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Special Seminar in Management:
Managing and Volunteering in the Non-Profit Sector

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The non-profit sector plays a key role in society and in the economy. Many goods and services, such as education and health care, are delivered by non-profits. Non-profits also play a central role in delivering charitable services of the kind that are often under-provided by the market. Non-profits also are active in political and public-policy arenas. Finally, non-profits are important in providing the glue—the social capital—that holds societies together and makes them work.

Starting, growing, and managing non-profits leads to challenges as complex as, and in some cases more complex than, the challenges facing the private sector. Non-profits need to identify their market, confront competitors, and manage their internal operations just as do firms. However, non-profits must address the needs of multiple constituencies, they must balance their values against the requirements of effective management, and they must attract and retain a skilled labor force without the financial resources that characterize much of the private sector.

This is a course intended to give students a broad overview of the management challenges of the non-profit sector. It is not a detailed management course but rather is aimed at students who will likely relate to non-profits in a variety of ways (on the boards, as volunteers, as fund-raisers, and occasionally as staff).

The course has three components: readings, cases, guest speakers, and student projects.

- There will be case discussions in each class (except the final two, in which there will be student reports). Students should read and come prepared to discuss each case.

- Many of the classes will also have distinguished visitors from a wide range of non-profits. These visitors will speak and interact with the class regarding their experiences that are relevant to the topic of that day (we will provide a background packet on each of the visitors' institutions).

- Teams of students will work with Boston-area non-profits over the course of the semester and then prepare a paper and make an oral presentation to the class. More details are provided below about this component.

Grading for the course is as follows:

Class participation:	40%	
One case write-up:	20%	This is an individual assignment. Students select the case they want to write up.
Team project write-up:	40%	This is a group assignment with the standard expectations regarding substantial participation by each student.

2/8: INTRODUCTION

J. Phills, Jr., "The Sound of No Music," *Stanford Social Innovation Review*, Fall 2004, pp. 44-53.

R.D. Putnam, "The Strange Disappearance of Civic America," The American Prospect, Winter 1996, pp. 34-48.

P. Drucker, "Part One: The Mission Comes First": Sections 1 (The Commitment) and 2 (Leadership Is a Foul-Weather Job), Managing the Nonprofit Organization: Principles and Practices, pp. 3-27.

Case: STRIVE

Questions:

1. What was the theory of the problem and the solution that underlay the STRIVE program? What was the evidence upon which this was based?
2. What forces drove the expansion of STRIVE? What role did strategy play?
3. What were the challenges that STRIVE faced in franchising its model? How well did it handle these challenges?

2/15: BUILDING AN ORGANIZATION

R.E. Gruber and M. Mohr, “Strategic Management for Multiprogram Nonprofit Organizations,” *California Management Review,* Spring 1982, pp. 15-22.

J.L. Bradach, “Going to SCALE: The Challenge of Replicating Social Programs,” *Stanford Social Innovation Review*, Spring 2003, pp. 18-25.

Case: Habitat for Humanity International

Questions:

1. Who are Habitat’s customers?
2. What makes Habitat unusual among charitable organizations?
3. What growth options should Habitat pursue?
4. In light of Habitat’s mission and history, what specific actions should Snider take to make Habitat a more effective service organization? What resistance should he expect to face?

Guest: Ned Rimer, Co-Founder and Managing Director, Citizen Schools

2/22: EVALUATION

J.C. Sawhill and D. Williamson, “Mission Impossible? Measuring Success in Nonprofit Organizations,” *Nonprofit Management & Leadership*, Spring 2001, pp. 371-386.

S. Colby, N. Stone, P. Carttar, “Zeroing in on Impact,” *Standard Social Innovation Review*, Fall 2004, pp. 24-33.

Case: The Harlem Children’s Zone: Driving Performance with Measurement and Evaluation

Questions:

1. What were the key success factors for Rheedlen before the strategic planning process?
2. What are the organizational elements needed for HCZ to go to scale?
3. How should the management of HCZ use measurement? What is your assessment of using reading skills as a Roll-up measure for the organization?
4. Canada is presented an opportunity at the end of the case to take over a school outside the zone. Should he do it?

3/1: GOVERNANCE

W.G. Bowen, "When a Business Leader Joins a Nonprofit Board," *Harvard Business Review*, September-October 1994, pp. 38-42.

D. Stauffer, "The 'Pay' from Volunteer Service Can Include Career Gains," *Harvard Management Update*, August 1998, pp. 1-4.

B.E. Taylor, R.P. Chait, T.P. Holland, "The New Work of the Nonprofit Board," *Harvard Business Review*, September-October 1996, pp. 36-43.

Case: The NAACP

Questions:

1. How would you assess the Board's management skills?
2. Did this crisis stem from a governance failure?
3. What changes would you have made at the NAACP?

Guest: Jeff Shames, Board of Trustees, Berklee College of Music and City Year; Trustee, Hurricane Voices

3/8: THE ARTS

Case: The Roundabout Theatre Co. (A) and (B)

Questions:

1. What are some of the business and artistic differences between non-profit theater (e.g., the Roundabout) and its for-profit Broadway counterparts (e.g., the Shuberts)?
2. What alternatives to commercial naming of its theater might the Roundabout have pursued to satisfy the higher operating costs of the Selwyn and to enjoy continuing operating surpluses?
3. What risks did the Roundabout Theatre and American Airlines take as part of their unique partnership? What is your assessment of the potential benefits versus the possible weaknesses and liabilities to both parties?
4. If this non-profit/corporate partnership in theater is such a good idea, why have no other such deals been struck?
5. What recommendations would you offer Todd Haimes and Julia Levy on how best to strengthen the Roundabout's financial condition, and, most particularly, its contributed income profile?

Guest: Jill Medvedow, James Sachs Plaut Director, Institute of Contemporary Art

3/15: MANAGING THE WORKFORCE

C. Letts, W. Ryan, A. Grossman, Chapter 6, "Human Resources: Developing Employees to Advance Organizational Goals," High Performance Nonprofit Organizations: Managing Upstream for Greater Impact, pp. 107-128.

S. Oster, Chapter 5, "Human Resource Management," Strategic Management for Non-Profit Organizations: Theory and Cases, pp. 65-74.

Case: Profits and Principles: Benhaven's Learning Network

Brief team presentations

3/22: SIP: No Class

3/29: Spring Vacation: No Class

4/5: FOUNDATIONS

H. Hall, "Inside a Foundation: How Grants Are Made," *The Chronicle of Philanthropy*, December 11, 1990, pp. 6-7, 16-21.

C. Letts, W. Ryan, A. Grossman, Chapter 9, "Virtuous Capital: Investing in Performance," High Performance Nonprofit Organizations: Managing Upstream for Greater Impact, pp. 169-191.

C. Letts and W. Ryan, "Filling the Performance Gap: High Engagement Philanthropy," *Stanford Social Innovation Review*, Spring 2003, pp. 26-33.

Case: EMCF (Edna McConnell Clark Foundation): A New Approach at an Old Foundation

Questions:

1. What are the advantages and disadvantages of the old Systems Reform funding model and the new, Institutional Field Building, approach?
2. What are the internal and external forces driving change at the Edna McConnell Clark Foundation?
3. Assess Bailin's process for achieving change at EMCF.
4. How should Bailin go about building support and involvement from other grantmakers for Institutional Field Building? How critical is that support?

Guest: Reno James, Vice President, Nellie Mae Foundation

4/12: ORGANIZATIONAL CHANGE

J. Goddeeris and B. Weisbrod, Chapter 7, "Why Not For-Profit? Conversions and Public Policy," Nonprofits and Government: Collaboration and Conflict, pp. 235-265.

Case: The Roman Catholic Diocese of San Jose

Questions:

1. Who are the stakeholders the bishop must be aware of and how likely are they to want change? Why are these stakeholders involved with the church and how does that intersect with the objectives of the church's change process?
2. How do the concepts of data analysis, accountability, and strategic planning alluded to in the case intersect with the mission of the Catholic Diocese of San Jose?
3. The church is an extremely flat organization. What are the powers that the bishop possesses and how has he used them to effect change?
4. At the end of the case, the bishop states, "For me, this is like jumping off into the abyss. There is really no role model for me to follow." What might he find in this abyss? Should he be concerned?
5. Moving forward, what should the bishop do to succeed?

Guest: Paul Levy, President and CEO, Beth Israel Deaconess Medical Center

4/19: FUNDING, MARKETING

A. Lauffer, Chapter 1, "The Strategic Marketing Approach," Strategic Marketing for Not-for-Profit Organizations: Program and Resource Development, pp. 3-15.

R. Cialdini, "The Power of Persuasion: Putting the Science of Influence to Work in Fundraising," *Stanford Social Innovation Review*, Summer 2003, pp. 18-27.

Case: Amnesty International

Questions:

1. How did AI develop its worldwide reputation?
2. What weaknesses were evident at AI in 2001?
3. Evaluate the changes that have been made at AI in 2001-2002.
4. Which of the brand positions (exhibit 8) would you recommend and why?

Guest: Irwin Redlener, President, The Children's Health Fund

4/26: UNIVERSITIES

Case: Trinity College (A)

Guest: Lawrence Bacow, President, Tufts University

5/3: CONSULTING FOR THE NON-PROFIT SECTOR

Case: The Bridgespan Group

Guest: George Chu, The Bridgespan Group

5/10: STUDENT TEAM PRESENTATIONS

5/17: STUDENT TEAM PRESENTATIONS

The Team Project

An important component of the course will be team projects. Each team (of about four students) will be assigned a Boston-area non-profit. The team projects may take one of two forms. In some cases the non-profit will have in mind an issue or challenge that they wish the team to address. In these cases the team will work with the non-profit in much the same way that teams in E-lab and Global E-lab work with firms. In other instances the non-profit is making itself available to the team as a site for study and learning. In these cases we have provided a set of questions, below, that should guide the team's work. In both cases the team should make available to the non-profit a copy of its written report and also be prepared to meet with the non-profit's staff to discuss the report should the organization request it.

A list of the organizations will be handed out to the class during the first meeting, and over the course of the first week, teams should form and should email to Paul Osterman their first three choices (ranked) along with any rationales that they care to attach. Assignments will be made in the second class.

With respect to the class, each team will be expected to hand in their report at the end of the semester and to also present their findings to the class in one of the two final sessions. About four weeks into the course, each team should make an appointment to meet with us to discuss their project.

Teams preparing general reports on an organization can be guided by the following questions:

- What is the mission of the organization? Has it changed over time? How? Why?
- What's unique about the mission? Why should it be done by a non-profit organization?
- What market do they serve? Who are their clients?
- What is the strategy for carrying out this mission?
- Is the organization effective? What metrics would you look at to answer this, and how does the organization itself judge its effectiveness?
- Where does their budget come from?
- Do the recipients of the services pay for them?
- How do they market their services, and to whom?
- What does the management structure look like?
- How would you describe the culture of the organization, and how is it developed and maintained?
- What is the HR strategy? Who do they hire, and how long do they stay?
- What operational impediments do you see in reaching the mission of the organization?
- What are the prospects of scaling up the services provided? How could that be done?