

Smart nonprofit leaders are finding opportunity in scarcity

BY JERR BOSCHEE

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***“Rule one: Never allow a crisis to go to waste.
There are opportunities to do big things!”***

*(Rahm Emanuel, President Barack Obama’s Chief of Staff,
on the CBS television news program “Face the Nation”)*

Alarmists are in full cry as the recession widens and the pillars supporting the nonprofit sector begin to crumble. Individual contributions, corporate philanthropy and government subsidies are all at risk. Newspaper columnists, television commentators and armies of bloggers are busy forecasting dire times for people in need and the nonprofits who serve them.

And yet . . .

A growing number of nonprofit leaders are slowly realizing there is opportunity in scarcity.

For years, as I’ve traveled the globe meeting with nonprofit Board members and senior managers, one after another has drawn me aside to share his or her frustration and ask for help. “We’re trying to do too many things for too many people,” they lament, “and it’s tearing us apart. We’re stretched too thinly. We don’t have enough resources. What can we do?”

Many recoil when I give them my answer -- but some do not.

I remind them management guru Peter Drucker drew them a roadmap more than 20 years ago when he hectored nonprofits about their inability to focus. “The one thing nonprofits must learn to do,” he wrote, “is how to kill programs.” They must stop trying to be all things to all people and decide where they can do the *most* good. He called the process “organized abandonment.”

Drucker's advice runs against the grain of the traditional nonprofit mentality, but most nonprofit executives in multi-service organizations *will* admit they are trying to do too many things for too many people -- and are therefore unable to give *any* of their clients the attention they deserve. Organized abandonment gives them a way out of the morass.

It's easy to understand why a nonprofit begins to lose focus, because social needs are always beckoning. Somebody is hurting, so the nonprofit starts a program. Somebody else is in pain, so it spawns another program. Another person needs help, and the nonprofit responds. After all, isn't that why people enter the nonprofit sector in the first place? To help others? Too often, however, their reach exceeds their grasp, frustration begins to mount, and everybody loses.

Organized abandonment relies on a nonprofit's ability to be honest with itself about its strengths and weaknesses -- exceedingly difficult for any organization, nonprofit or otherwise. But the results, over time, have been worth it, and the ultimate winners have been the clients. Nonprofits have discovered that reducing the number of programs they offer has actually enabled them to serve more people, and to serve them better -- because they've had the necessary time and resources.

The process can be agonizing. It isn't easy to kill programs, especially if they're beloved by Board members or funders. And there *is* an important caveat: If a nonprofit is the best or the only provider of a program that is critically needed, it will of course retain it -- but if there are other nonprofits that can meet the need more effectively, it should cede the field to them and stop fighting them for resources.

This is an important moment for nonprofits. Organized abandonment rarely happens in good times because vested interests prevail. Board members protect their pet programs, staff members subvert the process, stakeholders apply pressure. But in perilous times, people awaken to reality and summon a sense of urgency. Radical changes are easier to stomach.

During the next few months, some nonprofit leaders will be forced against their will into making soul-wrenching decisions about which programs to keep and which to kill. Others will embrace the opportunity, recognizing a path to sustainability and greater impact. But some will continue to resist, unwilling to act responsibly.

Those that drag their feet will be doing themselves -- and the people they serve -- a regrettable disservice.

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