

Resource Journal



*Resource Solutions
of the Carolinas, LLC*

Non-Profit Survival in the 21-st Century?

Points of Interest:

- Obstacles
- Not Seeing the Big Picture
- Ideas
- Thoughts
- Could You Be Next?

Events:

The Nexus Partnership TBA

As we reported a few years back, the future for Non-Profits is fraught with significant danger and staying the historical course of action will not cut it, in fact it is more likely to result in their demise. How many organizations have closed their doors no longer able to meet their stated objectives? WHY?

The facts are indeed sobering:

PROLIFERATION OF NON-PROFITS: More and more non-profits are coming on-line, these are small, but cannibalize established non-profit with similar names and missions

NON-PROFIT CLOSURES: While new, smaller non-profits are coming on-line, many (new and old) are shutting their doors,

potentially leaving their causes in dire straits.

NON-PROFIT SCAMS: Unfortunately like other industries the Non-Profit arena is not immune from scams that pull money from good causes

NON-PROFIT INEFFICIENCY: Some non profits, many with great sounding names, have a very small percentage and some even have none of their funds actually go to their stated mission. Much of the funds are spent on fund raising activities and large salaries, etc. When this information hits the public arena many donors become alienated and reduce or completely withdraw from giving.

INTENSIFIED COMPETITION FOR FUNDS: Donations over the last sev-



eral years are down and the number of charities has risen making the marketplace for charitable causes much more intense. If lower levels of employment is the New Norm – that spells trouble for these organizations as this not only reduces the potential level of giving, but also increases the potential demand for services.

GLOBAL APPEAL FOR LOCAL FUNDS: Another source of competition for funds. Unless a charity is highly specific, with deep

Events:

Look for upcoming information regarding The Nexus Partnership. A new approach to network marketing.

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pocketed local supporters, competition has now fully expanded to a global level. Think your local Humane Society now having to compete with the World Wildlife Fund, etc.

- 1.9 million (Tax-exempt Non-Profits – 2009) just in United States
- Number of tax exempt Non-Profits has doubled since 1995
- Only 12% expect to operate above breakeven National stats for charity donations in 2010 is up from 2009, but still ranks below 2007 and is expected to remain there for the next several years

What happened?

Although the need for charitable organizations has not significantly changed, the marketplace surely has. Many organizations (especially large ones) have recognized this fact and have altered their approach to running their organizations more like commercial ventures which in turn has put the laggards at risk for survival. These organizations have engaged outside professionals to handle all aspects of the operation. It's a new day and just having a good cause will not guarantee survival.

With this new environment has also brought greater scrutiny. All of the above

are topics in major media outlets (newspapers, news magazines, TV exposes, etc). One major problem with this fact is that most humans have difficulty distinguishing between competing causes. As a part of survival from information overload we take short cuts by grouping items in various categories using sometimes broad strokes. As a result many dissimilar items, especially those with similar names or missions, *are tarred with the same brush.*

Here we are in the second decade of the 21st century and the non-profits that are weathering the storm, even thriving are the ones that have adopted our recommendations

THE MISSION:

The goal of the For-Profit business is to deliver a service to make money

The goal of the Non-Profit is to make money to deliver a service

RECOMMENDATIONS:

- STRATEGIC approach utilizing proven business tools
- ADAPT to the evolving need of client base
- EFFICIENCY in all operations
- BRAND to protect donor base

STRATEGY:

Because the climate has changed for the 21st century non-profit it must be as efficient as the for-profit. To accomplish this it must 'Re-Culturalize' to **adapt** thinking to be more in line with the for-profit business. This is more than just re-engineering, whereby you rethink, revamp or retool the process. We are talking about changing the actual culture which is much more involved, and much more difficult.

LEADERSHIP:

Because of the new requirements the 21st century non-profit needs to add new dynamics to its leadership model. There is a great need for creativity and strong critical, proactive, synergistic thinking... But most importantly, they must be an agent of change. The organization must be forced to undergo a large PARADIGM SHIFT as to what is expected, what is acceptable, and what will not be tolerated.

That leader now has a task more difficult than previous counter parts. In short, leadership must act in all respects like a business, except one - its mission. Whether it is to provide jobs for a challenged population... Or provide service(s) to the community... **it will achieve that mission through business deliverables!**

There is no difference whether the non-profit is production or service based;



Living from donation to donation?

“With this new environment has also brought greater scrutiny.”



the change is required in the battle of Life or Death!

