Beyond Charity: How Great Nonprofits Change the World

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Flamboyan Foundation Conference
The Puerto Rico Convention Center
San Juan
April 23, 2008
What makes great nonprofits great?
Source: Fortune 500 rankings (2006); A. Grossman
Source: COP rankings (2003);
A. Grossman
Great nonprofits build movements not just organizations
“Give me a place to stand, and with a lever I will move the whole world.”

– Archimedes
The Six Practices of High-Impact Nonprofits

1. Advocate *and* Serve
2. Make Markets Work
3. Inspire Evangelists
4. Nurture Nonprofit Networks
5. Master the Art of Adaptation
6. Share Leadership
   -and-
Sustain Impact
Advocate & Serve
Began with advocacy
• Environmental Defense
• Heritage Foundation
• The Center

Began with service
• America’s Second Harvest
• Habitat for Humanity
• Self-Help
• Share Our Strength
• Teach For America

Combined both
• City Year
• Exploratorium
• NCLR
• YouthBuild USA
What Holds Most Nonprofits Back?

• Confusion about laws

• Limited resources

• Distaste for the “L” word—“Lobbying”
How can you influence policy to advance the cause?
Make Markets Work
→ Change business practice
→ Partner with business
→ Run a business
How can you harness market forces for greater social impact?
Inspire Evangelists
How can you engage more evangelists in the fight for your cause?
Nurture Nonprofit Networks
<table>
<thead>
<tr>
<th>Organization Orientation</th>
<th>Network Orientation</th>
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<tbody>
<tr>
<td>Competition</td>
<td>Collaboration</td>
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<tr>
<td>Grow the organization</td>
<td>Grow the network</td>
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<tr>
<td>Compete for resources</td>
<td>Share resources</td>
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<tr>
<td>Protect knowledge</td>
<td>Open source IP</td>
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<tr>
<td>Competitive advantage</td>
<td>Develop competitors</td>
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<tr>
<td>Hoard talent</td>
<td>Cultivate leadership</td>
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</table>
How can you leverage your nonprofit networks for even greater impact?
Government

→ Adapt

→ Share Leadership

Individuals

NGOs

Business
Master the Art of Adaptation
Listen to Environment

Experiment and Innovate

Evaluate and Learn What Works

Modify Programs and Plans

Listen to Environment
Share Leadership
Great Leaders Last

Average CEO Tenure for Organizations

- < 5 years: 1
- 6 to 10 years: 0
- 11 to 15 years: 0
- 16 to 20 years: 4
- 21 to 25 years: 3
- 26+ years: 4

Average for nonprofit sector = 4 yrs
Retain Great People: Pay to Play

Salary $'000

- The Heritage Foundation
- America's Second Harvest
- Environmental Defense
- National Council of La Raza
- Habitat for Humanity
- Teach For America
- Exploratorium
- City Year
- Share Our Strength
- Center on Budget and Policy Priorities
- YouthBuild USA
- Self-Help
## Conventional Metrics Don’t Apply

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*Guidestar*
A New Framework for Success

From building just organizations ... to building movements

From giving charity and hand-outs... to finding and investing in **winners**

Collaborating rather than competing to achieve long-term wins
FORCES FOR GOOD
The Six Practices of High-Impact Nonprofits
LESLIE CRUTCHFIELD
HEATHER MCLEOD GRANT
FOREWORD BY STEVE CASE

www.forcesforgood.net

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BACK UP SLIDES
* Headquarters only – does not include affiliate budgets
** Does not include value of in-kind donations