

Social Enterprise Reporter

Innovative Business Solutions for Nonprofit Entrepreneurs

From the Outside In: Market Driven Screening of Earned Income Ventures

by Jan Cohen

Nonprofit leaders often wonder what should drive an organization's process of discovering the single best idea for a social enterprise or earned income venture. Should ideas come from external sources and market research, or should they come from the staff and Board?

The mantra for the highest probability for success is: always starts with the market and the need. It's important to look for a product or service that has greater demand than supply. It's not about what you want to do; rather, it is about discovering where there is an unmet need or a problem with the current option. Starting here reduces the risk of expending hope, time and financial resources on ideas that could not have been successful.

Once your organization has a long list of ideas or opportunities that correspond with market demand, you are then ready to take the first step: to screen in, or match them, to your mission, strengths, core competencies, strategic direction/plan, and business screening criteria. Staff and Board are critical to this process and this article will help you refine the process of choosing the best venture for your organization.

Discovering the "Single Best Idea"

Use these steps to plan for a viable business venture:

- Read the business sections in main-

stream business newspapers and magazines as well as journals like the *Social Enterprise Reporter* and listservs such as npEnterprise.net. Search the Net, keep an eye out for demand and opportunities. Have staff and Board refer current or prospective clients to you who ask for something that you don't do, and keep a record of these demand-driven requests.

- Update your Mission Statement, core values, and strategic plan so that your priority areas and focus are clear.

- Update your list of core competencies, and remember that stakeholders and outsiders can often see these better than you can. (This is a great 1-2 question survey!)

- Do a comprehensive SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis with staff and Board. Look forward to include key opportunities that might arise in the next three years, so that they are on your radar. Assess key threats, and be sure your plan addresses these current and potential realities.

- Obtain consensus on your top three-to-five mission-related screening criteria and financial criteria for any business or earned income venture. This may take several sessions. However, it's important to be sure that you've got it right and have consensus from key stakeholders. Agree on the few things that are most important, and ensure that you are all on the same page about what fits with your mission,

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INNOVATIVE
SOLUTIONS

Editor's Letter:

Dear Reader,

With this issue, *SER* celebrates two years of publication, a major milestone for an independent publishing venture. Not one to rest, my goal for *SER* is to continue to search out and publish news, stories and analysis of North American social entrepreneurs and double bottom line enterprises.

But *SER* is only as vital as its contributors and readership, so another third year goal is to put more emphasis on the 'social' side of this business. By that I mean getting you the reader more involved in furthering the field by contributing your stories, news and analysis. Please consider this a personal invitation to submit your contributions to *SER*. For submission guidelines, please go to <http://SERreporter.com/contribute.php>.

This issue of *SER* comes full circle in many ways. It starts with Jan Cohen's critical step-by-step process of recognizing and screening earned income opportunities, and provides an example of how the Toronto, Ontario-based agency, St. Christopher House worked with a team of MBA and MIR students from the Rotman School of Management of the University of Toronto to define a suitable business opportunity. As evidenced on the npEnterprise listserv, compiled and edited by Rolfe Larson and Andy Horsnell, institutions of higher learning are getting actively involved in social entrepreneurship and this "Best of the npE Forum" shows how students, faculty and social entrepreneurs are working together. For further tips on being a successful intra-preneur, be sure to see Jim Master's review of Gifford Pinchot's *Interpreneurship in Action*, a practical guide for social entrepreneurs working within larger organizations.

Lastly, I would like to thank Jerr Boschee for his steadfast contributions to *SER*. He's been a columnist in each of *SER*'s 20 issues, contributing his street smart and eminently practical advice. Jerr's *SER* columns will be available soon in a special compilation available from the Institute for Social Entrepreneurs at www.socialent.org.

Best wishes,



Tom White

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Michelle Provorny Cash

Managing Editor

Susan Weeks

sjWeeks Designs

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Editorial and Business Offices:

2644 Fulton Street, Suite A

Berkeley CA 94704

510-384-2336

Fax: 510-217-4065

E-mail: ser@sereporter.com

Subscriber Services: service@sereporter.com

sereporter.com

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E-mail submissions to

ser@sereporter.com.

Remembering Bill Norris

by Jerr Boschee

He was a maverick . . . and when he began hectoring his fellow CEOs about the marriage of social needs and business opportunities, most of them snorted and turned away.

I worked and traveled with Bill Norris for five years, from December 1979 through December 1984.

Founded in 1957, **Control Data Corporation** became the most successful computer company of the 1960s and 1970s, the darling of Wall Street. By 1984 the company was worth \$5 billion and employed 60,000 people. According to an article in *The Washington Post* two years later, Norris “not only marched to a different drum, he created the company that built the drum—and pounded out the beat for nearly three decades . . . (he was) one of the most successful, inventive and iconoclastic business leaders” in the country.

But the race riots of 1967 shocked Norris to the core. Our cities were burning. Los Angeles, Chicago, Detroit, Philadelphia, an endless list. Including Minneapolis! Control Data’s home!

Norris sent one of his senior executives into the midst of the riots to figure out what the company could do to turn things around. His aide returned a few days later. “These people need jobs,” he said. “They need *real* jobs.”

Norris responded instantly. He took it as a personal challenge. “Build ‘em a plant,” he said. “Build a Control Data plant right there in the heart of the city.”

Business leaders scoffed. Control Data employees cringed. But the personal awakening Bill Norris experienced changed his life—and the course of business history. Within the next ten years the company opened plants in five inner cities—and in two of the most god-forsaken rural communities in the country.

By the time I arrived at corporate headquarters as his chief communications lieutenant in 1979, Norris had gone even further by fashioning a business philosophy that left no room for argument: “Our mission,” he wrote, “is to address the major unmet needs of society as profitable business opportunities.”

It was the first articulation of social enterprise as we know it today.

Jerr Boschee's column about entrepreneurial marketing is a regular monthly feature of the Social Enterprise Reporter

It was heresy to Wall Street, but the media loved it. So did Peter Drucker, the centerpiece of an international conference we sponsored in 1982 that attracted more than 250 CEOs. Jesse Jackson wrote to Norris, “I had given up on corporate America until I visited your operations and met you.” Ralph Nader praised him in *The Big Boys*, his 1986 best-seller about corporate CEOs.

And invitations for Norris to tell others about Control Data’s new strategy flooded into his 14th floor office from all over the world. During the five years I traveled with him he delivered more than 300 speeches—to government leaders, corporate titans, international financiers. He gave interviews to more than 100 major newspapers, magazines and television programs. I worked 90-hour weeks just to keep pace, but he never slowed. He lugged around a briefcase crammed with notes and vitamins. Every day he rode the elevator seven floors, then climbed the stairs seven more to his office. He was indefatigable.

And Control Data’s social enterprises mushroomed.

By the early 1980s, Control Data was operating mobile medical vans on a Native American reservation in South Dakota, using computer technology to herd Caribou beyond the Arctic Circle, revitalizing entire urban neighborhoods and rural communities, working with Chief Justice Warren Burger to create training and employment opportunities for prisoners, launching the first small business incubators in the country, developing the nation’s first wind farms, creating a vast array of computer-based learning programs for colleges and universities and self-paced learners. The innovations just kept coming, and publicity flowed like a river.

But few remember—because Control Data failed as a company. It began to falter in the mid-1980s. Competition from Japan for computer peripherals and assaults from below by mini- and micro-computers made Control Data mainframes an endangered species. Wall Street and media critics blamed Norris for being distracted, too focused on his “social programs,” and leftists harped at the way Control Data carried them out.

They were all right. Norris took his eye off the company’s core, and the people running the social enterprises made a lot of mistakes.

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St. Christopher House: Concierge with a conscience

by Prof. Ann Armstrong, Tomislav Rimac, and Elizabeth McBeth

Since its founding by the **Presbyterian Church** in 1912 as an immigrant settlement house, **St. Christopher House** (SCH), has offered vital services to less-advantaged people of all ages and ethnocultural backgrounds in downtown Toronto, Ontario. Successive waves of immigrants from around the world have made Toronto their first stop in Canada, and SCH works in partnership with the community to facilitate their integration into Canadian society and to promote personal and broader social change.

At the end of 2003, SCH faced a funding climate characterized by “flatlined” (frozen at pre-millennium levels) government budgets and shifting funder priorities. In order to pursue its mission and cover its operational costs, SCH needed access to additional and more reliable revenue streams. Initially the agency implemented a combination of cost-cutting measures, fee-for-service programs, and aggressive fundraising—but these strategies only took them so far.

At the same time, ten years of intensive residential development had led to dramatic changes in SCH’s traditionally working-class catchment area. New condominiums and industrial buildings redesigned as trendy lofts brought with them a dramatic demographic shift. The community is now a mix of modern condominium high-rises, townhouses, and older Victorian homes, which attract more affluent young professionals and empty nesters, as well as the lower income group that previously were the dominant population.

Birth of a Social Enterprise

In keeping with its strong history of community mobilization and identifying innovative solutions to pressing social problems, SCH’s management and Board of Directors began exploring the idea of a revenue-generating enterprise that would support the organization’s charitable work. The agency worked with a team of MBA and MIR students from the Rotman School of Management of the University of Toronto to define a suitable business opportunity.

Ultimately, the team elected to launch **All Through the House** (ATTH), a high-quality, reliable, cleaning ser-

vice for condominium and loft residents in downtown Toronto. They began with a cleaning service and plan to expand into complementary services, such as plant watering, delivery receipts, and dog walking. ATTH enables SCH to link with its affluent new neighbors and further build its community.

By serving the condominium and loft market, SCH has developed an enduring competitive advantage: A lower cost structure achieved through minimal downtime and travel costs, rapid turnaround, and the provision of multiple services at a single location. This is especially important because SCH pays ATTH staff at the same rates as its unionized home support staff.

“ATTH provides first-quality service at very competitive prices and in support of a wonderful charity. I can’t think of three better reasons to choose a cleaning service.” —ATTH Client

Financing the Enterprise

SCH’s Board approved a pilot phase, with the condition that the agency secure independent funding of no less than \$50,000. **Social Capital Partners** (SCP), an organization that specializes in funding new and growing social enterprise ventures, contributed \$50,000 in seed funding, along with professional advice through participation in ATTH’s advisory board. SCP specified that SCH invest \$10,000 in cash and \$10,000 in products and services in the new business.

Media coverage around the launch of ATTH, combined with a widespread direct mail campaign, attracted sufficient customer enquiries to enable the pilot to exceed revenue targets by more than 10%. At the pilot’s completion, ATTH had 28 regular customers, three part-time in-house workers and monthly revenues of approximately \$2,800. Based on these successes, SCH engaged in a full-scale launch in January 2005.

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St. Christopher's House

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ATTH aimed at acquiring eight new customers per month, based on the average client usage profile, and projected break even in December 2006, two years after its launch. As of mid-June 2005, ATTH is on track to achieve profitability and begin contributing to SCH's operating costs by April 2007 with steady monthly revenue in excess of \$5,000.

Managing Perception and Reputation

From the time it began to explore the concept of social enterprise, SCH recognized that ATTH could introduce serious risks to its parent organization's reputation.

SCH is situated in a part of Toronto that many in-home cleaners call home. Most of Toronto's in-home cleaners work in the underground economy that represents an estimated 75% of Canada's household services industry. They are independent, paid in cash and unlikely to pay taxes.

By competing directly with this segment of the community, SCH risked being perceived as operating counter to its mission of "enabling less-advantaged individuals, families and groups in the community to gain greater control over their lives", effectively driving a wedge between the parent organization and the community.

To manage this risk, ATTH identified a different client base from that served directly by local cleaners. SCH also made it known that ATTH was looking for new employees who might be attracted by the prospect of stability, benefits, and the protection



St. Christopher House offers a wide range of programs for children and youth, adults, and older adults. (Photos courtesy of St. Christopher House)

of a union.

SCH also sought to identify a new client base that would not be eligible for the organization's Home Support Services, in order to ensure that the agency was not seen to be providing a "two-tiered" level of service to the users of SCH's charitable services.

Additionally, the organization's Board and management contacted and engaged relevant stakeholders, such as local city councilors, volunteers, and donors, to ensure broad awareness and to build support for ATTH as a for-profit division of SCH, thus minimizing the potential for reputation damage.

Balancing Supply and Demand

ATTH also faced the issue of attracting qualified, experienced employees while offering a limited number of work hours per week. After several potential employees refused employment offers at significantly higher pay than major com-

petitors (though less than the pay achieved by independent providers), the enterprise elected to offer a guaranteed number of weekly hours in exchange for employees' availability to perform cleaning work or work of similar complexity within SCH.

When they are not engaged in cleaning tasks, ATTH employees prepare mailings and assist with SCH programs, such as Meals on Wheels. New employees typically have enough cleaning work to fill their guaranteed hours within one month of accepting a position with ATTH.

ATTH's new customers tend to arrive in waves. To meet demand, ATTH was forced to decide whether to hire staff on short notice and risk compromising its service quality or to hire staff in anticipation of demand and risk compromising its short-term profitability. This issue made managing day-to-day operations challenging; yet, the organization felt that it was essential to maintain the right balance to ensure quality of

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St. Christopher's House

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service, customer and employee satisfaction, and the financial health and growth of the enterprise.

ATTH's marketing emphasizes its service quality, competitive pricing, and social mission. It has tried to ensure quality of service by hiring experienced cleaning staff and by implementing a continuous quality assurance follow-up with clients, including feedback forms left at the end of each visit and occasional e-mail or phone courtesy calls. In addition, management endeavors to accommodate client change requests and additional requirements in order to deliver a tailored service.

Embracing Enterprise

From the outset SCH was careful to differentiate ATTH from its social mission. It wanted the business to stand on its own as a provider of excellent service to customers. SCH therefore launched ATTH as its for-profit division with trademark protection. The result was a hybrid organization in which for-profit and nonprofit values coexist.

SCH management initially declined to use the expression "for-profit" to describe its social enterprise, fearing that others in its community would react negatively. However, it began to more openly embrace the enterprise because ATTH's success—and thus the success of SCH—depends on its pursuit of its profit mandate.

These and other issues have been resolved through dialogue and negotiation between the organization's two distinct parts. ATTH's existence continues to challenge SCH to learn

to exploit synergies and manage friction in this hybrid environment.

Social enterprise is just beginning to take root in Canada. The authors hope that ATTH's early learnings will encourage other non-profit organizations to consider social enterprise as a model for building organizational capacity and promoting greater self-sufficiency. ■

Tomislav Rimac helped to launch the All Through The House social purpose enterprise initiative in 2004-2005. Based on this experience Tomislav co-authored with Ann Armstrong a paper entitled "Pot of Gold or Pandora's Box? – Early Stages of a Social Enterprise within a Non-profit Organization – A Canadian Perspective" and presented it at the first International Social Entrepreneurship Conference held at IESE Business School in Barcelona in April 2005.

Elizabeth McBeth has consulted to small businesses and non-profit organizations in the areas of strategy, marketing and communication. She develops and supports the management of programs that promote growth and sustainability, raise profile, and strengthen brand identity and relationships with key stakeholders. In 2004, she helped launch Rotman NeXus—a program of the Joseph L. Rotman School of Management at the University of Toronto that links MBA students with community organizations and performs social impact research.

Ann Armstrong is the Director, Social Enterprise Initiative at the Rotman School of Management, University of Toronto. In that role, she is responsible for promoting research, curriculum design and community engagement in the social enterprise and non-profit sectors. She is involved in a multidisciplinary SSHRC-funded research project to understand Canada's social economy and teaches elective courses on social entrepreneurship and non-profit consulting in the MBA program.

Resources:

All Through The House

➔ www.atth.ca

Social Enterprise Initiative at the Rotman School of Management, University of Toronto:

➔ www.rotman.utoronto.ca/facbios/otherresearch_socialenterprise.asp

Can College Students Help Develop Your Venture?

Compiled by Rolfe Larson and Andy Horsnell

*This is the fifth in a series of articles that highlights postings from the **npEnterprise Forum** the official listserv of the **Social Enterprise Alliance**. In the *npEnterprise Forum*, our 3500+ subscribers discuss practical ways that nonprofits can enhance their organizational capacity, mission impact and financial sustainability by developing business activities that generate earned income. This article draws upon a recent discussion on whether and how university students can help a nonprofit develop a social enterprise. Please note that the subscribers' comments have been edited for clarity and space.*

The Practitioner's Perspective

Terry Wiens: As a former ED for a non-profit in Canada that went through this successfully, working with students can be a mutually beneficial exercise. What worked for me was to develop an outline for the results I was looking to find. There were double benefits here in that it put the Board in a position where it really took a hard look at what they were doing. After consulting with a number of colleges and universities in the area, we put together a "request for papers" for local students (primarily grad students, but in one case a second year college class). The request asked for solutions to an issue identified by the Board.

I found that the better the challenge, the more interest we received. This resulted in the development of a number of successful revenue generated programs. In no circumstance did a complete program result in "one" project. A number of classes (or students) could be involved from any number of perspectives. The agency's challenge was in putting together the various components. It was a great learning experience for the community, and the whole process certainly helped to develop a positive network of community members.

Stacey Cox: We have worked with **New Mexico State University**, and they have done marketing research for us through their master's program. I found

the trick to be sitting down with the professor and jointly developing something that works for his or her curriculum and actually moves your project along. Professors really want your input.

The fifth in a series of articles compiled by Rolfe Larson and Andy Horsnell

The Professor's Perspective

Norris Krueger, Boise State University (http://mg.boisestate.edu/teams_krueger): I've done a ton of these. It's

a great learning experience for the students—if it isn't grunt work—and the students typically do a bang-up job. Sometimes you have the whole class involved, and sometimes a specific, smaller team will be dedicated to you. Often, the best strategy is to have the first team devoted to figuring out what projects need to be done; then, you have a natural segue into future semesters.

It's a natural fit for entrepreneurship classes or for a senior capstone course. You can sometimes get a marketing class to do market research; but I recommend more generalist classes. You need to start with either the entrepreneurship faculty (they are the experts at this) and/or the student entrepreneurship group/club.

Close by is good, but not necessary. My students have worked with clients in other states, even overseas. Your key is to find the right students (and faculty) who are psyched to help you. Take advantage of the expertise out there that the students—and their passion—can connect you to. Finally, this is a genuine startup. The best business plan contests out there are for social ventures, and your venture could become a contestant.

Harriet Stephenson, Seattle University (<http://fac-staff.seattleu.edu/harriet/web/>): This can be an excellent idea. I am a professor who runs these sorts of student teams as [part of] teaching methodology for credit:

- For the senior capstone course: A quarter to a third of our projects are non profits, and, of those, about half are start ups and half are plans for existing non profits.
- As the required projects in an MBA course: Social Enterprise/Triple Bottom Line.
- As the business plan for New Venture Creation:

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Can College Students Help?

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This is a Business Plan course at the MBA level that has the teams submitting the projects for a business plan competition. (Our business plan competition has an award track specifically for social enterprise, and one for Triple Bottom Line/Sustainability. Today, several universities are engaged in competitions specifically for social enterprise).

Other models may have half a class or the entire class taking on one “enterprise”: Half the students (or whatever combination the client, students, and professor agree to) may do a feasibility study for a coffee cart, and half do a feasibility study for a dog walking business. If we can’t place a project in any given quarter, we might also set up an internship—possibly with a grad or undergrad Entrepreneurship student. We can even create independent study credit, which is a great experience.

During the course, there are often outside mentors who also work with the teams. If your project is one that goes for the business plan competition, there can be additional feedback from outside judges, along with exposure to potential social investors.

In some classes, there is little interaction with the client. In others, students are totally involved with the client and the client’s clientele. This may be viewed as a capacity building opportunity, in which your organization would want as much involvement as possible between your people and the student team. In the long run, the “quick and dirty” way is usually more costly time- and money-wise. Count on investing time to help dig out information and give feedback to help keep the team in line. Ultimately, you are the one who

has to make it work. It makes the process much better to have been as involved as possible.

This is a good time to be looking to colleges and universities for such partnerships. You may start with a call to the Entrepreneurship Center, if the college or university has one. The Dean’s office can also direct you. We view this experiential approach to learning, as a valuable learning tool as well as a definite contribution/give back/be a responsible business citizen—a mutually beneficial win-win situation.

The Student’s Perspective

Jina Paik: I can’t speak to the nonprofit’s experience, but I have experience on the other side of the fence. I’m a graduate student, and I’ve participated in two different semester-long projects that involved a university and nonprofit venture collaboration. In one case, the entire class worked on a single project, and in the other, it was a team within the class. The number of students working on the project was appropriate to the proposed scale.

In both instances, the team developed a business plan, including the product/project description, market analysis, and financial projections. We never did market testing, because it wasn’t possible within the timeframe of a semester. From what I saw, it seemed that the collaboration environment and open communication between the nonprofit, the professor and the students was very, very important.

Bruce Curtis: I was on the MBA student side of this a few years ago at Babson. Here’s how it worked for us:

1. Students answered a questionnaire (background, career goals, etc.) before arriving at the beginning of

the first year.

2. Babson placed us in groups of 4–7 students with roughly similar career goals, and matched us with a company/organization.

3. The first half of the year, we worked on a project determined by the organization (in my case, it was a sort of strategic planning question).

4. The second half of the year, we created a marketing plan for one component of the organization. Both projects involved presentations to organizational representatives, faculty, etc.

All full-time first-year MBA students did that. In addition, 2nd-year students were able to take a semester-long “class” that was a self-assembled group that worked with an organization in a similar fashion. In both cases, there was no cost to the organization, other than staff time for periodic meetings and some incidentals. I’m sure that things vary from school to school, so I’d suggest just contacting schools and asking how it works there. I suspect they are always looking for new possibilities to present to students (especially for something a little more unusual, like working with a nonprofit), and would be happy to talk things through with you. ■

Rolfe Larson and Andy Horsnell are principal consultants at Rolfe Larson Associates, a marketing, finance and venture consulting firm that specializes in helping nonprofits develop successful earned income strategies. Rolfe Larson is the author of *Venture Forth! The Essential Guide to Starting A Moneymaking Business in Your Nonprofit Organization*, published by the Fieldstone Alliance. ➔ www.RolfeLarson.com
➔ www.fieldstonealliance.org

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The courageous pursuit of new ideas in established organizations

Review by Jim Masters

Book Review:

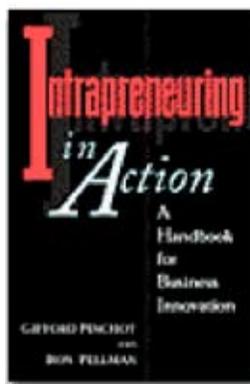
Intrapreneuring in Action: a Handbook for Business Innovation

by Gifford Pinchot and Ron Pellman

Berrett-Koehler Publishers, Inc. San Francisco, 1999

Available from www.BKconnection.com

In 1985 Gifford Pinchot's big book, *Intrapreneuring* defined "the ground rules for courageous pursuit of new ideas in established organizations." In that book, Pinchot said that most innovation occurs not because of established R&D programs, but because entrepreneurs



original book.

For potential intrapreneurs who have not read Pinchot's first book; this book will give you a sufficient grounding in the theory and practice of intrapreneuring to get you going and provide guidance along the way. And, it is shorter than the first book!

This book will be useful for senior leaders or managers who want to put Pinchot's theories

who work as an INTRACorporate entrepreneur takes ideas to fruition in spite of the established systems. Intra + preneuring = intrapreneuring.

In Part One of this book, Pinchot takes the concepts and examples of intrapreneuring and turns them into a methodology with step-by-step guidance. He first reviews the concepts of intrapreneuring such as "Good intrapreneurs are like broken-field runners; they change the plan on the fly." He reviews the 5 roles that make innovation successful, e.g. the idea generator, the intrapreneur, the sponsor or champion; the climate maker, and the team member. He provides a reality check on the attitudes an intrapreneur needs, like "come to work each day willing to be fired," then he describes what an intrapreneuring program looks like.

In Part Two, he goes step-by-step from an idea to profitable reality. He charts how to find a good idea ("make your mistakes fast and cheap"), lists key questions to ask about an idea, and identifies mistakes to avoid like "failing to differentiate your new product from competing products in your customer's eyes".

In Part Three, he reports on "the distilled lessons of our 15 years of coaching" and provides advice for the intrapreneur, for middle managers and for senior leaders.

In Part Four, Pinchot provides tools for creating a climate of innovation. He lists 19 key success factors such as tolerance for boundary crossing, and avoiding the home run philosophy that every innovation has to turn a huge profit immediately. He then converts these KSF's into guidance for organizations - and in so doing Pinchot has circled back to the general ideas he outlined in his

into action - to stimulate the intrapreneurship approach within their organization.

If you are already an intrapreneur and you see pothole's in the road ahead this book will provide ideas on how to avoid them. If you are already successfully developing ventures inside an organization, you are probably already doing most of what Pinchot suggests and although this book would provide you with self-validation, your time might be more productively used expanding a venture - or creating another one. ■

Jim Masters is President of the Berkeley, CA-based Center for Community Futures. Jim has worked with over 500 Community Action Agencies and Head Start programs since 1966.

Contact Jim at ✉ jmasters@cencomfut.com.

Resources:

➔ www.pinchot.com

Market Driven Screening

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your culture, and the key important goals of any venture. You will save a lot of time and potential missed steps down the line if you take the time to do this early in the process when there are no specific ideas on the table. Use these criteria again and again to screen opportunities for business ventures and programs.

These steps ensure that your organization is headed down the path for success, being certain of what is *needed*, rather than what you want to happen. You are now ready to screen in and choose among ideas that have the potential to succeed. Even if you love a “cool” idea, it still needs enough customers who want it and will pay for it. Business ventures and earned income activities that focus on addressing a real market need have the best chance of being successful and profitable.

Opportunity Screens

Once your organization has developed objective documents and screening criteria, you can screen any idea, regardless of who suggests it. The process of utilizing objective criteria is especially valuable when a Board member or other key staff person is enamored with an idea and wants to pursue it immediately and others don’t agree. When you put every idea through the criteria, SWOT analysis, and core values match, when a proposed venture idea doesn’t fit, the person suggesting the idea will not take it personally, and will understand why it won’t be pursued.

You may even choose to develop a script to respond to each of these ideas, for example: “Thank you so

much for that idea. I will put it through our screening criteria right away.” Send the person a written document where you have asked the screening questions and filled in the answers.

The process of utilizing objective criteria is especially valuable when a Board member or other key staff are enamored with an idea, but others don’t agree.

Don’t spend a lot of energy writing a plan for a business or activity that will not generate enough interest and/or revenue to meet your expectations and needs. Review the cost/benefit ratio—even with a rapid analysis—to see if an idea meets your criteria. Don’t waste resources investigating, performing market research on, or writing a business plan for an idea you should not be pursuing. Reserve resources and manpower for the few ideas that are a match.

Enable good ideas to move forward quickly while opportunities still exist. Timing is often critical, due to market openings and opportunities to get into business while there is still a great deal of demand. In these cases, waiting too long to get started may doom you to failure.

Building Consensus

Market screening—also known as opportunity recognition—can become an organizational practice that everyone understands, and which contributes greatly to remaining focused and market driven. Staff, Board and other stakeholders will be

on the same page about social ventures and earned income activities, and can clearly understand what you will or won’t pursue, and why. This is especially true when key stakeholders have participated in these discussions and developed consensus about the criteria. This process ensures that you spend time and effort on only those ideas that are a match for your organization’s capabilities, resources, mission, and agreed upon goals or priorities.

Over time, you may find that the best ideas over time often come from those closest to your customers, because they are the ones who hear about unmet needs. When stakeholders or the public hear about what you are doing, it will make perfect sense to them, and they will get excited and spread the word. Stakeholders who live in the community know what you are looking for, and bring you ideas and opportunities they hear about in the market. Staff and Board members who also circulate in the community will be clear about which opportunities or ideas should be brought to you. They then begin to bring in fewer ideas for ventures you will not pursue and more of those you do want to hear about.

In reality, this process is more art than science. It usually takes longer than you want it to, and has many detours along the way. However, it is well worth the investment of the time and effort to get key stakeholders involved and as vested as possible throughout the process. And, most importantly, it reduces the risk of investing time, money and goodwill on the wrong venture. Two years after building the initial consensus, you may find yourself successfully engaging in the activities, services, and businesses that extend and rein-

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Market Driven Screening

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force your mission and make some money too! ■



Janet S. Cohen has been a consultant and trainer working with nonprofit organizations for more than 18 years. Her focus is customized work sessions and consulting services for nonprofit organizations on diversification of revenue, earned income, marketing planning, and strategic planning processes. In addition to her own training/consulting business, Ms. Cohen is the Director of New Business Ventures at HOPE Services. She was an affiliate consultant with CompassPoint Nonprofit Services in the Bay Area for 6 years, a senior consultant with the National Center for Social Entrepreneurs for 5 years, and Chief Executive Officer of Project HIRED for 10 years. She has degrees from the University of Massachusetts, the University of Maryland, and a Certificate in Marketing: New Products and Services from the University of California at Santa Cruz. ✉ jcohenca@aol.com

Resources:

Download Jan Cohen's Examples of Screening Criteria at ➔ <http://SEReporter.com/Resources/Cohenscreen.doc>

Can College Students Help?

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the npEnterprise Forum. With 3500+ subscribers, there's always someone online who can address your question. It's free, and the moderators review all postings before being sent out to your email box (no spam). Our FAQ at the above web site includes a selection of some of the most noteworthy recent postings on a variety of social enterprise topics.

➔ www.npEnterprise.net

➔ www.se-alliance.org

Remembering Bill Norris

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And yet they were all wrong.

Bill Norris was simply 30 years ahead of his time. He was a trailblazer. Mistakes are part of the game, and others learned from Control Data's miscues. Social enterprise today is a major strategy for nonprofits, small businesses, government policy-makers and—yes—major corporations. By the time Norris died this past summer after a long battle with Parkinson's disease, almost everything he'd attempted to do was being done successfully by others – although few recalled or even knew about the ground he'd broken.

I remember. Working for Bill Norris changed my life, and I've spent the past quarter-century spreading the gospel of social enterprise.

Hundreds of others came out of Control Data imbued with the Norris philosophy, and we've been spreading the seeds all over the world.

Whenever I see another corporation starting a business to address a social need, I think of Bill Norris. Whenever I speak to a group of fledgling social entrepreneurs and see the excitement in their eyes, I think of Bill Norris. And every time I read about another corporate CEO preaching the importance of a double or triple bottom line, I remember Bill Norris thundering from his bully pulpit. ■



Jerr Boschee has spent the past 25 years as an advisor to social entrepreneurs in the United States and abroad.

To date he has delivered seminars or taught master classes in 41 states and 14 countries and has long been recognized as one of the

founders of the social enterprise movement worldwide. Mr. Boschee is Executive Director of The Institute for Social Entrepreneurs ➔ www.socialent.org, which he created in 1999, and is the former President and CEO of The National Center for Social Entrepreneurs. His most recent book (February 2006) is *Migrating from Innovation to Entrepreneurship: How Nonprofits are Moving toward Sustainability and Self-Sufficiency*. Please direct your comments to ✉ jerr@orbis.net.

Investor's Circle Fall Conference

November 5–7, Boston MA

➔ www.investorscircle.net

Entrepreneurship Education FORUM

November 4–7, Phoenix AZ

➔ www.entre-ed.org

Fourth Annual Co-op America Green Business Conference

November 7–10, San Francisco CA

➔ www.coopamerica.org/cabn/conference

LISC Center for Commercial Revitalization Urban Forum

2006. November 8–10, Miami FL

➔ www.lisc.org/urbanforum

National Community Investment Fund Annual Development Banking Conference

November 13–14, Chicago IL

➔ www.ncif.org

NCIF Annual Development Banking Conference

November 13–14, Chicago IL

➔ www.ncif.org

Brownfields 2006

November 13–16, Boston MA

➔ www.brownfields2006.org

Earned Income: Assessing Your Nonprofit's Revenue Options

November 29, Foundation Center Washington DC Training Centers

➔ http://foundationcenter.org/marketplace/catalog/subcategory_training.jhtml?id=cat250001

National Association of Workforce Development Professionals and National Youth Employment Coalition Youth Development Symposium

December 4–7, Chicago IL

➔ www.nawdp.org/youthsymposium.htm

United States Association for Small Business and Entrepreneurship/Small Business Institute 2007 Conference

January 11–14, 2007, Orlando FL

➔ www.usasbe.org/conference/2007/index.htm

Canadian Conference on Social Enterprise

January 28–31, 2007, Vancouver BC

➔ www.enterprisingnonprofits.ca/conference

6th Annual New Partners for Smart Growth Conference

February 8–10, 2007, Los Angeles, CA

➔ www.newpartners.org/

2007 Community Development Venture Capital Alliance Annual Conference

March 2007, Washington, DC

➔ www.cdvca.org/events/conference.php

Broken Economies: Making Markets and Government Work for all Communities

National Community Reinvestment Coalition Annual Conference

March 14–17, 2007 Washington D.C.

➔ www.ncrc.org/traningandassist/annualConferences.php

Social Enterprise Alliance, 8th Gathering

April 17–19, 2007 Long Beach, CA

➔ www.se-alliance.org

Bring It Home: Building Communities on a Rock Foundation 2007 National Community Economic Development

April 18–21, 2007, St. John's NL

➔ www.ccednet-rcdec.ca/en/pages/conference_07.asp
