

## Rethinking non-profit strategies: New Yorker says entrepreneurship key

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Social service agencies need to develop entrepreneurial principles to provide themselves with the money they need to serve their clients, says the head of a prominent U.S. charity organization.

Charles King, president and chief executive officer of the New York-based non-profit agency, Housing Works, was in Ottawa yesterday to speak to representatives of local voluntary organizations and said adopting business-like tactics could help them achieve their charitable purposes.

In an interview, Mr. King said his agency, founded in 1990, deals mostly with those who are chemically dependent and/or mentally ill, as well as being homeless and having HIV/AIDS. The agency provides housing, health care, advocacy and job training.

"It's a constituency that has a lot of needs and isn't very popular," he said. "What we have done over the last 15 years is learn to use earned income strategies to support our organization ... and to achieve our core mission of addressing homelessness and AIDS."

The organization's thrift stores generated more than \$10 million in sales this year, he said. The agency also operates a used book cafe, food service business, property management company, consulting and lobbying firm, financial management company and a health maintenance organization. One-third of the 450 employees are graduates of the job training program, Mr. King said.

Housing Works' operating budget this year is \$41 million and serves 3,500 clients a year.

The agency also sought changes in the way it received funding, switching from a cost-reimbursement basis to fee-for-service deals and performance-driven payments, he said.

In Canada, the government contracts offering reimbursement for services provided usually cost charities about 14 per cent more than they get because of cost overruns or forgotten items in applications, he said.

"Instead of getting cost reimbursement for our job training program, we get paid for success," Mr. King said. "That allows us to make profits off our operations.... It holds us more accountable."

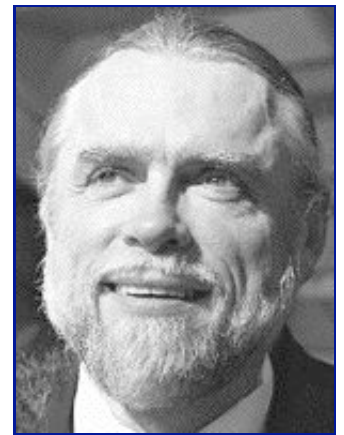
He said with 80 per cent of its income being earned revenue, Housing Works can remain independent, leaving it free to advocate for changes in public attitudes, policies and laws to ensure that AIDS and public health policies at all levels of government are sound and equitable.

Those at yesterday's meeting, convened by the Ottawa Chamber of Voluntary Organizations, also heard from Rob Tripp, executive director of New Beginnings for Youth, Ottawa, Rosemary Laurin, vice-president of Family Services Ottawa, and George Brown of the Ottawa Community Loan Fund.

New Beginnings operates the Roasted Cherry Coffee House. Run by youth, the proceeds from sales, catering and tips go to support youth leadership, development and education.

Family Services is a registered charitable private agency that has served Ottawa-Carleton since 1914.

### IMAGES



Wayne Cuddington, The Ottawa Citizen  
Charles King told area agencies that charity work needs to emulate business. (FPinfomart: Allowed, Canada.com: Allowed)

The Ottawa Community Loan Fund provides short-term loans of up to \$15,000 to aspiring entrepreneurs.

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