

Social Enterprise Reporter

Innovative Business Solutions for Nonprofit Entrepreneurs

Building Social Enterprise on the California Coast

by Tom White

With financial support from **Citibank**, the **Community Foundation for Monterey County California (CFMC)** sponsored a **Business Ventures Institute (BVI)** to assist local nonprofits who are developing social enterprises. This partnership between the Community Foundation, Citibank and a local social enterprise consultant is a good example of community support for regional social enterprise development.

There are over 400 active nonprofits in this primarily rural county on the Central Coast of California. While twenty leadership staff and Board members attended an introductory workshop on social enterprise, eight went through the applications process and six were accepted into the Institute. *SER* participated in an early workshop and got to see how the business plans progressed to graduation as participants gained a better sense of their business competencies and market opportunities.

Participating organizational teams of staff and Board members devoted more than eight months to studying local market opportunities, economic and social trends and doing intensive market research and business planning. Monterey County has seen an increase in the number of second homes, vacationers, and tourism and decreasing use of land for agriculture. The former military base at Ft. Ord is being developed for housing,

education and business. While there has been a growth in high net worth individuals and retirees moving to the area, they lack a sense of local identity, and there has been a decrease in volunteerism, despite the growing number of nonprofits. Agriculture continues to be a main economic driver in the county, but the traditional

agricultural communities are experiencing dramatic growth as bedroom communities for the greater San Francisco Bay area.

Given these trends, Todd Lueders, CFMC President and CEO, stated at the graduation ceremonies that CFMC is “interested in providing local nonprofits with new approaches to generating unrestricted revenue. We’re bringing San Francisco’s **Delancey Street** model to the Central Coast. BVI participants want to have greater control over their financial future, and to do that they had to focus their ideas and be realistic about what they can do. The BVI has helped transition these nonprofits into the world of business, so now they’re speaking the same language as business philanthropists and resource providers. We’re helping BIV graduates find a match between their mission, core competencies and local needs.”

Janet Cohen, a nationally-known consultant specializing in business development for nonprofit organizations, led the monthly BVI team worksessions on Preliminary and Full Feasibility Research, The Business Plan, Earning Income as a

INNOVATIVE SOLUTIONS

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Editor's Letter:

Dear Reader,

In their article, "Disruptive Innovation for Social Change", (*Harvard Business Review* Dec. 2006), Clayton Christensen, Heiner Baumann, Rudy Ruggles and Thomas Stadtler make the case for catalytic innovation in the social sector-

"Catalytic innovators share five qualities:

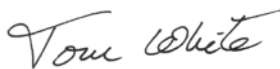
1. They create systemic social change through scaling and replication.
2. They meet a need that is either overserved (because the existing solution is more complex than many people require) or not served at all.
3. They offer products and services that are simpler and less costly than existing alternatives and may be perceived as having a lower level of performance, but users consider them good enough.
4. They generate resources in ways that are initially unattractive to incumbent competitors.
5. They are often ignored, disparaged, or even encouraged by existing players for whom the business model is unprofitable or other unattractive and who therefore avoid or retreat from the market segment."

One of the examples the authors give is the role of community colleges in dramatically changing the shape of higher education in the United States. These colleges provide a low-cost alternative of choice for 44% of the nation's undergraduates.

In this month's issue of SER, we feature a story about an entrepreneurial job training and workforce development partnership led by the California Community Colleges. According to the CCC, their Economic Workforce & Development Program has enrolled 110,361 students in 800 new courses developed in emerging technologies and has contributed \$600 million to the State's economy in increased wages, business profitability and taxes paid. Many CCC Business and Workforce Improvement contracts and partnerships have been with social purpose businesses and community-based nonprofits and this program is an exciting example of a catalytic innovation with measurable impact in job placement.

Is there a market that your enterprise is well-positioned to serve with simpler, good-enough alternatives?

Best wishes for the New Year,



Tom White

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A Successful Vision Statement: Start with your customer

by Jerr Boschee

More than one nonprofit Board member has approached me in recent months after a briefing session or a retreat, perplexed by the same topic.

Their questions frequently come down to this: What is the difference between vision and mission — and why is the difference so important?

Some nonprofits have both a vision statement and a mission statement. Some have only one statement and try to cover the waterfront. But almost all the nonprofits I encounter make a fundamental mistake: They think their vision statement should be about themselves.

Take the nonprofit serving the elderly I worked with not so long ago in the Southwest. Here were the vision and mission statements they showed me when I first arrived:

- VISION: “We are a nationally recognized, compassionate organization offering quality human services through disciplined growth and community partnerships.”

- MISSION: “We enhance quality of life by providing comprehensive services that empower people to maintain their independence and dignity.”

At first glance, not bad. Lots of wonderful concepts. But let’s look closer.

A vision statement should answer the question “How do we want the world to change?” and a mission statement should answer the question “What will we do to change it?”

Instead, my client’s vision statement was completely inner-directed. It expressed dreams for the organization — but it should have been about the world in which the organization exists and the people it serves, not the nonprofit itself.

My client’s mission statement actually contained some hopes for the people it serves – “independence,” “dignity,” “quality of life.” And after a lengthy brainstorming and word-smithing process, here’s what we came up with as a new vision statement:

- “We envision a world in which people grow older with dignity, control their destinies and live independently as long as possible.”

But that still leaves open the question of *why* a vision

statement should be outer-directed, and the answer, I believe, resides in the very definition of marketing itself.

If you start with your products, services or programs, then go looking for customers, you are trying to *push* your way into the market. It works, sometimes, but not for long.

But if you start with a group of customers, then develop products, services or programs to meet their needs, you are being *pulled* into the market. No nonprofit can succeed for long unless it understands what its customers and clients really want, and that means the mantra is simple: “Always start with *them!*”

Now translate that into what happens if your vision statement is inner-directed. You’re not starting with the people you serve — you’re starting with your own ambitions. Here there be monsters.

A vision should inspire an organization to change the world. It should be a call to action that mobilizes support and triggers quantum leaps. A simple, powerful statement that opens hearts and wallets. But stakeholders won’t be inspired by a vision that’s inner-directed.

The Alliance for Children & Families, one of the leading nonprofit associations in the world, clearly understands the differences between vision and mission. Under the leadership of President and CEO Peter Goldberg and its Board of Directors, the Alliance this past June approved new wording for both. The vision? “A healthy society and strong communities for all children and families.”

Now *that* is a vision we *all* can share. ■

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



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.

Michael Shuman: Integrating Social Enterprise with Local Economic Development

by Tom White

*Michael Shuman, an attorney and economist, is Vice President for Enterprise Development for the **Training & Development Corporation** (TDC) of Bucksport, Maine. He is the author of *Going Local: Creating Self-Reliant Communities in a Global Age*, and was co-founder of the **Business Alliance for Local Living Economies** (BALLE). Michael has written for The Washington Post, The Weekly Standard, Foreign Policy, Parade, New York Times, and The Nation and has appeared on numerous television and radio shows, such as the Lehrer News Hour and NPR's "Talk of the Nation."*

*SER spoke with Michael on occasion of the publication of his new book, *The Small-Mart Revolution: How Local Businesses are Beating the Global Competition* (Berrett-Koehler, 2006), to get his perspective on social enterprise. Excerpts from the book follow this interview.*

SER: What is your role at TDC?

MS: TDC has been primarily a workforce development organization for about thirty years. Currently we run a Job Corps Center in Loring, Maine, career advancement centers in Maine and Virginia, and periodic crisis-intervention projects. It was a project in this last category that brought me to TDC in 2003, when a mill in Millinocket, Maine, was shutting down and laying-off its last 1,400 workers. TDC had just received an \$8 million workforce adjustment grant from the **U.S. Department of Labor**, and it wanted to use some of the funds to support local community economic development in ways that I had been laying out in my writing.

Growing out of that experience is a new project we call Worksphere, which aims to unify workforce development with local economic development. We just received for this a grant from the **Kellogg Foundation** to look at tax and other incentive laws in 25 states that tilt the market playing field against local small business in favor of non-local large business; we want to show state legislatures the kind of reforms that they need to make to level the playing field.

SER: What types of nonprofit social enterprise is TDC involved in?

TDC owns a nonprofit entity in Bangor ME called MediaWorks, an advertising and design agency that takes in and trains at-risk kids and young adults to be professionals in the field. They sell services at a discount, which partially underwrites operations, and also provides a full program of training. TDC is thinking of how to replicate MediaWorks in other areas of the country. All of TDC's work so far has been in a nonprofit framework, and it has no formal subsidiaries.

SER: What's your perspective on nonprofit social enterprise?

MS: Social enterprise, I believe, would do well to undergo a 'grand unification' with other forms of socially responsible local for-profits.

In terms of prototyping, nonprofits are perfectly reasonable animals to prove concepts that have a high level of risk. But once the concept is shown to be financially viable, I would immediately spin that activity off into a subsidiary for-profit so that it becomes eligible for outside equity finance that could greatly expand the work.

Why? Because nonprofit directors tend to be lousy businesspeople. Plus, nonprofits have a mission that is somewhat at odds with the mission of being profitable and that tension cannot be easily resolved just by talking about it at the board level. So if you really have a concept that can grow, you really need a different kind of management and board, and a robust set of investors to make that happen.

SER: Tell me about your work setting up local stock markets.

MS: Let me first give a little bit of background on the larger problem we're talking about. The financial universe of the US right now is about one-seventh debt and six-sevenths equity. The good news is that on the debt side, thanks to the Community Reinvestment Act and

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Michael Shuman

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microfinance loans, only an extraordinarily bad business cannot qualify for some sort of modest loan, say in the \$5,000 to \$25,000 range, to get off and running.

The equity side is a whole different picture. About 58% of the economy is situated in place-based economic institutions—small, private businesses, nonprofits, and government spending. That 58% of the economy should be getting roughly 58% of the investment dollars. But this sector is getting in the range of 10–20%. So Americans are over-investing, by a huge margin, in Fortune 500 companies and under-investing in local small business. A critical challenge for community development is to create new institutions that affordably connect individual investors with small business.

SER: What are institutional steps one can take to crack open this system of investing?

MS: There are two steps I'm interested in pursuing in Maine. The first is to create a legal assistance capacity, like what Nolo Press did for wills and estates, for small businesses to comply with securities laws. We would provide a serviceable Private Placement Memorandum [for soliciting private investors] for \$5,000 or a public offering for a little more. The next step is to create local stock exchanges. This might be done by creating a national computerized trading mechanism like Ameritrade for people to buy and sell shares of local companies, only through state and local portals.

SER: Tell me about Local First Campaigns now active in 40 communities around the country.

MS: I think Local First is mostly about getting consumers to become smarter shoppers. That means educating consumers to look at non-price dimensions of discounts. What's the quality dimension of the product? What's the likelihood of an overcharge? What's the impact on the community of the purchase? I believe that once consumers start asking these questions, they invariably buy local more of the time.

SER: Do you see a strong role for nonprofits in local economic development?

MS: Sure. But for most of the participants in the nonprofit sector, their goal is not to have enterprises with profit; it's to have enterprises with maximum social benefit.

Again, though, I believe there needs to be a grand synthesis between local for-profit and entrepreneurial nonprofit ventures. In Toronto, representatives of these two different communities just held a conference to exchange ideas about this.

The timing couldn't be better, because the ship has really come in for local and social enterprises. A bunch of trends—peak oil, the decline of the dollar, concerns about homeland security, the shift to a service economy, the need to define a new community-based politics—all are making local small business and social enterprise more competitive. It's an exciting time! ■

Resources:

- ➔ www.tdc-usa.org
- ➔ www.imediaworks.org
- ➔ www.mediaworksenderprise.org
- ➔ www.smallmart.org

Tom White is Editor and Publisher of the *Social Enterprise Reporter*.

Spread the Local, Globally

Review by Tom White

The Small-Mart Revolution: How Local Businesses are Beating the Global Competition

by Michael Shuman
 Published by Berrett-Koehler Publishers, Inc.
 ISBN: 978-1-57675-386-6
 Available from www.bkcurrents.com
 \$24.00

Excerpted with permission of Berrett-Koehler Publishers

“The future of small business, the future of community vitality and the future of humanity depend on a fundamentally new approach to our local economies. The

challenge is to find ways to nurture competitive local alternatives to Wal-Mart that can revitalize our local economies and communities.

“Local Ownership and Import Substitution (LOIS). Together these principles suggest the virtues of an economy that takes full advantage of local talent, capital and markets. Local is a niche that goes far beyond food. Where tastes are localized, LOIS firms have the competitive advantage in producing them in just the right way and at just the right time.

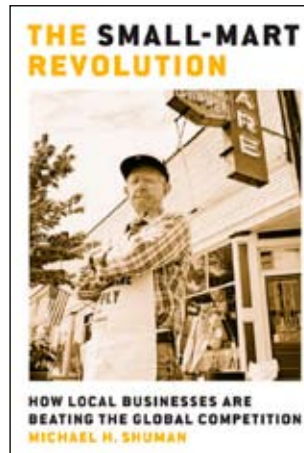
“A LOIS economy with many long-term homegrown businesses is more likely to contribute to economic and political stability than the boom and bust economy created by place-hopping corporations.

“Local businesses yield two to four times the multiplier benefit as comparable non-local businesses. They spend more locally, have local management, use local business services, advertise locally and enjoy profits locally.

“A community that has learned how to meet most of its own needs with its own resource is an essential building block for solving many of the world’s most pressing problems.

“The biggest obstacle to the Small-Mart Revolution is apathy—the belief that there is no alternative [to globalization and the primacy of multi-national corporations]. A truly revolutionary premise of the Small-Mart Revolution is that each of us has the power, skill and resources to take charge of our own destiny and restore vitality to our communities.

“The Five Building Blocks essential for the Small-Mart Revolution are Local Planning, Local Training, Local Investing, Local Purchasing, and Local Policy making. The most effective Small-Mart initiatives bring all these players together as a team of community builders.”



Small-Mart Revolution
 Checklist for Entrepreneurs

1. Local Niche. Make local ownership a key part of marketing your business to consumers and investors.
 2. Go Green. Make your business an outstanding local environmental citizen by using local renewable resources and reusing nonrenewable resources, and be sure to brag to your customers about your practices.
 3. BALLE [or SEA Chapter]. Create a local business alliance so that you’re not alone.
 4. Producers Cooperatives. Join existing producers cooperatives or other affinity groups that collectively purchase, advertise or lobby for members. Or start one!
 5. Bazaars. Set up and participate in local business mini-malls, whether they’re a weekend farmers’ market or dedicated shopping destination.
 6. Direct Delivery. Create or join a direct delivery service affiliated exclusively or primarily with local businesses.
 7. Flexible Manufacturing.
 8. Buyers’ Cards. Team up with other local businesses to create instruments that promote local purchasing.
 9. B2B Marketplace.
 10. B2G Midwife. Create a business that aggregates small businesses into compelling bids for government contracts.
 11. Super-Incubators. Take existing small-business incubators and rededicate them exclusively to local business. Nine out of ten startups that begin within incubators succeed.
 12. TINA Collaboration. Break bread with non-local businesses to learn and work together.
- Michael Shuman’s new book combines a broad view of the major forces shaping our economy, with a strong grasp of the economic realities playing out at the local level around the country today. While this book does not speak specifically to social entrepreneurs, it helps to give us a sense of how social enterprises can work with other community builders in the movement to rebuild local economies. ■

Mike Wilson, Rockridge Partners Inc. Integrating Community Colleges with Regional Workforce Development

by Tom White

SER caught up with Mike, and spoke with him about the role of Oakland, CA-based Rockridge Partners Inc. (RPI) in launching the Community-based Insurance Careers Program (CBICP). The Program focuses on developing a customized insurance career-training curriculum for 20 California community colleges. The three-year Program is a collaborative effort, based at the Solano Community College in Fairfield, CA. CBICP is partially funded by a \$1.26 million Community-based Job Training Grant from the U.S. Department of Labor's Employment and Training Administration. The grant also leverages over \$1.2 million from 63 partners, including employers (some of which are California's largest insurance companies), workforce investment boards, employer associations, educational institutions and other partners.

The Community-based Job Training program is part of the President's High Growth Job Training Initiative, which has identified 14 sectors that are being transformed by technology and innovation, or are projected to add substantial numbers of new jobs to the economy.

Q: How did the CBICP come about?

A: Business education is part of the vocational services that community colleges offer across California. RPI worked with the Chancellor's Advisory Committee on Business Education, the Insurance Educational Association and the Insurance Brokers and Agents of the West to get hard data on workforce shortages and job skill requirements. The survey conclusively showed that association members found it difficult to find qualified workers who had the specific skills needed for entry-level positions.

Q: Does the Insurance industry have specific hiring requirements?

A: The industry has merged with other financial service providers, and is highly regulated, even in the area of customer service. Association members wanted an 18-month curriculum for students, with the option to offer continuing professional development through CBICP.



Mike Wilson, Program Manager and Principal, Rockridge Partners, Inc.

Q: Is there strong demand for employees?

A: Yes. This program is the missing piece in the work force supply chain. It is providing a specific set of verifiable skills approved by the industry.

Q: How do you position and sell insurance to prospective students?

A: It's been hard to generate excitement about a career in insurance; but, with the mergers in financial services, it's a ladder to other careers, and an excellent foundation for business administration. You can go anywhere with an insurance certification, and there are lots of options for specialization outside of insurance—for example in IT and health administration—and now most businesses have insurance specialists, too. No one ever leaves the industry since it pays well, even for sales, customer service, and reception. Salaries are 8.5% above the

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What are the Best MBA Schools for Social Enterprise?

Compiled by Rolfe Larson and Andy Horsnell

*This is the sixth in a series of articles that highlight postings from the **npEnterprise Forum** the official listserv of the **Social Enterprise Alliance**. In the *npEnterprise Forum*, almost 4000 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 the “best” MBA schools for budding social enterprisers. We’ve divided this discussion between (1) how to go about your search and (2) specific MBA schools, organized geographically. Please note that comments have been edited for clarity and space.

How to Go About Your Search

A good place to start is ➔ www.beyondgreypinstripes.org. Aspen Institute does a periodic study of MBA programs that address “social and environmental stewardship.” Results are on this site. Take what the schools say about themselves with a grain or two of salt. Talk to alumni and current students to find out whether the school is really committed to social enterprise/entrepreneurship. (Lyla Hamilton)

Olszak Management Consulting completed a study of graduate programs across the country. This report is available on our website: ➔ www.olszak.com/nonprofitconsulting. (Robert L. Goldbach) [Moderator’s note: click on “Additional Resources”, then “A Study on Social Enterprise Training and Support Models”. Finally, scroll to the bottom for the “Academic program research surveys.”]

I would caution you that, despite the historical prestige of the MBA degree, it might not be the door opener for specific jobs in social enterprise or entrepreneurship. I know recent grads of some of the listed programs who are struggling to find work for the mere fact that there

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

are so few MBA-level positions available — at least in the for-profit, corporate arena — for candidates with these specific qualifications. You may have better luck with a nonprofit pursuing earned income strategies, or certainly with an entrepreneurial start-up. It is a good generalist foundation however that will probably serve you well; just be clear of the type of environment in which you ultimately

want to work and then work backwards to see if the degree will help get you there. (Grant Hunter)

Think about what you want to do in the social entrepreneurship field and look for programs that are good in that area. Social enterprises need strong marketing, finance, and generalist folks just like regular businesses. I chose Babson's MBA in this vein — figuring that nonprofits need entrepreneurship skills at least as much as for-profit businesses — and have been *very* happy with my decision. Babson's specifically social entrepreneurship element is admittedly weak, but it's there. There are also other nearby schools you can connect to. This isn't so much a plug for Babson as a suggestion to think about future roles and areas of focus — not just the field. (Bruce Curtis)

There are several MBA programs with a strong program in Social Entrepreneurship. Visit ➔ www.UniversityNetwork.org to see a full list of schools and links to their programs. Go to the teaching section, then Universities. Duke, Stanford, NYU and Oxford have some of the best programs. Many universities are also in the process of developing their own programs and have several classes. (Shyno Chacko)

Eastern US MBA Schools

Look into **Harvard's** MBA program. They have a Social Enterprise component and three CEU programs specializing in social enterprise. I have taken their social enterprise program entitled, “Excellence in Nonprofit Governance,” and it was excellent. They encourage

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Best MBA Schools

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women to apply. They have an extensive website → www.hbs.edu that provides information on social enterprise. (Kim Praitano)

I attended the **Kennedy School of Government** at Harvard, which has a very active club and curriculum in social entrepreneurship. There is even a course called the social enterprise lab, in which students workshop their business plans. The Kennedy School and **Harvard Business School** have social entrepreneurship clubs that cooperate, as well. Together they organize the **Harvard Social Enterprise Conference** every year, which is very high-level. (I attended as a professional last year, as well.) One professor to contact at the K school is Herman “Dutch” Leonard. (Anne Lord)

I can highly recommend the **Boston University** MBA program with a concentration in Public and Nonprofit Management — not only did I receive a significant scholarship to attend, and then get to take a broad range of classes related to or directly on the topic of social entrepreneurship, I now have a great job working in social enterprise! (Missy Longshore)

My girlfriend just graduated with a joint-degree, MBA/Environmental Science, from the **Yale School of Management**. SOM produces an incredible amount of people that work in non-profits and non-traditional MBA type workplaces. That being said, many of the top business schools, SOM included, offer a wide variety of fellowships, scholarships, grants, and internships for people working in non-profits and non-

profit related organizations. (Mike Paulsmeyer)

I would look at **Columbia Business School**. Ray Horton runs a strong non-profit division. I know that the Department produces thoughtful written materials and holds an annual conference so it would be worth checking out. (Tonia Papke)

I’m a 1999 graduate of the **Stern School of Business at New York University**. Since I graduated, the school has developed a well-supported social entrepreneurship track. Stuart Satter, an alumnus, has funded a social entrepreneurship business plan competition for the past two years, awarding \$100k to each year’s winner. Even more interestingly, one year ago, the school received a \$10 million donation from the **Catherine Reynolds Foundation** to establish a cross-disciplinary program in social entrepreneurship. This program is run out of NYU’s **Wagner School of Public Service**, but the fellowships under the program are available to applicants from all schools. I participated as a judge in reviewing applicants this spring and was very impressed with the breadth and quality of applicants and overall energy at the place. I strongly encourage you to look into NYU. You can’t beat NYC as a laboratory for social enterprise & entrepreneurship. (Mark Reed)

Western US MBA Schools

Presidio School of Management in San Francisco — it’s the only MBA program in the U.S. with a 100% focus on Sustainable Management — which is very closely associated with Social Enterprise work. I plan to obtain my MBA there myself. (Adeeba)

I’ve had two **Benetech** staffers head to MBA school in the last few years, and they both have had great experiences (and a social entrepreneurial focus). One was a Skoll scholar at **Oxford’s Said Business School**, and we just hired one of his classmates at Benetech (who is terrific). The other is in his second year at **UC Berkeley’s Haas Business School**. (Jim Fruchterman)

I’m not an MBA student, but... I AM the Dean of the MBA Program at the **Bainbridge Graduate Institute** (BGI). We offer a “hybrid” program (monthly weekends coupled with distance learning) with a focus on sustainability in every single course. You can learn more about our program at → www.bgiedu.org OR by accessing the recent Net Impact study of environmentally and socially conscious MBA program → www.netimpact.org. Our program came out on top in that survey, but it's also a great resource for looking at the full range of schools that offer programs in this area. Good luck in your search! The world definitely needs more sustainability-minded MBAs! (Jill Bamberg)

More MBA Schools

Lots of them — newly added are programs at **University of Tampa** (contact Dianne Welsh) and **Indiana University**. Both just added certificate programs. **NYU** (Jeff Robinson), **IESE** in Barcelona (Johanna Mair), the **Said B-School at Oxford** (Alex Nicholls), **London B-School** (John Mullins), **Stanford**. If interested in sustainability, contact Tom Dean at Colorado — terrific stuff there! However, if you are really passionate about SE, then go to the right school for you. The MBA degree is very much a mature indus-

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Best MBA Schools

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try, so you should be able to find the right school/location for you THEN focus all your efforts on SE-related class projects, etc. Doesn't have to be a high-powered (and spendy) school like those I mentioned. You might also surf over to **Ashoka** (and Skoll's) → www.universitynetwork.org and see who has posted stuff there. (Norris Krueger) ■

Resources

- www.npEnterprise.net
- www.se-alliance.org

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

Mike Wilson

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national average for similar positions in other sectors.

Q: Do community colleges typically offer job placement and counseling?

A: No, but they do help with job applications and resumes. The CBICP will offer paid insurance internships for credit in the second year. This type of trial employment is also very valuable to employers!

Q: When does the program start?

A: In Fall 2006, seven community colleges began offering courses. The CBICP will build on existing business program curricula. Students will earn a Business AA degree with an insurance specialization certification. The colleges receive \$1268 for each student, with a minimum of 12-18 seats filled per class. We have worked hard to demonstrate local demand; but the

program will fail if it they just add it to the course catalog. There's not a lot of competency to market special programs to students. We plan to use Insurance industry mailing lists, and will calibrate the number of colleges offering the program to the number of businesses in the area and available jobs. We'll also connect to regional hiring web sites, and know that most students will move to where the jobs are.

Q: Is this model replicable for other industries?

A: Yes. Advanced manufacturing, retail, health, and other high growth industries are all possibilities. Community colleges do not have access to either the faculty qualified to develop this type of curriculum or the knowledge required to link a curriculum to the needs of industry. That's where we come in. If the Feds provide kick-start funds to develop a curriculum and train teachers, community colleges will commit their own money. Community colleges are being integrated into regional work-

force development systems, and we're helping them to build the capital infrastructure, models, and metrics.

Q: How will you measure success for the CBICP?

A: We want to have 82 people trained by Aug 2007, and over 750 enrolled by the end of the third year. We plan to have 90% of CBICP graduates complete a 160-hour internship program, and expect 80% of those who complete the program to be placed in full-time employment in the insurance industry. ■

Resources

- www.ca-icp.com
- www.doleta.gov/business/CommunityBasedJobTrainingGrants.cfm

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Nonprofit and other business planning topics. She also assisted with development and facilitation of Business Advisory Committees for each of the organizations. Her parting advice to the graduates was to *always* listen carefully to what the market wants. The business plans presented gave evidence that they heeded her advice.

Business Venture Plans

Action Council of Monterey County: Financial Management Services for Nonprofit Organizations

This financial services business builds upon the Action Council's existing capacity as an incubator and fiscal sponsor of twelve small nonprofits. "We understand the challenges and frustrations of running a small nonprofit," stated Jane Parker, Associate Director.

The new business will provide a more complete safety net for local nonprofits, assisting them with financial management issues, reducing duplication and management of budget, bookkeeping, accounting, reporting, and human resource management. Their target market is small privately funded nonprofits with income up to \$1 million. Services would be billed at \$75 per hour with a 1% management fee. With staffing of one half-time bookkeeper/manager, at full capacity of 8 nonprofits, net revenues are projected at \$40,000, with a \$35,000 initial investment.

Agriculture and Land-based Training Association: ALBA Organics

ALBA Organics (AO) is an exist-

ing nonprofit produce distribution and marketing company for organic farmers. AO used the BVI to clarify the focus of their marketing of fresh fruits and vegetables on food service markets, for example the **University of California at Santa Cruz** and **Stanford University**. The venture has grown at rates ranging from 50%-100% over the last four years due to increasing interest in locally grown organic foods. AO offers customized menu planning for its institutional clients, at the same time providing the security of production planning for local farmers,

The BVI has strengthened the Foundation's understanding of, and commitment to, social enterprise as an effective tool for achieving organizational sustainability and furthering a nonprofit's mission.

— Kaki Rusmore, CFMCO Program Officer for Management Assistance

ALBA also provides intensive and ongoing training and leases 305 acres to minority farmers in Monterey County, and AO will expand their base of farmers beyond these incubatees. While their infrastructure is wholly-owned, AO needs investment capital for refrigerated warehouse space as well as a refrigerated truck.

AO anticipates revenues of more than \$500,000 in 2006 and plans to use net profits to fund marketing education programs for AO farmers, generating new markets and strengthening their client's business.

Leadership Monterey Peninsula: Community Leadership Ventures

LMP decided to expand existing programs using their core competencies of providing leadership training and insight into the local economic and social landscape for public, private and nonprofit leaders. They will strengthen their relationship with existing customers by offering two new programs: a Community Leadership Academy for nonprofit and public sector leaders and an Executive Training Program.

Interim Inc.: InterClean Post Construction Cleanup

Interim, Inc. is dedicated to the self-sufficiency of people who have mental illness. The nonprofit organization has twenty years experience managing residential housing facilities and employs 25 clients in cleaning and landscaping Interim facilities. Interim also has a Supportive Education and Employment Services office which trains and places clients in a variety of jobs within and outside of Interim.

Given the projected housing boom in Monterey County, Interim management determined that their best market opportunity was to provide environmentally-friendly post-construction clean-up services to local housing developers. This is the final step in construction prior to delivery to the home-buying client. Because of Interim's long term success and established community relationships, these developers expressed both the need for an additional vendor as well as a solid commitment to use Interim's post-construction services. Interim has also contacted local city officials to investigate opportunities in retail, village center, office parks and hotel developments.

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Interim management surveyed their clients to determine if they would be interested in working in the enterprise. People with mental illness do not normally have much work experience and face significant stigma. InterClean would create varied employee opportunities to begin or resume working, with sufficient income and training opportunities. Employment at Interim and other enterprises has helped to change their identity from a mental health client to a working individual.

Interim plans to hire a Manager who possesses a contractor's license for construction clean-up. The Manager will hire outside of Interim's client pool when needed and will also develop contracts with other janitorial businesses that need additional cleaning crews for hire. Interim management projects positive cash flow in year two of operations. Start-up investment requirements include \$26,000 for acquiring fixed assets and \$71,000 for working capital.

The Sustainability Academy: Sustainability Education Services

The Sustainability Academy (TSA) is a new organization that provides classes, contract education and research into triple bottom line practices for the Central California Coast area. TSA has offered its first classes through the **University of California, Santa Cruz Extension** and is planning to develop an educational service business that is fun, scalable, and profitable.

Recent California State law has mandated green event management practices for meetings with over 2,000 attendees and Monterey is a popular site for large events. 27%

of Central Coast buyers stated that they were interested in products and services that cater to a Lifestyle Of Health And Sustainability (LOHAS) and demand is increasing in this market. Given the building boom in the county, TSA also sees opportunities for providing customized training and education for government planners, business owners, and building and janitorial services. Class offerings would include Green Buildings and Interiors, Green Meetings for Event Planners, and Sustainability 101.

TSA projects an investment requirement of \$95,000 in working capital for preparing teachers, developing educational and marketing materials, and annual gross sales revenues \$40,000.

Gateway Center of Monterey County: Gateway Center eBay Business

Gateway Center (GWC), based in Pacific Grove, CA, has provided employment, housing and program services to people with developmental disabilities for over 50 years. GWC currently has a \$3 million operating budget, out of which \$2.7 million is earned from contracts with the State of California. The State has frozen its recharge rates and to offset rising costs GWC plans to open an **eBay** business for sale of donated items including real estate, autos, and other goods.

GWC will solicit contributions directly from donors and community contacts and indirectly from other local thrift shops and businesses that need help with slow-selling merchandise. GWC has the space and administrative capability to receive and sell donated items and has expert volunteers who can accurately appraise value and have marketed items at frequent silent auctions.

Targeted items will sell for at

least \$25 and first year goals are to sell 400 items and generate \$11,500 in sales. Startup costs are projected to be \$12,000, including one part time coordinator experienced with selling on eBay.

Establishing Criteria for Success

In his concluding remarks, Greg Meyer, Community Relations Director at Citibank, reminded that BVI graduates that grant writing is a tough business to compete in and that Community Development Block Grant funding is in jeopardy. Said Meyer, "The Business Venture Institute has helped Monterey County non-profits explore a dynamic and different business model that offers a great way to utilize and develop the skills of their clients. And you have established your own financial criteria for a successful future." ■

Resources:

Community Foundation for Monterey County
➔ www.cfmco.org

Tom White is Editor and Publisher of the *Social Enterprise Reporter*.

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/

American Marketing Association Nonprofit Marketing Boot Camp

Feb. 22–23, Washington DC

➔ www.marketingpower.com/aevent_event26733.php

California Community Colleges Economic and Workforce Development Program Annual Conference: Innovative Tools for Success

February 27–March 1, San Francisco CA

➔ www.cccewd.net/07conference/

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

2007 Community Development Venture Capital Alliance Annual Conference

March 21–23, Washington, DC

➔ www.cdvca.org/events/conference.php

Skoll World Forum on Social Entrepreneurship

March 27–29, Saïd Business School, Oxford University, England

➔ www.skollfoundation.org/skollcentre/skoll_forum.asp

Global Social Venture Competition

Social Enterprise Symposium

April 14, UC Berkeley CA

➔ <http://socialvc.net>

National Association of Community Development Extension Professionals Annual Conference

April 16–19, Philadelphia PA

➔ <http://nacdep.net/confs/2007/Conference.htm>

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

Exploring Innovation: A Conference on Community Development Finance

May 2–4, St. Louis, MO

➔ www.stlouisfed.org/community/innovation/

California Association for Local Economic Development Annual Conference & Spring Training:

Bringing Innovation & Leadership to Local Economic Development

May 2–4, Monterey, CA

➔ http://caled.org/2007_conference_info.shtml

LOHAS 11 Forum

May 14–16, Los Angeles, CA

➔ www.lohas.com

Association for Enterprise Opportunity Annual Conference Microenterprise Development: The Rhythm of Successful Communities

May 15–18, Kansas City, MO

➔ www.microenterpriseworks.org/index.asp?bid=219

NonprofitCenters Network National Conference: Collaborating for Success

May 16–18, San Francisco CA

➔ www.nonprofitcenters.org/events/

The Investors' Circle Spring Conference & Venture Fair

May 22–24, San Francisco CA

➔ www.investorscircle.net/index.php?tg=articles&topics=134

Community College National Center for Community Engagement Annual Conference

Meeting the Challenge of Sustainability for the 21st Century

May 23–25, Scottsdale, AZ

➔ www.mc.maricopa.edu/other/engagement/2007Conf/ConfInfo.jsp

Annual Business Alliance for Local Living Economies Conference

May 31–June 2, University of California, Berkeley CA

➔ www.livingeconomies.org/events/conference07
