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**Dan Schawbel**, Contributor

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## How to Build a Successful Nonprofit That Supports Your Community

I recently spoke to both [Charles Bronfman](#) and Jeffrey Solomon about their new book called [The Art of Doing Good: Where Passion Meets Action](#). Charles, of the Seagram's corporate family, was the founding owner of the Montreal Expos and is the chairman of the [Andrea and Charles Bronfman Philanthropies](#). Among his many philanthropic achievements is the creation of Birthright Israel and Historica. Jeffrey, president of the Andrea and Charles Bronfman Philanthropies, has taught philanthropy at [New York University](#) and has served on numerous nonprofit boards, including the Council on Foundations.



Charles Bronfman and Jeffrey Solomon

In this interview, they talk about selecting the right social cause to get behind, how to select the right employees for your non-profit, the many roles of a social entrepreneur through the growth period, and more.

### **There are a lot of social causes. How do you decide on one and then make it work as a nonprofit?**

One of the interesting findings from talking with eighteen social entrepreneurs is that the process wasn't quite that orderly. More often, they came up with an idea, based on a personal experience and the idea captured them. They didn't capture the idea. It moved them to reorder their lives to build a not-for-profit, purpose-filled entity to operationalize the idea.

### **What is the process of selecting employees and board members to support your cause?**

Ideally, you start with job descriptions for both employees and board members. With employees, at the beginning you want people who shared your passion, but don't necessarily share your style. You want to complement

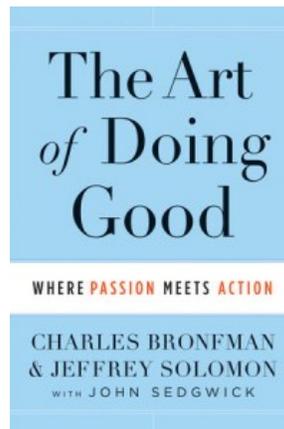
yourself so that the workplace becomes that bus that Jim Collins describes in *Good to Great*: the right people in the right seats. As to the board, one should begin with the kinds of people you want (attorney, successful business people who can advise, community leaders, people with financial expertise). While the temptation is to go to “friends and family,” there is an advantage to a little creative tension as the board has an importance governance role. Too often, early boards become “Amen Choruses” which can limit the benefit they can serve.

### **When your non-profit grows, how does your role change as an entrepreneur?**

The key is to know when to move from entrepreneur to manager. Transitions are always difficult and we often see in business, people who don't do well in moving from obtaining wealth to preserving wealth. Similarly, small business owners limit their growth because they don't know when to consolidate, partner, sell or merge. For social entrepreneurs, one major challenge is that the very skills that allow you to take the leap to start a purposeful enterprise can get in the way of being a good organizational leader. Self-reflection is key at every step.

### **What is the best way to start fundraising? Are there any additional revenue streams that are usually overlooked?**

As with the first investors in a business, friends and family are usually the first donors. While there are many lessons to be learned from fundraising professionals, nothing works as well as telling the story with passion while exuding a sense of competence. The nonprofit should look at all of its resources for potential. One of our favorite examples is the soup kitchen that served meals six to eight hours a day. They realized that their facility had value to a commercial caterer, who wound up renting it 16 hours a day, covering almost all of its deficit.



### **How do you start scaling the non-profit? What are the obstacles?**

The major obstacles to scaling are the limitations of available capital and the outlook of society. Only one nonprofit for every 319 business reaches a \$50,000,000 annual budget. Obviously, this is not simply about the leadership of the organizations. The many routes to capital when there is a potential financial return on investment differs greatly when the return on investment is about societal benefit. Finally, the Calvinist history that shapes our view of the not-for-profit sector limits growth as well.

*Dan Schawbel is a Gen Y [career expert](#) and the founder of Millennial Branding, a [Gen Y](#) research and consulting company. He is also the #1*

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