

Planning for the greater good

Regardless of your altruistic goals, it's crucial for your non-profit to adhere to business principles to help fulfill its overall vision



BY PETER MITHAM

Value for money – increasingly, it's what donors want to see from a not-for-profit group.

But delivering value demands a plan, something very few not-for-profit organizations traditionally draft.

A business plan underpinned plans the Canadian Mental Health Association drafted in 2004 for a commercial janitorial service that aimed to be a self-supporting business employing people with severe and persistent mental illnesses such as schizophrenia. The business needed to operate according to the principles of any other janitorial service if it were to meet its goals, but the CMHA didn't necessarily have the money or expertise in-house needed to write the plan.

That changed with a \$6,000 grant from Enterprising Non-Profits, a Vancouver-based group that disbursed \$300,000 to support business planning by 41 non-profit groups. The funds came from a consortium of nine donors, including Bell Canada, Vancity and Coast Capital Credit Union.

"They gave us some money so that we could go out and hire somebody to write a professional business plan and do some business feasibility, which allowed us to really start," said Jane O'Connor, supervisor of social enterprise services with the CMHA.

Working with three graduates of the commercial janitorial program at THEO BC (B.C. Society of Training for Health and Employment Opportunities), consultant Larry Butler drafted a business plan for the Cleaning Solution. The plan established goals for the business and reflected the requirements of potential employees as well.

Today, the Cleaning Solution employs 23 people. Annual revenue from clients including Raincoast Books and office supply company Mills Basics approaches \$175,000. While the Cleaning Solution has yet to turn a profit, O'Connor says having a business plan has helped ensure the growth necessary to achieving profitability.

"It has to be a solid business regardless of your social altruism," said O'Connor, who serves as a company director in addition to working with the CMHA. "It really helps us to continue to move forward and really solidify where we're going."

By keeping the Cleaning Solution on track, the business plan also helps the company boost the well-being of its employees. Many receive the province's persons with disabilities benefit, so working for the Cleaning Solution provides an important supplement to their regular incomes. The extra cash can deliver a boost of up to 56% to the provincial disabilities benefit, translating into greater independence and self-esteem.

"People are doing better," O'Connor said. "Their wellness is increased from the employment."

Helping non-profits do their business better is exactly what David LePage, program manager with Enterprising Non-profits, says was the original aim of the organization. Supporting the launch of business ventures that benefit and extend the mission of not-for-profits is just one aspect of what business plans can do, he said.

Indeed, just 10% of ENP's grants fund business plans for for-profit ventures. Three times that much goes to support new ventures not-for-profits are investigating to extend their mission, including the Cleaning Solution and the Potluck Café Society, a café and catering company providing employment opportunities for Downtown Eastside residents as part of its mandate.

But by far the largest portion of ENP monies go to support the development of business plans that

will help not-for-profits operate more smoothly.

"A business plan is really the method to allow you to prepare the organization to go into business and make sure it's a solid business, and make sure you have the opportunity for success," LePage said, noting that this applies as much to the operations of the not-for-profit as any social enterprise it undertakes, either to garner funds for itself or to create opportunities for its clients.

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The support ENP provides continues after the initial grant is made, adds Heather O'Hara, executive director of Potluck Catering.

"In the beginning of Potluck, ENP was a big supporter of Potluck and provided us with a business planning grant. ENP took a chance on Potluck and the creation of a social enterprise when other organizations were not," she said.

That support continues through advocacy work ENP performs on behalf of the non-profit sector on common issues facing social enterprises.

"It's paramount to Potluck, and the social enterprise sector in general, to have a voice through an agency such as ENP, which is plugged into the unique issues and challenges facing this sector," she said.

In addition, ENP co-ordinates a monthly breakfast that allows O'Hara and representatives of other non-profits to gather and network, a practical element she describes as "tremendously valuable." ■

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