

# For-Profit Thinking = Nonprofit Success

These keys to success combine the best of both sectors.

By Terrence Fernsler

**The Non Nonprofit: For-Profit Thinking for Nonprofit Success**  
By Steve Rothchild. Hardcover. 238 pages. Jossey-Bass, [josseybass.com](http://josseybass.com)

**B**usiness people have often tried to apply business practices to nonprofit organizations, only to be frustrated by the differences in the sectors (such as multiple stakeholders, democratic decision-making, and the like). In this provocative book, Steve Rothchild explains how his organization, RISE!, integrates the best ideas of social programs with expertise from the for-profit sector. He presents seven principles that equip leaders to blend the best of both sectors to build sustainable, long-term solutions to deep social problems:

**Be sure** you have a clear and appropriate purpose.

**Measure** what counts.

**Adapt** to the changing market. Listen and be flexible.

**Develop** mutual accountability with all your stakeholders.

**Support** personal empowerment.

**Create** economic value from social benefit.

**Become** learning driven. Build an enduring culture of learning.

These principles provide guidance for every aspect of organizations, from strategic planning to policies and programming. They rest on a double bottom line of social and economic objectives.

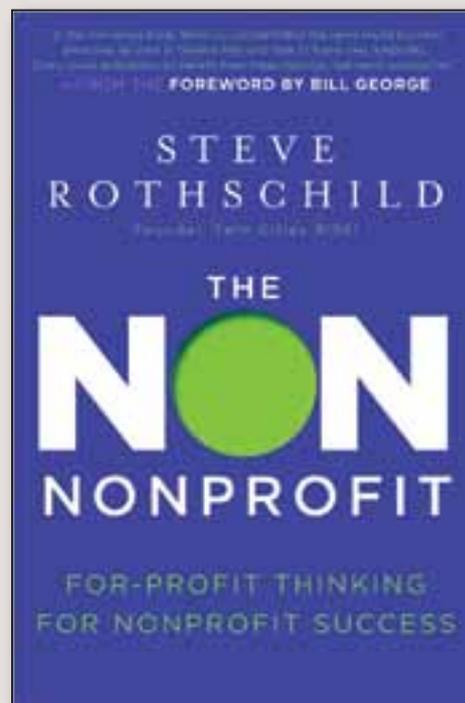
While Rothchild uses his organization to elucidate the principles, he also relies on other cases as examples. Through stories of the principles in action, he shows how organizations can become sounder.

Business practices may mean something different in the social sector than we're accustomed to seeing in the for-profit sector. When Rothchild writes about being market driven, for example, he means that organizations need to understand who their customers really are. When he writes about creating economic value from social benefit, he means understanding how to create reliable sources of capital as a tool for accomplishing social goals.

Rothchild argues that now isn't the time to linger on how things were done in the past. Civic-sector organizations tackle some of our most daunting social problems. They go where for-profits won't go, with fewer resources—at least financial resources—than needed. The seven principles can expand the resources organizations need in this capitalist society to cope with increased challenges. Incorporating these principles where appropriate can be a powerful force for change.

Rothchild has gathered these keys over many years of leading both businesses and nonprofits. We can be grateful for his experience and willingness to share it with us. 

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## Questions to Help Your Organization Become Learning Driven

What exactly is a learning driven organization? It's flexible and able to adapt its communications to whomever its audience happens to be. Assess yourself with these questions:

- **Do you move quickly** to try new approaches when something isn't working?
- **Are the people in your organization committed** to ongoing, daily learning to improve the organization?
- **Do you spend more time planning** than doing? Do you never plan at all? Or have you found a good balance between the two extremes?
- **Does your organization evolve** as the external environment changes?
- **Do you have systems for gathering intelligence** both inside and outside your organization?
- **Do you encourage employees to discuss** their failures and brainstorm ways to learn from mistakes?