonprofits use conferences or events as a way to build and connect their larger community and bring diverse stakeholders together. They tell success stories and communicate their mission. For example, with Habitat everyone has a roof over their heads and knows the importance of the home. It's an easy concept to grasp.

4. Build and nurture nonprofit networks, treating other groups not as competitors but as allies instead to advance the larger field for the benefit of all.

- The Exploratorium, for example, started a movement noted for building science centers throughout the nation. It was originally part of the UC Berkeley Lawrence Hall and Ontario science center in Toronto. Within three years the nonprofit helped launch 21 interactive museums in the U.S. alone including the Children's Museum of Manhattan Discovery Place in Charlotte NC. By building a greater network of interactive science centers you reach more people and have greater impact. Four keys to creating these networks are:

1. Grow the pie. They increase resources and overall impact further cost because it increases their overall impact. They lead clever efforts to gain resources for the entire network of like organizations, raising funds and redistributing them or helping other organizations improve their own ability to raise resources.
 2. Share knowledge. They actively share their knowledge and expertise with others to more efficiently develop research, publications, manuals and build the skills of their allies through retraining programs, conferences and workshops.
 3. Develop leadership. The majority these organizations developed leadership for larger network, field or movement. They magnify their impact indirectly, increasing both personal capacity of other organizations and their own social connections within the network.
 4. Create working coalitions. They working through coalitions with others, plan both leading and secondary roles, and share credit for their successes. They work with and through other nonprofits to achieve greater impact for change.
5. **Adapt or modify tactics as needed to increase success.** Successful nonprofits listen, learn, and modify their approach based on external queues, allowing them to sustain their impact and stay relevant.
- There were several washouts at first that Share our Strength used to learn from and adapt. Share first developed an event called Taste of the Game, where an elite gathering of college coaches would sponsor dining fairs at outdoor venues. But they were poorly attended and sometimes rained out. Next, they launched Dine across America by asking chain restaurants like Applebees to donate a portion of their profits to charity, yet only raised \$250k v. \$1M goal. Direct mail was marginally successful. Only a few chefs made a \$100 donation. However, Share learned that prominent chefs would volunteer to reach out to opinion leaders in the community. This led to the Taste of the Nation event- eighteen cities at \$250,000 each. Share learned that the chefs time, in kind donations, and status were worth far more than cash to the non profit. Their input and ideas created the Great American Bake Sale which raised \$3 million to end childhood hunger. Now written business plans, which Share's senior management team periodically reviews, are standard for new program ideas.

6. **Share leadership, empowering others to be forces for good.**

Successful organizations distribute leadership throughout the organization empowering others to lead.

- For example, the Heritage Foundation has cultivated critical relationships with a strong executive leadership team, a broad tier of senior managers, and a strong supportive board. Strong leadership exists throughout the whole organization. . Every one of the 12 departments at Heritage has an empowered executive team and a strong second command. Heritage's strategy involves influencing players outside their organizational boundaries and managing hundreds of relationships to access many social networks. The problems Heritage is trying to solve are complex, requiring large-scale systemic solutions involving many stakeholders. This collaborative model is more effective in such a complex environment. For organizations who are more likely to thrive within complex, continuously changing environments leadership must come from many places, drawing upon the complementary assets of group members. The Center for Creative Leadership suggests that to expand leadership capacity, organizations must not only develop individual, but also develop the leadership capacity of collectives. This may include development of connections between individuals, between collectives within the organization, and between organization and key stakeholders.

Information on the study organizations, research methodology and more information about Forces for Good may be accessed at their website, <http://www.forcesforgood.net/>.