

## **Nonprofit Strategy and Entrepreneurship**

PA 388L, TD 387D

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### **Course Description**

This course examines key issues, challenges, and opportunities in the creation, management, and leadership of nonprofit organizations. Attention will be given both to internal organizational issues and to nonprofits' relationships with external constituencies. Among the topics to be considered are nonprofit creation, mission management, organizational leadership, funding strategies, partnerships, and the impact of the public policy environment. Readings and discussion will examine nonprofits in varied fields of activity (such as human services and culture).

The course will employ exercises and cases to translate broad themes to practical issues related to nonprofit strategy and management. Guest speakers will periodically join us to share their own experiences building and running nonprofits. Students are encouraged to volunteer at a nonprofit during the semester.

The basic course text is the *Jossey-Bass Handbook of Nonprofit Leadership & Management Second Edition (JBH)*, edited by Robert D. Herman and Associate. This book is available at the University Co-op, on reserve at the Public Affairs Library, and available online as an e-book through the UT library. We will be using Blackboard (<http://courses.utexas.edu>), where the course is listed as PA388L.

### **Course Requirements**

Class attendance and participation; engagement in class exercises and nonprofit creation project; an in-class presentation and memo on a week's readings (2-3 pages); preparatory memo on performance measurement (3-5 pages), due March 9; fundraising exercise/concept paper, due April 6 (4-6 pages); analytic memo addressing/applying a course theme of your choice in greater depth (5-7 pages), due May 4. Dates for student presentations will be assigned the first day of class, with the memo due by noon on the previous Friday. In the interests of fairness to all class members, late work will not be accepted.

*Grading:* Class presentation/memo (15%); Performance measurement memo (15%); Fundraising exercise (20%); Analytic paper (20%); Class participation and engagement in class exercises (30%).

*Attendance Policy:* The course meets only once per week and regular attendance is critical for participation in, and completion of, course work. More than one absence will result in a drop of one letter grade for the course.

Please turn off all electronic devices, including computers and phones, prior to the start of class.

### **Getting Started :**

--Register at [www.guidestar.org](http://www.guidestar.org) (instructions to be provided in class)

--Start reading *The Chronicle of Philanthropy*

--Sign up to receive *Philanthropy News Digest* ([www.foundationcenter.org](http://www.foundationcenter.org))

### **Additional Relevant Websites and Resources:**

Urban Institute Center on Nonprofits and Philanthropy, National Center for Charitable Statistics ([www.urban.org](http://www.urban.org) and <http://nccs.urban.org>) offers statistics, data, and publications on nonprofits.

Foundation Center ([www.foundationcenter.org](http://www.foundationcenter.org)) offers statistics, database of nonprofit literature, and other resources.

Independent Sector [www.independentsector.org](http://www.independentsector.org) -- National coalition of nonprofits.

Council on Foundations [www.cof.org](http://www.cof.org) -- National membership association of foundations.

Internal Revenue Service, Tax Information for Charities and Other Nonprofits -- <http://www.irs.gov/charities/index.html>.

Ashoka [www.ashoka.org](http://www.ashoka.org) --promotes social entrepreneurship

*Stanford Social Innovation Review* -- [www.ssirreview.org](http://www.ssirreview.org)

*Nonprofit Quarterly* -- <http://www.nonprofitquarterly.org/>

Boardsource: <http://www.boardsource.org> (dedicated to nonprofit board development)

Idealist.org: [www.idealist.org](http://www.idealist.org) (Includes numerous links)

## CLASS SCHEDULE AND READINGS

### I. The Nonprofit Sector: Background and Overview

Week 1: *Introduction to the Course*

Week 2: *Fundraising resources*

**NOTE:** Class will meet at the Regional Foundation Library at UT-Austin (1009 East 11th Street) with Allison Supancic.

Week 3: *Nonprofit Sector: Characteristics and Roles*

Frumkin, Peter. "The Idea of a Nonprofit and Voluntary Sector," Chap. 1, *On Being Nonprofit*, pp 1-28. Cambridge, MA: Harvard

Oster, Sharon. "The Mission of the Nonprofit Organization," Chap. 2 in *Strategic Management for Nonprofit Organizations*. New York: Oxford:1995.

Blackwood, Amy, Kennard Wing, Thomas Pollak. "The Nonprofit Sector in Brief." Washington DC: The Urban Institute. 2008. <http://www.urban.org/url.cfm?ID=411664>

O'Neill, Michael. "Definitions" (pp. 2-8) and "Theories," Chap. 2 in *Nonprofit Nation*. San Francisco: Jossey-Bass. 2002.

### II. Inside the Organization

Week 4: *Nonprofit Creation and Growth*

Silk, Thomas, "The Legal Framework of the Nonprofit Sector in the US." Chap. 3, JBH

Light, Paul "The Spiral of Sustainable Excellence." *Nonprofit Quarterly (NPQ)*. Winter 2005.

Minkoff, Debra and Walter W. Powell "Nonprofit Mission: Constancy, Responsiveness, or Deflection?" Chap. 25 in W. Powell and R. Steinberg (eds.) *The Nonprofit Sector Handbook Second Edition*. Yale University. 2006.

Take the Foundation Center tutorial, "Establishing a Nonprofit Organization" and explore the links. <http://foundationcenter.org/getstarted/tutorials/establish/inc.html>

*Guest Speaker:* Kirk Lynn, Co-producing artistic director, Rude Mechanicals

Week 5: *Organizational Leadership*

Axelrod, Nancy "Board Leadership and Development," ChaP. 6, JBH

Ostrower, Francie. *Nonprofit Governance in the United States: Results from the First National Representative Survey*. Washington, DC: The Urban Institute. 2007.

Herman, Robert and Dick Heimovics, "Executive Leadership" Chapter 7, JBH

Cornelius, Marla, P. Corvington and A. Ruesga. *Ready to Lead? Next Generation Leaders Speak Out*. San Francisco: CompassPoint. 2008.

[http://www.meyerfoundation.org/downloads/ready\\_to\\_lead/ReadytoLead2008.pdf](http://www.meyerfoundation.org/downloads/ready_to_lead/ReadytoLead2008.pdf)

CASE: East Coast Orchestra's Board of Trustees

#### Week 6: *Volunteers and Staff*

Watson, Mary and Rikki Abzug. "Finding the Ones You Want, Keeping the Ones You Find: Recruitment and Retention in Nonprofit Organizations" Chapter 23, JBH

Brudney, Jeffrey. "Designing and Managing Volunteer Programs," Chap. 13, JBH

David Eisner, Robert T. Grimm Jr., Shannon Maynard, & Susannah Washburn "New Volunteer Talent" *Stanford Social Innovation Review (SSIR)*. Winter 2009

Start Week 7 readings

*Guest Speaker:* Kenneth Gladish, President and CEO, Austin Community Foundation

#### Week 7: *Performance Measurement*

Murray, Vic "Evaluating the Effectiveness of Nonprofit Organizations," Chap. 14, JBH

Thomas, John Clayton. "Outcome Assessment and Program Evaluation," Chap. 16, JBH

Kaplan, Robert. "Strategic Performance Measurement and Management in Nonprofit Organizations," *Nonprofit Management and Leadership* 11(3). 2001.

CASE: Team Read

### **ASSIGNMENT DUE**

#### Week 8: *Spring Break*

### **III. The External Environment: Generating Support**

#### Week 9: *Marketing*

- Gainer, Brenda and Mel Moyer “Marketing for Nonprofit Managers, Chapter 12, JBH
- Lauffer, Armand. “The Strategic Marketing Approach” Pp. 3-15 in *Strategic Marketing for Not-For-Profit Organizations*. Free Press
- Bianchi, Allesandra. “I Want You to Meet Joe: How a riveting story can get your message across” *SSIR* Spring 2005.

CASE: Hurricane Outward Bound

#### Week 10: *Generating Funds: Philanthropic Sources*

- Fogal, Robert “Designing and Managing the Fundraising Program.” Chapter 17, JBH.
- Pratt, Jon. “The Dynamics of Fundraising.” *Nonprofit Quarterly* Winter 2005.
- Gronbjerg , Kirsten, Laura Martell and Laurie Paarlberg. “Philanthropic Funding of Human Services.” *NVSQ* 29:9. 2000.
- Peter Katel, “Philanthropy in America: Are Americans Generous Givers?” CQ Researcher, Dec 8, 2006. Pp

CASE: Give and Take: Philanthropy and the Central Park Children’s Zoo

#### Week 11: *Generating Funds: Government Grants and Contracts*

- Lester Salamon, “Changing Context of American Nonprofit Management.” Chap. 4, JBH
- Stephen R. Smith, “Managing the Challenges of Government Contracts,” Chap.15, JBH
- Victoria Alexander, “From philanthropy to funding: the effects of corporate and public support on American art museums.” *Poetics* 24:2. 1996.

CASE: Casa de Esperanza

### **ASSIGNMENT DUE**

#### Week 12: *Commercial Activities*

- Massarsky, Cynthia. “Enterprise Strategies for Generating Revenue” Chapter18 JBH
- Dees, J. Gregory. “Enterprising Nonprofits” *Harvard Business Review* Jan-Feb 1998

Foster, William and Jeffrey Bradach, "Should Nonprofits Seek Profits?" *Harvard Business Review*. Feb 2005.

CASE: Minnesota Public Radio: Social Purpose Capitalism

#### **IV. The External Environment: Public Policy and Other Organizations**

Week 13: *Collaboration*

Yankey, John and Carol Willen, "Strategic Alliances" Chapter 11, JBH

Austin, James Strategic "Collaboration Between Nonprofits and Business" *Nonprofit and Voluntary Sector Quarterly*, Vol. 29, No.1 supplement, 69-97 (2000)

Ostrower, Francie "The Reality Underneath the Buzz of Partnerships." *SSIR*. Spring 2005. pp 34-41.

Walker, Chris 1999, *Partnerships for Parks*. Washington DC: Urban Institute.

Week 14: *The Public Policy Environment and Calls for Greater Accountability*

Brody, Evelyn. "Accountability and Public Trust." Chap 15 in L. Salamon (ed.) *The State of Nonprofit America*. Washington, DC: Brookings and Aspen Institute. 2002

Stephanie Lowell, Brian Trelstad, & Bill Meehan. "The Ratings Game: Evaluating the three groups that rate the charities." *SSIR* Summer 2005.

Senate Finance Committee Hearing, "Charity Oversight and Reform: Keeping Bad Things from Happening to Good Charities" June 22, 2004.  
<http://finance.senate.gov/sitepages/hearing062204>

U.S. House of Representatives, Committee on Ways and Means. Subcommittee on Oversight "Hearing to Examine Whether Charitable Organizations Serve the Needs of Diverse Communities." Tuesday, September 25, 2007  
<http://waysandmeans.house.gov/hearings.asp?formmode=detail&hearing=587>

#### **V. Future Directions: Blurring the Boundaries?**

Week 15:

A. *Social Entrepreneurship*

Dees, J. Gregory. "The Meaning of Social Entrepreneurship." May 2001.  
[http://www.caseatduke.org/documents/dees\\_sedef.pdf](http://www.caseatduke.org/documents/dees_sedef.pdf)

Phills, James Jr., Kriss Deiglmeier, and Dale T. Miller. "Rediscovering Social Innovation." *SSIR*. Fall 2008

Austin, James E., Gutiérrez, Roberto, Ogliastrì, Enrique and Reficco, Ezequiel A. "Capitalizing on Convergence," pp. 24-31, *SSIR* Summer 2007.

B. *Venture Philanthropy*

Frumkin, Peter. "Inside Venture Philanthropy." *Society*. Pp 7-15. May/Jun 2003.

**ASSIGNMENT DUE**

## **Required University Notices and Policies**

### **University of Texas Honor Code**

The core values of The University of Texas at Austin are learning, discovery, freedom, leadership, individual opportunity, and responsibility. Each member of the university is expected to uphold these values through integrity, honesty, trust, fairness, and respect toward peers and community.

### **Use of E-Mail for Official Correspondence to Students**

Email is recognized as an official mode of university correspondence; therefore, you are responsible for reading your email for university and course-related information and announcements. You are responsible to keep the university informed about changes to your e-mail address. You should check your e-mail regularly and frequently—I recommend daily, but at minimum twice a week—to stay current with university-related communications, some of which may be time-critical. You can find UT Austin's policies and instructions for updating your e-mail address at <http://www.utexas.edu/its/policies/emailnotify.php>.

### **Documented Disability Statement**

If you require special accommodations, you must obtain a letter that documents your disability from the Services for Students with Disabilities area of the Division of Diversity and Community Engagement (471-6259 voice or 471-4641 TTY for users who are deaf or hard of hearing). Present the letter to me at the beginning of the semester so we can discuss the accommodations you need. No later than five business days before an exam, you should remind me of any testing accommodations you will need. For more information, visit <http://www.utexas.edu/diversity/ddce/ssd/>.

### **Religious Holidays**

By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, I will give you an opportunity to complete the missed work within a reasonable time after the absence.

### **Behavior Concerns Advice Line (BCAL)**

If you are worried about someone who is acting differently, you may use the Behavior Concerns Advice Line to discuss by phone your concerns about another individual's behavior. This service is provided through a partnership among the Office of the Dean of Students, the Counseling and Mental Health Center (CMHC), the Employee Assistance Program (EAP), and The University of Texas Police Department (UTPD). Call 512-232-5050 or visit <http://www.utexas.edu/safety/bcal>.

### **Emergency Evacuation Policy**

Occupants of buildings on the UT Austin campus are required to evacuate and assemble outside when a fire alarm is activated or an announcement is made. Please be aware of the following policies regarding evacuation:

- Familiarize yourself with all exit doors of the classroom and the building. Remember that the nearest exit door may not be the one you used when you entered the building.

- If you require assistance to evacuate, inform me in writing during the first week of class.

- In the event of an evacuation, follow my instructions or those of class instructors.

- Do not re-enter a building unless you're given instructions by the Austin Fire Department, the UT Austin Police Department, or the Fire Prevention Services office.