

# EXECUTIVE INBOX

Anne Fisher

## A real-world guide to nonprofit success

September 28, 2012 | 1:18 pm by [Anne Fisher](#)

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If you're fortunate enough to be able to donate large amounts of money to worthy causes, you may already have read *The Art of Giving: Where the Soul Meets a Business Plan*. Co-written by philanthropist Charles Bronfman and Jeffrey Solomon, who is president of Manhattan-based [Andrea and Charles Bronfman Philanthropies](#), that book came out three years ago this month.

"*The Art of Giving* focused on the financial aspects of philanthropy from the donors' point of view," Mr. Solomon said. "Fine, but after it came out, we went through a guilt trip over how many people don't have \$100,000 or more to give away but who want to do good by starting a nonprofit. We wanted to write something that would help them."

The result is the duo's brand-new book, *The Art of Doing Good: Where Passion Meets Action*. Drawing on 18 case studies of thriving nonprofits, and on the authors' long combined experience as philanthropists and nonprofit board members, the book is packed with practical insights on how to launch and run an organization that can make the world—or at least some small corner of it—a better place. In a recent conversation, Mr. Solomon talked about a few of those ideas.

**The book starts off by analyzing what it takes to turn passion into action by starting a nonprofit. How is it different from starting a business?**

One big difference is that, if you start a business and it takes off, there is a financial reward for everyone who takes a risk on it. The initial investment from your friends, your family and anyone else who backs you gets repaid, sometimes many times over. With a nonprofit, if it's a good idea, ultimately people will support you, but it's a much tougher sell. You're basically saying, "If I succeed at this, I'll be back to ask you for more money." The people who start nonprofits anyway are heroes.

**Several of the nonprofits you profile in the book are based in New York City. Are there particular advantages, or disadvantages, to starting a nonprofit here?**

Nonprofits are such an integral part of New York's economy. I saw one study that said 19% of

the city's workforce is employed by nonprofits, which is the highest percentage of any U.S. city. The city and the state are very friendly to nonprofits, contracting out a lot of work to them, which is just not the case everywhere.

But there are disadvantages, too. The two biggest obstacles I see are, first, it's so expensive. Rents and other costs are astronomical compared to other places. And, second, there's so much going on in New York all the time, it's very hard to get media attention. If you start a major program in, say, Portland, Ore., it will be in the newspaper, it's on the evening news, everyone will hear about it. Not so here! It's hard to get noticed—which of course means that it's hard to get funding.

**You make the point in the book that attracting and managing people in a nonprofit is more challenging than in a business, because you usually can't use money as a motivator. What does motivate employees of nonprofits?**

It's all about values. So many excellent people choose to work for a nonprofit, even though they could make more money elsewhere, because they truly want to make a difference. Right now, we're seeing an influx of professionals who are changing careers—people who are moving from Wall Street or law firms to nonprofits because they want to add meaning to their lives. So the challenge for a manager is, how do you make sure they get that? How do you keep the meaning alive and real?

One answer is that you make it a priority to keep communicating to your people how important their work is, and how it helps people, in very concrete and vivid terms. An example we wrote about is [Harlem Children's Zone](#), which runs health and education programs for more than 10,000 kids. [President and CEO] Geoffrey Canada is a phenomenal communicator to all of the organization's audiences but especially to its internal audience. He is constantly showing employees the impact of their work.

**Strategic planning is tough for businesses and nonprofits alike, especially in such an uncertain economy. What do you say to heads of nonprofits who are struggling with long-range planning?**

Well, first, don't try to predict too far into the future. Forget about a five-year plan. It just isn't practical. Focus on two years out, or at most three. And second, one problem I often see with nonprofits' strategic plans is that they are additive in nature: "We're going to do this, this, this and also this"—with no mention anywhere of what you are going to stop doing.

Nonprofit heads often don't make the tough choices, because there are so many stakeholders, and every one of them wants to keep doing what they're already doing, or else do even more of it, and it's very hard to say no to anyone. Change can be hard for businesses, but it's much more so for nonprofits.

So strategic planning is in some ways the ultimate test of nonprofit leadership. There also has to be a delicate balance. The plan has to be seen to be your initiative, but it's important not to make it seem as if it's yours alone. Your employees need a sense of ownership in it. Ideally, you guide the effort, but you don't get out in front of it. You quietly usher it along. This is why we quote the Chinese philosopher Lao Tzu, who said, "A leader is best when people barely know he exists. When his work is done, his aim fulfilled, [the people] will say, 'We did it ourselves.'"

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