Dear Reader

On behalf of Accenture and the members of our research advisory group, I invite you to review our first-ever Executive Issues in Nonprofits report. Conceived in early 2005, this inaugural study explores today’s agenda for US-based nonprofit leaders, whom we rely upon to deliver indispensable services across our country. Beyond presenting a “state of affairs” for nonprofits, we hope this effort will serve to stimulate a working dialogue among all those interested in the health and effectiveness of the nonprofit sector in the United States.

Through this research, we wanted to identify insights that could help leaders deliver more effective outcomes in today's nonprofit environment. We also hoped to identify ways for American businesses to better help agencies across the nonprofit sector achieve higher performance. To answer these questions, we surveyed more than 200 nonprofit leaders across the country, including the viewpoints of both executive directors of nonprofit organizations and corporate representatives on their boards.

Just as we were completing our survey fieldwork, the US and the nonprofit sector were struck with the enormous natural disaster in the Gulf Region caused by Hurricanes Katrina and Rita, and their aftermath, which quickly spread across many states. Overnight, a spotlight was placed on charitable agencies—both in the Gulf Coast area and in regions that took in hundreds and thousands of evacuees. The need for trained staff, volunteers, supplies and facilities multiplied quickly. Each agency bore the brunt of those added demands, while simultaneously needing to remain sensitive to its “normal,” day-to-day services and priorities.

Today, with the backdrop of 2005 and the unprecedented pressures placed on the sector by such catastrophic events as these hurricanes among others, we find it more important than ever to discuss the challenges, barriers and new opportunities facing nonprofit organizations. There is much to be learned during and after times of crisis. The issue of capacity, or the readiness of well-intentioned nonprofits to fully deliver on their missions, is never more apparent than when they confront the unexpected.

As noted earlier, we believe the results of this study can help start a dialogue. One we hope will raise the issues of sustainability and efficacy in the nonprofit world to the same level of importance that they have in corporate America.

We believe the findings of this survey provide a tool to help discover what business leaders, civic leaders and others need to do to make sure that nonprofits, regardless of their chosen mission, are better prepared to deal with the unexpected and how the corporate community can best help them build capacity.

Read on and let the dialogue begin.

Paul Hasenwinkel
Senior Director

Paul Hasenwinkel is Accenture’s Senior Director of Marketing & Communications in the United States. In this role, he oversees Accenture’s marketing, employee communications and civic and community relations in more than 30 locations in the US.
Overview

Nonprofit organizations are a vital and growing part of every community in the United States. Whether they are feeding the hungry in the inner city, helping children develop valuable skills for the working world, providing shelter for those in need or entertaining audiences with cultural programs of the highest order, nonprofits enrich the lives of those they serve and make our communities stronger.

Yet, nonprofits face difficult times. Myriad challenges—including increased competition for donors’ money and attention, reduced government funding and several high-profile financial scandals—have ratcheted up the pressure on nonprofits to both find new sources of income and more effectively use the money they do have.

Within this context, Accenture recently surveyed more than 200 nonprofit executive directors and board members to get their thoughts on these and other critical issues. This report outlines the findings of this effort.

Drawing on survey responses and insights from Accenture experts and nonprofit executives, we shed light on the organizational issues that are of most concern to nonprofit leaders (as well as important issues they may not be considering). At a high level, our research found that the challenges nonprofits face increasingly are driving organizations into survival mode, scrambling to secure ever-more funding so that they can continue to deliver services and programs. At the same time, we found that as nonprofits maintain an intense focus on fundraising, most organizations represented in our survey appear to be overlooking many opportunities to make their own operations more effective and efficient and to achieve higher levels of performance.

In addition to highlighting the most and least important executive issues, we provide guidance on specific actions organizations can take to enhance their operations. These include:

- Convincing donors to fund infrastructure instead of signature programs
- Implementing appropriate metrics to evaluate the impact and outcome of services
- Making better use of information technology
- Engaging board members to develop proper governance structures
- Collaborating more deeply with each other and with corporations
- More effectively managing volunteers

Throughout this report, we explore our findings and recommendations in greater detail. We trust these insights will help nonprofit leaders and for-profit executives identify how their organizations can collaboratively build sustainable operations that enable nonprofits to carry out their important missions today and beyond.
Accenture commissioned this US study of 232 senior executives involved in nonprofit organizations in the United States in an effort to help nonprofits identify and address key barriers to and accelerators for achieving high performance in the nonprofit sector.

This study offers unique insights in that it is one of the few to poll senior-level executives on both the nonprofit and for-profit sides: executive directors of nonprofit organizations and for-profit executives serving on nonprofit boards.

Respondents were asked to select their top 10 current issues as well as potential future issues out of 43 issues that spanned seven category areas:
- Donor Relations and Development
- Services Management
- Supplier and Asset Management
- Nonprofit Sector Structure and Relationships
- Human Resource Management
- Board Relations and Governance
- Information Technology Management

Participants were also asked to respond to a few open-ended questions related to governance and capacity building within the sector.

As you will see from the study, there is increasing evidence that the for-profit and nonprofit sectors have much to learn from one another as they tackle many of the same challenges around operations, governance and sustainability.

This summary reports the highlights of our findings. A full copy of the report with detailed appendices, including top issues broken out by current vs. future, by board member vs. executive director, by US region, by category, by organization type and more can be downloaded at www.accenture.com/community.

For more information or to request printed copies of this report, contact Accenture at +1 312 737 8290 and mention reference code “nonprofit executive issues 2005/2006.”
Identifying enablers of nonprofit high performance
Nonprofit organizations and their supporters have numerous opportunities to improve the ways they work together

The relationship between nonprofit organizations and their supporters is in need of a fundamental restructuring if nonprofits are to continue their work and effectively carry out their missions. While there are exceptions, the prevailing method in which individuals and corporations and foundations have demonstrated their support of nonprofits is currency-based: making regular donations to organizations.

Indeed, the size and scale of the nonprofit segment is testament to the generosity of our country's people and businesses. There currently are two million nonprofits in the United States, comprising an $800 billion industry employing 11 million people. And the sector continues to grow, with an average of 119 new nonprofits created in the United States every day.

Yet, despite the amount of money raised by the sector annually, US nonprofit organizations overall find it increasingly difficult to make a difference. Here are just a few examples:

- There are 1,000 "soup kitchens" and pantries in the city of New York alone, yet hunger among the poor remains a major problem in that city and across the country.
- Quality affordable housing is an intense need in many areas of the United States, yet organizations such as Habitat for Humanity—which has posted an admirable track record—have barely scratched the surface in building the number of affordable homes needed.
- Despite the country's historic love for and support of the arts, arts and cultural organizations of all types struggle to remain afloat and deliver high-quality programming to their audiences. A 2005 Wall Street Journal column succinctly summed up the challenges arts organizations face: "Noncommercial culture producers—symphony orchestras, museums, theater, opera and dance companies—are suffering from a persistent low-grade flu in the form of eroding audiences, sharply rising expenses and increased competition that may mask more serious structural problems. It may be time to wonder: Has the nonprofit business model for the arts outlived its usefulness?"
- Although there is an abundance of organizations around the country that provide job-training services, millions of people in America remain unemployed or underemployed because they lack the skills to secure new types of jobs in growing industries.

Recognizing these challenges, Accenture embarked on a research effort to help nonprofits address the significant issues they face and achieve high performance. We surveyed 232 executives—half of whom are executive directors of nonprofit organizations and half of whom are for-profit executives serving on nonprofit boards of directors—on their top concerns and areas of emphasis. In doing so, we've been able to highlight a number of ways, above and beyond traditional donations, in which the private sector can help nonprofits succeed.

In particular, the data generated by this survey has helped Accenture pinpoint ways in which corporate America and the nonprofit sector can more closely align, collaborate and engage to create a more effective nonprofit structure in the United States (see sidebar, “Building Capacity in Nonprofits: What It Is and How the Private Sector Can Help”).

Nonprofit organizations need more innovative approaches to how they operate

What is different now? Why is the need for change so intense? There is no single reason. Rather, a confluence of both internal and external factors has made it more challenging than ever for nonprofits to efficiently and effectively carry out their missions and alleviate the problems they were formed to address.

The major external factors are relatively well known and documented. These include:

- Reduction in government funding, which has left organizations scrambling to find new sources of income to avoid having to trim programs and staff.
- Transfer of responsibility from government to nonprofits for the care for many people—creating a one-two punch of added responsibilities and decreased funds.
- Economic doldrums, which has resulted in corporate and individual donor belt-tightening.
- Shifting patterns in Americans' leisure time and tastes, which have siphoned audiences away from traditional arts and cultural pursuits.

Internal factors, as well, have contributed to the challenges nonprofits face:

- Lack of proper governance resulting in abuses in some organizations has damaged the image and reputation of the nonprofit sector overall.
• Low pay, rising health care costs and a reputation as “charities” instead of businesslike organizations have strained nonprofits’ ability to attract and retain quality employees.

• Inability or unwillingness to promote the impact and outcomes of their work instead of “tugging at the heartstrings” have made it difficult for nonprofits to connect with donors and the public on a more substantive level.

• Lack of a shared vision or collective voice among nonprofits has resulted in a serious duplication of effort that wastes resources and dilutes the programs’ impact.

Perhaps the most significant factor affecting nonprofits is the one whose impact is most difficult to quantify: the relationship between philanthropy and individuals now in their 20s and 30s. In conducting research for his book, *Begging for Change*, Robert Egger discovered that this new generation of givers has a radically different view of philanthropy than the Baby Boomers who preceded them. While Boomers express their support of causes through monetary donations, Generations X and Y believe philanthropy should be intertwined with their business and social lives. Thus, these individuals are more inclined to contribute expertise and hours to organizations than simply write a check—and, therefore, they expect to engage with nonprofits in substantially different ways than their predecessors. This different perspective offers myriad potential long-term benefits for nonprofits—especially in the area of capacity building. But in the short term, its potential to cause a serious cash crunch in many nonprofit sectors remains high.

Fundraising—and survival—have become top-of-mind issues

The aforementioned challenges increasingly are driving nonprofits into survival mode, scrambling to secure ever-more funding so that they can continue to deliver services and programs. Accenture’s survey shows an overwhelming percentage of nonprofits in the United States are most focused on issues concerning donors and fundraising. In fact, as illustrated in Figure 1, three of the top five issues for survey participants are related to generating income.

• Expanding the current donor base was the top issue for nonprofits, cited by 77 percent of all survey respondents. There was a greater consensus among board member participants than executive directors:
Figure 1: Top Five Current Issues for Nonprofits

<table>
<thead>
<tr>
<th>Issue</th>
<th>% naming as top issue</th>
<th>Overall</th>
<th>Executive Directors</th>
<th>Board Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expanding the current donor base</td>
<td>77%</td>
<td>71%</td>
<td>83%</td>
<td></td>
</tr>
<tr>
<td>Recruiting high-impact board members</td>
<td>61%</td>
<td>57%</td>
<td>65%</td>
<td></td>
</tr>
<tr>
<td>Increasing donations from current donors</td>
<td>40%</td>
<td>40%</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>Attracting and retaining skilled staff</td>
<td>40%</td>
<td>37%</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>Increasing donor loyalty and retention</td>
<td>33%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pursuing collaborative partnerships with public sector agencies, including government</td>
<td>45%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cultivating a dynamic and effective culture among board members</td>
<td>43%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Overall | Executive Directors | Board Members

Expanding the current donor base is the top issue for overall, executive directors, and board members.

Recruiting high-impact board members is the second top issue for overall, executive directors, and board members.

Increasing donations from current donors is the third top issue for overall and executive directors, and the fifth top issue for board members.

Attracting and retaining skilled staff is the fourth top issue for overall, executive directors, and board members.

Increasing donor loyalty and retention is the fifth top issue for overall and executive directors, and the second top issue for board members.

Pursuing collaborative partnerships with public sector agencies, including government, is the fourth top issue for board members.

Cultivating a dynamic and effective culture among board members is the fifth top issue for board members.
83 percent of the former and 71 percent of the latter named expanding the donor base as a top issue.

- Increasing donations from current donors also finished high in the survey. The issue was third on the list, named by 40 percent of all survey participants (equally by board members and executive directors) as a top issue.

- Furthermore, increasing donor loyalty and retention was named by one-third of all respondents, which placed it fifth on the top issues list. For board members, donor loyalty is an especially crucial concern, as this issue finished third on board members’ list (named by 45 percent of respondents) but failed to make the executive directors’ top 10.

A fourth issue deemed considerably important—and one that likely is tightly tied to fundraising—is recruiting high-impact board members. Just over 60 percent of all respondents (57 percent of executive directors and 65 percent of board members) named this a top concern, which was good enough to place it second on the overall issues list.

**Myriad operational issues appear to be overlooked**

However, as they maintain an intense focus on fundraising, most organizations represented in our survey appear to be overlooking many opportunities to improve their own operations and more effectively leverage the funding they have. This is reflected in the low percentages of survey participants citing as top concerns the principal issues related to organizations’ key operational areas (Figure 2).

**Operating model.** Only one-third of respondents indicated a strong focus on pursuing collaborative partnerships with public sector groups or the private sector, and just eight percent said pursuing a merger with overlapping services or agencies was a major concern. Even more surprising was the nearly unanimous dismissal of outsourcing, cited by just four percent as a top issue.

**Information technology.** Using IT to reduce costs and improve value, and accessing and applying new technologies, were cited by just 31 percent and 22 percent, respectively, of all respondents.

**Marketing.** Despite the strong emphasis on donor relations, only 26 percent said applying marketing/communications techniques to donor contact activities was a top issue. Even fewer—15 percent—were strongly interested in measuring the real benefit of their development and marketing investments.

**Organizational performance.** Establishing a better model for measuring and reporting outcomes, and devising a consistent approach for measuring organizational performance and impact, were cited as top concerns by just 17 percent and 13 percent, respectively.

**Service creation and delivery.** Although the “bread and butter” of nonprofits are the services they deliver, few survey participants indicated that evaluating the effectiveness of those services and improving the ways in which services are delivered are particularly high priorities—as noted by the percentages of respondents citing the following as top issues:

- Establishing a clear set of benchmarks for assessing services delivery (32 percent)
- Developing or shaping new services to increase program capacity (25 percent)
- Evaluating programs and services against key performance measures (19 percent)
- Maintaining a clear focus on the mission to avoid redundant/duplicative services (15 percent)
- Leveraging capital assets more effectively to improve services delivery (14 percent)
- Reducing the time taken to introduce new programs or services (nine percent)
- Improving the relationship with suppliers to enhance services delivery (four percent)

**Workforce/human resources.** With people being critical to an organization’s ability to carry out their missions, it is quite surprising that human resources and workforce-related issues were seen by so few survey respondents as top issues. This is true regardless of whether the workforce in question was paid staff or volunteers.

For instance, only 37 percent of all respondents cited attracting and retaining skilled staff, and just 26 percent named attracting and retaining skilled volunteers, as top issues. Even fewer respondents deemed improving workforce performance, providing ongoing training and skill-building, reducing workforce-related costs or focusing performance-improvement efforts on employees most responsible for services delivery as top priorities.

Similarly, ensuring that the senior ranks of the organization are effective and fully staffed is not high on survey participants’ priority lists. Only one-quarter of respondents named adopting a leadership transition or succession plan, and just 15 percent noted changing leadership and management behaviors to align with new priorities, as major issues.
<table>
<thead>
<tr>
<th>Issue</th>
<th>% Naming as Top Issue</th>
<th>Issue</th>
<th>% Naming as Top Issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultivating a dynamic and effective culture among board members</td>
<td>32%</td>
<td>Changing organizational culture and employee and volunteer attitudes</td>
<td>16%</td>
</tr>
<tr>
<td>Establishing a clear set of quality benchmarks for assessing services delivered</td>
<td>32%</td>
<td>Providing ongoing training and skill-building</td>
<td>16%</td>
</tr>
<tr>
<td>Using IT to reduce costs and create value</td>
<td>31%</td>
<td>Measuring the real benefit of development and marketing investments</td>
<td>15%</td>
</tr>
<tr>
<td>Pursuing collaborative partnerships with public sector agencies, including government</td>
<td>31%</td>
<td>Changing leadership and management behaviors to align with new priorities</td>
<td>15%</td>
</tr>
<tr>
<td>Pursuing collaborative partnerships with the private sector</td>
<td>31%</td>
<td>Maintaining a clear focus on mission to avoid program redundancies or duplication of services</td>
<td>15%</td>
</tr>
<tr>
<td>Applying marketing/communication techniques to donor contact activities</td>
<td>26%</td>
<td>Leveraging capital and assets more effectively to improve service delivery</td>
<td>14%</td>
</tr>
<tr>
<td>Attracting and retaining skilled volunteers</td>
<td>26%</td>
<td>Increasing collaboration among key employee groups/departments</td>
<td>13%</td>
</tr>
<tr>
<td>Developing or shaping new services to increase program capacity</td>
<td>25%</td>
<td>Devising consistent approach for measuring organizational performance and impact</td>
<td>13%</td>
</tr>
<tr>
<td>Managing intensified pressure to reduce costs while increasing capacity</td>
<td>25%</td>
<td>Reducing workforce-related costs</td>
<td>12%</td>
</tr>
<tr>
<td>Adopting a leadership transition and succession plan</td>
<td>25%</td>
<td>Managing risk</td>
<td>11%</td>
</tr>
<tr>
<td>Accessing and applying new technologies</td>
<td>22%</td>
<td>Reducing the time taken to introduce new programs and services</td>
<td>9%</td>
</tr>
<tr>
<td>Increasing undesignated funding for operations</td>
<td>22%</td>
<td>Managing intensified pressure to improve quality</td>
<td>8%</td>
</tr>
<tr>
<td>Stressing service innovations to stay ahead of client/beneficiary need</td>
<td>21%</td>
<td>Focusing performance improvement efforts on those employees most responsible for service delivery</td>
<td>8%</td>
</tr>
<tr>
<td>Evaluating programs/services against key performance measures</td>
<td>19%</td>
<td>Pursuing mergers with overlapping services/agencies</td>
<td>8%</td>
</tr>
<tr>
<td>Managing grant proposals and grant reporting</td>
<td>18%</td>
<td>Justifying technology investments</td>
<td>6%</td>
</tr>
<tr>
<td>Evaluating or pursuing funding through nontraditional models, such as earned income or social entrepreneurship</td>
<td>18%</td>
<td>Ensuring compliance with federal and state tax requirements</td>
<td>5%</td>
</tr>
<tr>
<td>Establishing a better model for measuring and reporting outcomes</td>
<td>17%</td>
<td>Reducing donor acquisition costs</td>
<td>4%</td>
</tr>
<tr>
<td>Improving workforce performance</td>
<td>16%</td>
<td>Improving relationships with suppliers to enhance service delivery</td>
<td>4%</td>
</tr>
<tr>
<td>Strengthening organizational governance and oversight</td>
<td>16%</td>
<td>Outsourcing one or more core or non-core components of your agency</td>
<td>4%</td>
</tr>
</tbody>
</table>
“In the service business—which is what the nonprofit sector is—it's all about people. If you have the right people, you'll deliver the programs. If you don't, you won't.”
Finally, organizational and cultural issues tended to be overlooked by a large percentage of survey participants. Only 32 percent of survey respondents were focused on cultivating a dynamic and effective culture among board members, and just 16 percent were strongly interested in changing the organization culture and employee and volunteer attitudes.

These results on overlooked issues are even more interesting when viewed in comparison with the top issues among corporate executives. In a similar top-issues survey that Accenture conducted in 2005 with executives at leading companies, respondents considered workforce, human resources and cultural issues much more important.

In this survey, nearly one fourth of respondents cited “changing leadership and management behaviors” as a top issue and 28 percent listed “improving workforce performance,” making it the seventh-most important issue. Furthermore, attracting and retaining skilled staff and changing organizational culture and employee attitudes were the top two issues among all corporate executives participating.

Nonprofits must embrace basic business practices and tools to shift their focus from survival to sustainability

In Accenture’s view, nonprofits must seize these opportunities to embrace basic business practices and tools that can help them use their money more effectively, ensure the sustainability of the organization and make a bigger impact on the communities and people they serve—recognizing the confines of nonprofits’ funding and the aspects that are unique to the nonprofit sector.

To that end, we believe there are six actions that nonprofits can take to improve their operations and address the internal and external challenges they face.

• Convince donors to fund infrastructure instead of signature programs
• Implement appropriate metrics to evaluate the impact and outcome of services
• Make better use of information technology
• Engage board members to develop proper governance structures
• Collaborate more deeply with each other and with corporations
• More effectively manage volunteers

1. Convince corporate and private-sector donors to fund operations instead of “signature” or “vanity” programs that may advance the donor’s agenda but do little to help the organization’s day-to-day financial viability.

When asked to choose their top 10 issues, just 22 percent of survey respondents cited increasing undesignated funding for operations as one of them. To be successful, nonprofits must be more aggressive and adept at communicating to donors the value of undesignated gifts and demonstrate how such gifts can have an even greater impact on the organization’s ability to carry out its mission than defined programs.

According to David Chernow, CEO of Junior Achievement Worldwide, this is a critical issue for all nonprofits. “Infrastructure is key to the sustainability of any organization,” he said. “In the service business—which is what the nonprofit sector is—it’s all about people. If you have the right people, you’ll deliver the programs. If you don’t, you won’t. And in the service business, like any other, technology makes people more effective.” Thus, he said, it’s in corporations’ and individuals’ best interests for nonprofits to have a healthy infrastructure.

2. Implement appropriate metrics that enable organizations to evaluate the success and impact of their delivery of services and programs.

Although there is certainly a clear distinction between for-profit companies and nonprofits, the latter still must have a measure of rigor and discipline in how they deliver their services and the ways in which they measure and evaluate the impact of those services. That is why it was so surprising to see that none of the services delivery-related issues in our survey was named by more than one-third of participants as a top issue.

The issue of measurement is a major challenge for many nonprofits, regardless of sector. According to Robert Egger, founder and president of the DC Central Kitchen and author of Begging for Change, most nonprofits either don’t have any measures in place or have metrics that are relatively meaningless.

"Here’s an example: food banks,” said Egger. “Their traditional barometer for impact is based on volume—‘We move 50 million pounds of food and serve 800 agencies.’ That’s great, but how does that food help the people who are served get to the point where they no longer need such services?"

"It’s the same with the foundation community,” he added. “Just because you raise or give away lots of money does not mean that things are changing.
Building Capacity in Nonprofits: What It Is and How the Private Sector Can Help

Capacity building is critical to nonprofits’ ability to carry out their missions. Yet among our survey participants, there was little consensus on exactly what “capacity building” means (Figure A).

The largest group of respondents (executive directors at 15 percent) defined capacity building in human resource terms: developing the skills of their people and attracting new staff. The next-largest group (14 percent) saw capacity building in terms of what their organizations provide: offering or developing new programs or services. The third-largest segment (11 percent) described capacity building in terms of supporters: increasing the donor base. And the fourth-largest segment (10 percent) viewed capacity building by clientele: increasing the number of people impacted by their programs.

Interestingly, a number of respondents expressed unfamiliarity with the term. Perhaps the lack of consensus on a definition can be traced to the fact that the term is new among nonprofits and is not widely used.

However, while overall respondents differed in their opinions on what capacity building is, there was a bit more agreement on how corporate America and the private sector could help build capacity in nonprofits (Figure B).

Nearly half (44 percent) of respondents said the private sector should share training, management experience and employee expertise.

Figure A: Defining capacity building for nonprofits

<table>
<thead>
<tr>
<th>Category</th>
<th>Overall</th>
<th>Board Members</th>
<th>Executive Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing the skills of our staff and attracting new staff</td>
<td>14%</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>Offer/develop new programs and services</td>
<td>14%</td>
<td>13%</td>
<td>15%</td>
</tr>
<tr>
<td>Increase the donor base</td>
<td>11%</td>
<td>15%</td>
<td>8%</td>
</tr>
<tr>
<td>Increase the number of people impacted by our programs</td>
<td>10%</td>
<td>15%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Figure B: How the private sector can help build capacity in nonprofits

<table>
<thead>
<tr>
<th>Category</th>
<th>Overall</th>
<th>Board Members</th>
<th>Executive Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share training, management experience and employee expertise</td>
<td>44%</td>
<td>43%</td>
<td>46%</td>
</tr>
<tr>
<td>Encourage employee volunteerism, promote culture of volunteering</td>
<td>31%</td>
<td>37%</td>
<td>26%</td>
</tr>
<tr>
<td>Strategic partnerships/sponsorships</td>
<td>11%</td>
<td>13%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Overall | Board Members | Executive Directors
Said one board member of a $10 million education nonprofit: "We have enthusiastic, diligent workers, but we don’t have the means to teach them computer skills, management techniques, lean practices, etc. If the private sector could set aside some room for a nonprofit worker each time they had a training program or a project, both of us would benefit."

According to another board member at a $10 million human services organization, "Corporate America should identify subject areas of special interest to them where they can provide expertise or similar non-cash assistance (space, management internships, pro bono leaves, etc.) and forge closer relationships with those organizations. It would be good for their own PR and employee morale."

And, for the board member of a $3 million education institution, "We need insights on how to use technology to be more efficient and to make wholesale changes in operations using technology rather than just marginal or incremental improvements with slightly faster or newer PCs."

The next-largest group (approximately one-third) of respondents felt that companies could best boost nonprofits' capacity by encouraging employees to volunteer and promoting a "culture of volunteering" in the workplace. Representative of the sentiment of this group are the following comments:

• "Top management of corporate America must recognize its responsibility to assist the nonprofit sector in meeting the needs of the communities in which the corporations are located and also in the areas in which their customers and workforce live," said a board member of a $1.5 million arts organization.

• "CEOs need to set expectations that their executives volunteer in the not-for-profit sector as a way of giving back," noted a board member of an $8 million human services nonprofit. "Their skills can successfully augment where there are gaps in the nonprofit arena."

• "Educate corporate managers about board service and strongly encourage employee participation in the nonprofit sector as board members or volunteer consultants in their areas of expertise or knowledge," reported the executive director of a $1 million human services organization.

The preceding input is very consistent with the top response to another question asked about capacity building, which was, "If you had the resources you could apply to building capacity, what would be your organization’s number-one priority?" The largest percentage of participants—one-third—said they would focus these additional resources on staff training, hiring, development and improvement.

"One thing that would help our organization tremendously would be to hire a full or part-time grant writer or fund raiser," noted the chief executive of a $600,000 education nonprofit. "Existing staff is so busy providing client services, there is little time left to identify and pursue funding opportunities."

Echoing those comments is a board member of a $4 million cultural institution, who said, "Good management. Our organization needs people in senior positions who are committed to taking the initiative to make things happen and are willing to ‘own’ it and drive it down through the organization."

Still another respondent, this one a board member of a human services organization, said the focus would be on salaries. "I would figure out how to address the huge gap in pay and compensation packages between private and public sectors," this person said. "The same jobs pay a minimum of $11,000 more in the private sector. We cannot compete to attract and retain the best staff."

The input received on what survey participants wanted from the private sector and how they would apply those resources speaks to the fact that nonprofits clearly recognize their limitations on the staffing front. In essence, these responses are a plea to corporate America for more and better skilled people to work on their behalf. This is quite interesting in light of the fact that most of the HR-related issues discussed earlier were not seen as especially critical by a large majority of survey respondents, when weighed against the myriad other issues they confront each day.
What direct service organizations—and, in fact, all groups—need is the courage to use new metrics, particularly ones that help show the public how the organizations are decreasing the need for their programs in the future through what they are doing today."

But that’s not to say that the nonprofit world is void of good metrics. In the case of Junior Achievement, measurement is one of the keys to the organization’s existence. Junior Achievement expends considerable time and money to ensure that the organization can accurately identify the impact its efforts have on the children it serves. The organization conducts longitudinal studies that actually track the progress of children who have participated in its programs as they progress through the years.

"We know every kid who takes a program, and these longitudinal studies help us understand their advancement in knowledge, attitude and behavior," said David Chernow. "Our goal is not just to reach more kids, but to positively impact the kids we reach."

Yet demonstrating improved knowledge, attitude and behavior is not sufficient. Chernow said that Junior Achievement’s donors expect the organization to show quantifiable results—and those results typically vary from donor to donor. "Our corporate donors want to know that kids going through our programs are workforce-ready, so for them, a metric such as the number of JA kids getting jobs is critical," Chernow noted. "But for educators, they’re more concerned about how many JA kids complete high school versus their non-JA peers. The key is that we have to work with our constituents to determine metrics that are meaningful to them."

3. Make better use of technology.

Few survey participants indicated that capitalizing on the benefits of information technology was a major issue for them. Yet, IT is the backbone of the modern enterprise, and nonprofits seeking to maximize the use of their scarce resources must judiciously apply IT to their operations—whether it is in support of fundraising, donor relations, finance and administration or supply chain management.

One organization that has capitalized on technology to boost its revenue stream is Heifer International, a nonprofit organization that helps people become self-reliant through gifts of animals and training. Taking its cue from various retailers that have successfully expanded their reach and sales through the Internet, Heifer embarked on an ambitious approach to online fundraising. The organization developed a Web-based product catalog,
By the end of 2005, Aidmatrix had helped relief agencies touch the lives of more than 50 million people globally—something that would not have been possible without its new supply chain technology solutions.

online Honor Cards that donors could customize and easy-to-use online donation capabilities. By using Internet technology innovatively—and integrating their new online presence with their traditional direct-mail and other land-based fundraising activities—Heifer raised $6 million in one quarter. The organization continues to refine its site and experiment with new Web-based programs.3

The experience of Aidmatrix is different from that of Heifer, but it also illustrates how nonprofits can generate substantial benefits from the judicial use of technology. In fact, Aidmatrix is the first nonprofit committed to developing supply chain management solutions to increase efficiency and reduce waste in the delivery of humanitarian aid items. In 2004, Aidmatrix teamed up with Accenture and a number of technology-solution providers to build in three phases a sophisticated Web-based system that matches and distributes surplus food, clothing, medical supplies and other materials to relief organizations around the world. These phases were designed to help nonprofits achieve high performance:

• In the first phase of the project, Aidmatrix built upon its existing Web-based system for facilitating food distribution in Texas by adding a supply chain solution from SAP that enables relief organizations around the world to more efficiently match food supplies with need.

• In the second phase, a basic medical supply chain solution was built, using the food relief system as a template, to facilitate the collection and donation of surplus medical products to leading medical relief agencies.

• In the final phase, wireless devices were developed to provide on-the-scene disaster teams with real-time, remote access to Aidmatrix’s donor database—thus speeding the identification and delivery of available aid items to where they are needed.

By the end of 2005, Aidmatrix had helped relief agencies touch the lives of more than 50 million people globally and is saving a projected 100 million pounds of food annually—something that would not have been possible without its new supply chain technology solutions.

Also using technology to boost its capacity to respond to disasters is the Texas Health and Human Services Commission (HHSC). While not a nonprofit organization, Texas HHSC’s experience demonstrates how critical modern technologies are to ensuring organizational readiness. In the wake of Hurricane Katrina, Texas HHSC found its existing systems challenged by the need to process thousands of evacuees from Louisiana and Mississippi at evacuee shelters. The agency, teaming
with Accenture on a pro bono basis, created a new processing system that enabled the agency to respond to evacuees’ needs.

State and private-sector developers began working virtually around the clock to create a Web-based system that would allow HHSC workers to complete and process an application for assistance with nothing more than a laptop computer and an Internet connection. By Labor Day, the state was testing the new rapid application system, and it was deployed in shelters and disaster recovery centers across the state just two days later.

“This new system allows us to process a case—from initial interview to the approval of assistance—within 30 minutes,” said Texas Health and Human Services Executive Commissioner Albert Hawkins. “It also provides us with a way to quickly set up offices in shelters so that the process is more convenient for families seeking help.”

4. Engage board members to ensure that quality governance structures are in place that not only minimize the risk of malfeasance and abuse, but also help the organization create an effective and efficient operation that can be sustained over time.

As recent history has proven, nonprofits are not immune to malfeasance and abuses. But such incidents can be potentially more damaging to nonprofits, as they generally are held to a higher ethical standard than corporations. Participants in our survey clearly understand this (see sidebar, “Effective Governance: Restoring Trust in Nonprofits”), and we agree with their call for greater controls, transparency and accountability to help prevent transgressions and significant missteps that can shake donors’ and the general public’s confidence in nonprofits. Such steps will reassure donors that the organizations are good stewards of their money and foster greater trust in the organizations among their constituents and the public and communities at large.

Furthermore, it is critical for organizations to define the roles and responsibilities of board members very succinctly to ensure that the board is as productive and effective as possible, and for the board to help keep the organization’s focus on long-term sustainability and not short-term survival. At minimum, nonprofits must ensure that their board members are highly capable of providing strategic guidance and advice to the organization, and generating money or volunteers (or both).

“The board is the key,” said David Chernow of Junior Achievement. “It directs the vision and strategy and supports and endorses it. If it’s not in keeping with the overall organizational goals, you don’t have long-term sustainability. We all may espouse the mission and purpose, but if you’re not acting it out, day in and day out, you’re not doing the organization any good.”

5. Explore and adopt new collaborative business models with complementary organizations.

Throughout the nonprofit sector, there is a tremendous duplication of effort that squanders precious resources. Yet only one-third of survey participants considered pursuing collaborative relationships with other nonprofits a major priority, and just eight percent cited pursuing a merger with an organization with overlapping services a top concern. Certainly, there are challenges when a collaboration or combination is considered. However, in an environment where all organizations are pressured to do more with less, joint activities, sharing of resources and even full-fledged mergers must be higher on nonprofit executives’ agendas.

In exploring collaboration, organizations could consider three basic models: federation, shared services and merger.

In the federation model, nonprofits meet and work together or with public or private-sector organizations—whether physically or online—to share ideas and knowledge and to increase their clout. In such arrangements, all organizations maintain their own operations and identities, but often devise joint go-to-market or lobbying strategies that benefit from a collective voice.

There are several examples of strong federation models that are benefiting participating organizations. One is KitchensINC, an online resource center that enables community-based kitchens around the country to swap ideas, advice and war stories. The KitchensINC website lists the names of and contacts for community, campus and other school kitchen-related organizations, and provides forums for kitchen staff to discuss best practices in areas ranging from obtaining articles of incorporation for a kitchen operation and funding a new facility, to purchasing insurance, choosing a board of directors and planning and executing revenue-generating projects.

Business/Corporate Volunteer Councils, teaming with local volunteer centers and nonprofit organizations, represent another example of collaboration—this one focusing on helping nonprofits build capacity through volunteers. Metro Atlanta Corporate Volunteer Council (MACVC), Greater DC Business Volunteerism Council (GDCBVC), and
Effective Governance:
Building Trust in Nonprofits

With nonprofit governance in the spotlight today, we solicited survey participants' views on the most important thing that should be done to improve public perceptions of governance. From an overall perspective, there was not much difference in the strength of support for three main actions: creating and implementing stronger internal controls and accountability; infusing greater transparency in nonprofits' budgets and transactions; and publicizing positive stories about nonprofits and their activities.

However, when viewing the responses by type of respondent, it is apparent that board members and executive directors differ in what they think should be done (Figure C).

Board members participating in the survey were more likely than executive directors to advocate the following types of initiatives:

- Stronger, more independent and accountable boards
- Transparency of budget, transactions and agenda
- More consistent regulation and financial reporting
- Results and outcomes measurement to demonstrate benefits being delivered
- Ethics training and compliance programs
- Adherence to Sarbanes-Oxley regulations

Typical of the comments from the preceding group is this one from a board member of an $800,000 religious institution. "We need regulated reporting standards on financial operations and governance guidelines so all nonprofits have some minimum level of consistent reporting and governance," the respondent noted. "This is difficult since a group must now use some money to do audits that take away from using the money for 'good.' But it is probably worth it to have some form of audit as long as it was not too invasive, since it would help ensure public trust and ultimately lead to bigger giving to compliant organizations."

The remaining responses could be broadly categorized as public relations or communications activities—efforts that were slightly more likely to be favored by executive directors than board members.

"Publicize what is working well," suggested the executive director of a $2.5 million human services organization. "Not all organizations are violating rules and not appropriately overseeing their funding and programs."

Leaders of two other human services organizations had similar responses. "Increase the public's understanding of what the nonprofit sector represents," said one, an executive director. "I do not think there is a good understanding of this sector by the general public."

The other respondent, the chief executive of the organization, would like to see "more media attention on the positive impact of the nonprofits in America, including the many dedicated individuals leading the organizations."

Finally, the chief executive of a $2 million education nonprofit called for "more media coverage of nonprofits doing something right and more coverage of how cheaply so many nonprofits operate."
Corporate Volunteerism Council—Twin Cities are examples of such relationships that are having a significant impact on local nonprofits’ ability to find and manage volunteers. For instance, MACVC publishes a booklet that describes local companies’ volunteer programs and philanthropic areas, while the GDCBVC through its Business Shares Program actively matches businesses with community-based organizations in need of volunteers.4

In a unique partnership, the National Park Foundation teamed with the Environmental Alliance for Senior Involvement and the National Park Service to develop and implement the Volunteer Senior Ranger Corps. The corps is designed to both recruit seniors to mentor youth and enable the intergenerational teams to undertake joint conservation activities and broaden awareness of natural resources. The corps has benefited the National Park Service to the tune of thousands of hours of service by youths and seniors in national parks across the country.5

A step deeper in collaboration is the shared services model, in which nonprofits combine select back-office functions or facilities to streamline operations while retaining their individual public-facing identities.

The Human Services Campus, for instance, brings together multiple agencies involved in serving the needs of the homeless of Maricopa County, Arizona. Located in downtown Phoenix, the Human Services Campus centralizes key services in a single site, thus allowing more efficient linkages between service providers and facilitating easier access to services by users.6

In Alaska, the Cook Inlet Tribal Council (CITC) is using the shared services model to help organizations from across the nonprofit spectrum save money on accounting and information technology. CITC—which provides social, educational and employment services to Alaska Natives and Native Americans living in the Cook Inlet region—handles accounting services for more than 40 nonprofit organizations in the state and information technology services for nine nonprofits. According to CITC, by sharing resources, its nonprofit customers have more resources to devote to programs that make an impact in the community. At the same time, these organizations benefit from a much higher level of experience and qualifications than they could afford if they built accounting and technology support capabilities themselves.7

The ultimate in collaboration is a full-fledged merger, in which nonprofits combine all their operations and operate as a new single entity. Mergers typically are exercised among or
between organizations with highly complementary missions and markets, and can be an appropriate response to fiscal or operating challenges that would make it difficult for the organizations to continue to exist and thrive independently of one another in the long term. Of course, as is the case with private-sector corporations, nonprofit mergers can be incredibly difficult to pull off and must be approached with care and caution. Turf issues, cultural differences, mismatched information systems and incompatible boards all can conspire to thwart combinations that, at least on paper, look like a winner.

Ideastream in Cleveland is an example of how to do a merger right. As the 1990s drew to a close and the Internet began to make its presence felt in the media world, Cleveland’s public radio station WCPN and public television station WVIZ faced an uphill battle to stay relevant. In fact, the explosive growth experienced by the web and cable and satellite television—combined with the financial realities of operating public broadcasting stations without robust endowments or deep-pocketed institutional parents—forced the two stations to come together to ask the revolutionary question: “What would we do if we lost our ability to transmit?”

After months of discussions and debate, management of WCPN and WVIZ concluded that their best chances for success lay in combining forces—merging operations to produce, package and distribute content through a mixture of radio, television and the Internet. Because the business models for delivering multiple media formats were still emerging, WCPN and WVIZ began their collaboration with informal experimentation. They developed one-off programs that leveraged both stations’ assets, such as a documentary series on urban sprawl that combined radio, television, listener/viewer call-ins and community discussion groups. The two stations also collaborated on a television appearance by Ray Suarez, host of National Public Radio’s Talk of the Nation.

The public and each station’s board of directors responded favorably to these early collaborations, further validating the wisdom of joining forces. Finally, in 2001, the stations’ efforts bore fruit in the form of ideastream, an entirely new $20 million public service multiple media organization.

Importantly, the new organization was created with a spirit of inclusion and commitment: Every employee was given a spot in the new organizational chart and no board members were lost. As ideastream’s chief operating officer, Kit Jensen, recalled: “We told the directors that if you vote for the merger you’re not allowed to leave.
“Nonprofits have to engage volunteers—demonstrate the tangible connection between their activity and the community they want to help.”
training in volunteer management and only one-third have received formal education. That among these paid coordinators, have a person who manages volunteers coordination—and just one in eight paid staff person that handles volunteer of five charitable organizations have a person who manages volunteers. In fact, a study by the Urban Institute found only three out of ten, because an entirely new entity was being created, there was more pressure to succeed. "We felt that if we killed our prior companies we could never retreat," said Jensen. "Our goal was to cut all bridges to the past." And, the new organization benefited from its newly combined workforce: WVIZ brought a more sophisticated membership function while WCPN contributed its top-notch programmer, whom Jensen described as "the best in the business."

6. Overcome the inherent limitations in headcount by more effectively organizing and managing volunteers as an extension of paid staff.

Although just 26 percent of survey respondents indicated attracting and retaining skilled volunteers was a top issue, respondents’ need to augment their paid staff with "free" labor and skills came through clearly in their discussions about capacity building (see sidebar, "Building Capacity in Nonprofits: What It Is and How the Private Sector Can Help"). To be sure, organizations that can most effectively recruit, manage and retain a robust volunteer network will be much more effective and sustainable over the long term.

Yet one of the most significant challenges organizations face is a lack of resources dedicated to managing volunteers. In fact, a study by the Urban Institute found only three out of five charitable organizations have a paid staff person that handles volunteer coordination—and just one in eight have a person who manages volunteers full time. Furthermore, this study found that among these paid coordinators, only one-third have received formal training in volunteer management and half of them spend less than 30 percent of their time coordinating volunteers.

According to Robert Egger of the DC Central Kitchen, it is vital for organizations to have at least one person who is dedicated to volunteer management. At the Kitchen—which collects excess food from around the Washington metropolitan area and employs jobless individuals to turn this food into nutritious meals for the hungry—Egger is fortunate to have two full-time volunteer coordinators. These coordinators are charged with ensuring that volunteers’ experiences are informative and fruitful and communicating the value of volunteers’ efforts to the Kitchen’s work.

"Nonprofits have to engage volunteers—demonstrate the tangible connection between their activity and the community they want to help," said Egger. "Why does Habitat for Humanity work so well? Because the results are so tangible—it’s obvious what you’re doing. A lot of organizations don’t have that luxury, and so they really need that volunteer coordinator who can help volunteers understand how valuable their work is and how it will benefit those in need."

Another organization that recognizes the importance of volunteer management is the Hands On Network. Headed by Michelle Nunn, Hands On Network is a leader in the civic engagement movement, working to mobilize 6.4 million volunteers during the next two years to work on projects designed to have an immediate, tangible impact on children and education, health and wellness and the environment. According to Nunn, despite the critical importance of volunteer management, few nonprofits have the necessary resources to do it well.

"I think there is sometimes a misunderstanding that nonprofits can use volunteers effectively without investing in infrastructure—namely, staff capacity to help recruit and manage volunteers and orchestrate their work," said Nunn. "Without that infrastructure, most nonprofits will never have enough staff to scale up their volunteer activities. Almost all nonprofits say that they would use more volunteers if they had more organizational capacity to manage them."

To help address the issue, Hands On Network recently developed a Web-based software tool that local Hands On Network affiliates—and increasingly, other nonprofits—can use to successfully engage volunteers and project leaders. Several years in development—supported in part by a number of corporate sponsors (including Accenture) and individual volunteer technology advisors—the tool helps affiliate organizations more efficiently and effectively track and manage volunteers from a variety of sources and, as Nunn put it, be more "high-touch" with volunteers to increase their level of engagement and satisfaction with the organization. Importantly, because the tool was built as a collaborative effort among corporate supporters, volunteer advisors and Hands On Network affiliate organizations, it was within financial reach of all the organizations that would use it.

"Each one of our affiliates had been developing individual technology solutions, but none of us really could afford, on our own, the kind of system we needed," said Nunn. "But with a pooled set of resources and a good bit of compromise on how business practices would be manifested in the technology, we were able to create a powerful shared resource."
The Characteristics of a High-Performance Nonprofit

by Paul F. Nunes

At first glance, the concept of a high-performance business may seem irrelevant to nonprofit work. But like for-profit enterprises, nonprofits have at their core the same goal: They seek to create value for their constituents that far exceeds the cost of creating that value. The difficulty they face in the absence of financial data is determining whether they are achieving that goal.

Accenture has been actively pursuing insight into the nature of high-performance business and has developed a robust method for measuring performance and comparing it among peers. We have defined a high-performance business as one that has demonstrated enduring or sustained out-performance of peers over business and economic cycles and often across generations of leadership, as measured by widely accepted financial metrics. While the method partly focuses on a firm’s stock performance, its core elements are central to the goals of all organizations, both for-profit and nonprofit.

The concentration in our definition on sustained outperformance is critical, and its importance has been borne out in our research. Many organizations can appear to be high performers in the short run—by riding favorable market conditions, for example, or being fortunate with a single initiative—only to decline quickly when conditions turn against them. To be a true high performer, an organization must thrive over time and through changing circumstances. Such success requires leadership that consciously manages for today and tomorrow. We believe these caveats about performance hold true for the best nonprofits as well.

We recognize that this requirement for sustained superior performance constitutes a high standard. But our discussions with executives in many industries, as well as in numerous government and non-government agencies, have confirmed that this is the standard they, too, feel is the right one for their organizations.

So what are the core elements of performance in an organization? The first is the creation of a valuable, desired outcome. In business we have chosen profitability, but there are many kinds of successful outcomes organizations can measure. Nonprofits might seek to deliver a reduced incidence of disease, better levels of education or a cleaner environment. These might be measured by the numbers of vaccinations given, degrees awarded or conservation acres purchased. Every organization exists to provide something, and this purpose can be measured, as can its unit cost.

The second element is growth. Good products and services, whether they come from for-profit or nonprofit organizations, create more value when they are in the hands of more people who can enjoy the benefits. The most valuable growth for overall performance, Accenture research uncovered, is heavily organic and relatively constant. It is supported, not dominated, by mergers and acquisitions. This finding indicates that like for-profits should pursue continuous innovation as a primary driver of growth and suggests nonprofits should do likewise to achieve their performance goals.

The next element is positioning for the future. This element recognizes that immediate performance often has to be sacrificed to ensure long-term performance and the viability of the organization. It is a measure not only of how much wood has been cut but also of how sharp the saw is. Nonprofits might measure the value of assets, endowments or even brand value, not unlike for-profit businesses, to position themselves for the future.

The fourth measure is consistency. Serious sports fans and business investors alike demand consistent performance on the field and in the market before they will consider a player or an organization to be a star.

And the last measure is longevity. The truly great tend to stay in the game and dominate it for a long time. General Electric has been in business since 1878; Proctor & Gamble since 1837. Jack Nicklaus, one of golf’s all-time greats, won the Masters tournament six times over three decades, the first in 1963 and the last in 1986. While a number of nonprofits by their nature and charter will be short lived, most must consider their lasting place in society and the communities they serve.

A final important consideration is peer competitiveness. All performance is relative, and therefore comparison is a must. For nonprofits, it can be difficult to know which competitors to compare one’s performance against. Yet it is critical to try, because it is from comparison that the good can become better, and the better become the best. Many nonprofits likely have more peers than they recognize or would like to admit; others may indeed be one of a kind. But there is always one’s self to compete against, and self assessment is critical to high performance.

Why? Because the real challenge of achieving high performance is in being the best one can possibly be.

Paul Nunes is an executive research fellow at the Accenture Institute for High Performance Business in Wellesley, Massachusetts, where he directs and conducts studies of business and marketing strategy.
To be a high performer, an organization must thrive over time and through changing circumstances.
Conclusion
There is no question that these are challenging times for nonprofits.

Despite the large amount of money donated to organizations every year by government entities, corporations and individuals, the needs that nonprofits fill continue to grow. In many sectors, needs far outpace organizations’ abilities and resources, making a continual focus on increasing revenue streams a stark reality for board members and executive directors alike.

Such actions as improving internal efficiencies, investing in better technologies, implementing relevant metrics and cultivating a broader and more engaged volunteer network can help. But that is easier said than done. “There’s a chicken-and-egg situation for nonprofits, in which each of these improvements in some sense demands capacity to effectively do it,” said Michelle Nunn of Hands On Network. But how does an organization build capacity when its funding streams are at best, holding steady and at worst, slowly drying up?

Indeed, if this study has demonstrated anything, it is this: That more than ever, nonprofits rely on corporate America for support. And this support can—and must—take the form of an increased commitment to transferring their business expertise and the skills of their people into the nonprofit sector so these organizations can adopt the basic business practices that are critical to not only the day-to-day operation of individual organizations, but also the long-term sustainability, viability and high performance of the nonprofit sector as a whole.
We would like to recognize and thank the individuals below who served on the Advisory Committee for our inaugural study. Their ongoing counsel, critical review and unmatched expertise were invaluable to the direction and development of this groundbreaking research initiative, and their guidance ensured we stayed the course.

Additionally, we would like to thank the many executives from the nonprofit organizations and their boards of directors who gave so generously of their time to talk with us and respond to the survey that formed the basis of this report.

Advisory Committee for Executive Issues in Nonprofits 2005/2006

David S. Chernow is the President and CEO of JA Worldwide, the world’s largest and fastest-growing nonprofit organization dedicated to educating young people about business, economics and the free enterprise system. Prior to his current role, Mr. Chernow served as President and CEO of Junior Achievement Inc., overseeing the United States. He leads JA Worldwide into the 21st century by providing and executing the organization’s strategic vision to impact more students with its kindergarten through grade 12 programs. He focuses on strategic development, worldwide board engagement and securing resources to meet the ever-increasing demand for Junior Achievement nationally and internationally. Mr. Chernow earned his J.D. at Pepperdine University and his undergraduate degree from UCLA.

Robert Egger is the CEO of the Washington-based DC Central Kitchen and the national Campus Kitchens Project. These efforts organize resources that exist in every city-surplus food, community volunteers, underutilized kitchens, men and women seeking employment skills—and use them to strengthen bodies, empower minds and build communities. Mr. Egger is the Chair of the Mayor’s Commission on Nutrition, serves on the Boards of the Food Security Leadership Institute and Results, and is the co-convener of the 2006 Nonprofit Congress. His book on the nonprofit sector, Begging for Change, was awarded the 2005 McAdam Prize as the Nonprofit Book of the Year by the Alliance for Nonprofit Management.

Robert Goodwin is the President and CEO of the Points of Light Foundation, which works with the Volunteer Center National Network to engage millions of people more effectively in volunteer service and help solve community and social problems across the United States. In his previous role as Executive Vice President and COO, he managed the Foundation’s mission and operations. Prior to joining the Foundation, he served as Executive Director of the US Department of Education’s White House Initiative on Historically Black Colleges and Universities. In addition to several honorary doctorates, he holds an undergraduate degree from Oral Roberts University, an M.A. in philosophy from the San Francisco Theological Seminary and also completed additional graduate studies in social psychology at the University of Tulsa.
Michelle Nunn is the co-founder and CEO of Hands On Network, a growing network of 55 national and international volunteer organizations that brings people together to strengthen communities through meaningful volunteer action. She was also the founding director of Hands On Atlanta, which helps individuals, families, corporate and community groups find flexible volunteer opportunities at more than 400 service organizations and schools. Under her leadership, the organization has grown from a grassroots startup to become one of the nation’s largest community-based volunteer organizations. Ms. Nunn graduated Phi Beta Kappa from the University of Virginia and has also studied at Oxford University and in India. She was a Kellogg National Fellow and earned a Master in Public Administration degree from the John F. Kennedy School of Government at Harvard University.

Stephen Jordan is Vice President and Executive Director of the Business Civic Leadership Center (BCLC), a nonprofit affiliate of the US Chamber of Commerce, where he works with a broad spectrum of companies and American Chambers of Commerce in the United States and overseas. He has produced numerous conferences, policy papers and programs that span corporate citizenship issues. Mr. Jordan has helped launch a number of notable coalitions and the Business Education Network. Mr. Jordan previously served as Executive Director of the Association of American Chambers of Commerce in Latin America. He holds an M.B.A. from Georgetown University and an M.A. in political and social thought from the University of Virginia, with accompanying academic honors from both institutions.

Steve Rochlin is Director of Research and Policy Development at The Center for Corporate Citizenship at Boston College. He supervises The Center’s research program and initiatives; leading research initiatives that define world-class performance in corporate citizenship. He has served as principal project manager on numerous strategic planning and evaluation projects with The Center’s members. Mr. Rochlin frequently presents on corporate citizenship and is a contributing author in numerous monographs, journals and books. Prior to arriving at The Center, he worked extensively in technology-based economic development for both the National Academy of Sciences and the Center for Strategic and International Studies. Mr. Rochlin holds a B.A. in political science from Brown University and a Master in Public Policy degree from the John F. Kennedy School of Government at Harvard University.
Research Methodologies

Accenture Research surveyed 232 nonprofit CEOs/equivalents and current board members from public 501(c)(3) nonprofits representing medium-sized nonprofits with budgets from $500,000 up to $10,000,000. Respondents were screened based on nonprofit organization size, US region and NTEE classification. The blind survey was conducted without reference to Accenture as the sponsor and was fielded in the summer/fall of 2005.

Sectors included in the study were NTEE’s 10 broad category classifications with Human Services representing 44%; Arts, Culture & Humanities, 14%; Education, 14%; Health, 9%; Public/Social Benefit, 7% with Environment & Animals, Mutual/Membership Benefit, Religious, International/Foreign Affairs, each representing 3% or fewer.

Organizations that were excluded include hospitals, colleges/universities and foundations.

This summary reports on the highlights of our findings. A full copy of the report with detailed appendices can be downloaded at www.accenture.com/community.

Notes

4 These examples were drawn from material produced by ServiceLeader.org, a project of the RGK Center for Philanthropy and Community Service at the Lyndon B. Johnson School of Public Affairs of the University of Texas at Austin, http://www.serviceleader.org/new/managers/2004/06/000245.php#7.
5 This program was funded in part by The UPS Foundation’s Volunteer Impact Initiative, http://www.community.ups.com/philanthropy/focus/volunteer.html.
6 More information on this initiative can be found on the Maricopa County, Arizona, website, http://www.maricopa.gov/hscampus/about.aspx.
About Accenture

Accenture is a global management consulting, technology services and outsourcing company. Committed to delivering innovation, Accenture collaborates with its clients to help them become high-performance businesses and governments. With deep industry and business process expertise, broad global resources and a proven track record, Accenture can mobilize the right people, skills and technologies to help clients improve their performance. With more than 126,000 people in 48 countries, the company generated net revenues of US$15.55 billion for the fiscal year ended Aug. 31, 2005. Its home page is www.accenture.com.

To learn more about Accenture’s US Corporate Citizenship initiatives, visit www.accenture.com/community.