

## PHILANTHROPIC ORGANIZATIONS WORK TO CREATE SUSTAINABLE PATHS FOR ADDRESSING NEEDS

<http://lbbusinessjournal.com/long-beach-business-journal-newswatch/109-1of-scroller-articles-12-04-24/499-philanthropic-organizations-work-to-create-sustainable-paths-for-addressing-needs.html>

By Tiffany Rider - Senior Writer

April 24, 2012 - The philanthropic sector is working to adapt to a new standard in a post-2008 economy impacted by the "Great Recession." It is now making strides in outreach by rethinking methodologies and developing strategic and sustainable models for the future.

Over the past decade, the UCLA Center for Civil Society has published annual nonprofit sector reports that review the progress and declines seen by nonprofits across Los Angeles County. In its most recent report, the authors note that, "Times of stress are also occasions of opportunity." In its executive summary, the report provides recommendations to philanthropic organizations.



*The St. Mary Medical Center Foundation, which support its various programs and clinics throughout the city, is currently raising money to renovate its emergency department's rapid triage. Foundation President Drew Gagner said that the fundraising arm of St. Mary Medical Center is focused on maintaining a strong succession plan for both its board and staff members through the use of mentoring. Gagner is an example of this, as his predecessor, John Wagner, mentored him for over a year. Pictured, from left, are: Debra Bailey Woods, senior fundraising specialist; Kimberly Eclarino, development services assistant; Joann Acord, planned giving coordinator; Thomas Salerno, president and CEO of St. Mary Medical Center; Gagner; George Murchison, chairman, foundation board of trustees; Allison Nicholas, annual fund coordinator; Diane Mansfield, director of development and special events; Tiffany Cantrell, director of grants; and Robert Berube, director of gift planning. Not pictured are Susan Ralli, special events coordinator; and Janaya Nichols, grants coordinator. (Photograph by the Business Journal's Thomas McConville)*

Examining ways to boost data collection and sharing, as well as having applicable nonprofits focus on poverty first, are the top two suggestions from the center's report, in addition to: inspiring and cultivating new personal and private giving; strengthening advocacy; participating in capacity-building; and examining opportunities for collaboration, partnership and mergers.

Jeffrey Wilcox, president and CEO of the consulting firm Third Sector Company, Inc., told the Business Journal that the trends he is seeing in the philanthropic sector include the need for: developing a sustainable succession plan; integrating social media and technology; and re-examining nonprofit business models.

### Exploring New Philanthropic Business Models

As a result of changes in government funding and a new generation of younger philanthropists, nonprofits are looking at the way they operate to best attract leadership, volunteers, grants and donors. In fact, the State of California has new tax classifications for alternatives like B-class corporations – a hybrid of nonprofits and for-profit institutions. Nonprofit organizations are typically 501(c)(3) tax-exempt and aren't obligated to stakeholders. "There are probably more variations of business models in the nonprofit sector occurring now than I have seen in the past," Wilcox said. "The sector itself has been somewhat traditional in how it goes about its work; a non-proprietary volunteer board of directors, single-focused to their program. Now we have a splurge of entrepreneurs, mergers and acquisitions." In addition, nonprofits are creating for-profit arms to create a social enterprise model, according to Wilcox. An example of this is Goodwill, which has more recently created an online auctioning process like eBay.

Michelle Molina, CEO of the social enterprise **PeaceBuilders**, said going the social enterprise route rather than establishing a nonprofit allows the organization to function on a fee-for-service model while behaving in a socially appropriate manner, as a nonprofit would. Another advantage of being a social enterprise is her organization is not tapping into the same small pool of donors locally, which she said drains funding opportunities from the nonprofits in town.

"If you haven't heard that from other nonprofits, [but as a] boardmember of several nonprofits in this city, I will tell you, this is a small giving pool," she said. "The same 100 or so people and organizations support all of those nonprofits, and I personally think we're oversaturated with nonprofits because they're fighting for these same exact foundation monies, corporate sponsorships and their friends on the street."

Through its own moneymaking efforts, **PeaceBuilders** is able to make charitable contributions to other nonprofits in the form of sponsorships and more. For example, **PeaceBuilders** leases space to the local nonprofit Leadership Long Beach and is able to provide support to the group's programs. While local nonprofit Long Beach BLAST (Better Learning for All Students Today) has explored incorporating a fee-for-service model to boost funding support for its middle school mentoring services, founder and Board President Jean Egan said the organizational model doesn't fit easily into that category.

"We are trying in uncertain economic times to make sure that we have a diversified funding base," Egan said. "Presently, we derive most of our revenue from grants from private foundations . . . and two special events per year. In addition, we are looking to diversify by more deliberately looking for annual gifts from individuals. Although there are fee-for-service opportunities for some nonprofits, potential fee-for-service buyers of BLAST services would be schools and other nonprofits, and everybody is trying to keep their head above water."

The Archstone Foundation, a private grant-making organization that funds initiatives related to aging, is currently in transition to implement three new initiatives based on research, trends and program innovation. While Archstone has consistently provided \$5 million in grant funding for the past several years and is continuing on that path, Joseph Prevratil, president and CEO of Archstone, said the organization saw a need to refocus the foundation's initiatives to address current trends among aging populations, particularly that more aging individuals want to stay in their places of residence versus being put into a home or care facility.

Archstone is utilizing various models of the Villages concept to address the trend. "The Village concept is where people pool their resources, and as a result of that, some people will drive older people to pick up their groceries, or they will turn around and take them to their appointments with their doctor and so on," Prevratil said. "Villages are a member-driven, grassroots effort to address current challenges facing community dwelling by older adults."

## Keeping Up With Social Media, Technology Trends

Logan Crow, founder and president of the Long Beach Cinematheque, is a nonprofit that is event-driven in terms of film screenings and community events to foster the local film scene. With that, Crow finds Web sites like Facebook and Twitter to be useful tools in identifying people who have an interest in the subject matter of Cinematheque's happenings.

"Zombie Walk is a perfect example," Crow said. "On Twitter, I'm identifying people who have 'zombie' in their name or who have hash tagged the word 'zombie' or 'Halloween' or 'brains.' It's time, but it's part of what I do. I take time to follow more Twitter members and getting them to follow me back. Or, on Facebook, if I know I have a particular event coming up, in advance, and we're screening a film, I go and identify people who are fans of the film or are following a particular independent movie house."

Crow, who recently returned from a conference on integrating social media for nonprofit marketing, said online video channels like YouTube are becoming as important as Facebook and Twitter "in terms of telling your story as a nonprofit," and "sharing stories in terms of writing for grants. Granters like to see video."

James Normandin, president of the Memorial Medical Center Foundation, told the Business Journal that the foundation uses Facebook "event pages" to promote fundraising events and interacts with donors and followers "through updates, photos, videos and patient stories." The foundation supports programs, services, education, capital improvements and more at Long Beach Memorial, Miller Children's Hospital Long Beach and Community Hospital Long Beach. Normandin said Twitter is used at events as "day-of social media . . . so people can remain engaged."

According to Wilcox, the use of social media and Internet-based technology among nonprofits is still growing. While limited resources hinder innovation, and what Wilcox calls "a preponderance of a generation that is not as grasping of technology" as younger generations, time management is key in integrating these channels into an organization. Those who can't keep up with society are finding difficulties in advancing and changing it.

The board for the St. Mary Foundation, the philanthropic arm of St. Mary Medical Center and its various clinics and programs throughout Long Beach, is also recognizing and adapting to shifting trends in the sector, according to President Drew Gagner.

"We fully embrace the power of social media. We are actively engaged in Facebook now, both the hospital and the foundation. There's been some discussion in finding champions to tweet for us. To be candid, some of the new hires we've made in the foundation are focused in those areas," Gagner said. "At the same time, we have an interesting fact that we have always supported the inner city of Long Beach. There are many people, even now, who don't have access to some of the technology we're talking about. What we don't want is to become so high-tech that we lose high-touch. We want to make sure is that our communications with those who support us are in keeping with the high level of sophistication in technology."

Finding individuals to assist nonprofits and foundations with social media efforts and digital media development is being made a little easier with the help of the Long Beach Community Foundation. Led by Jim Worsham, the foundation's president and CEO, the organization is gearing up to host its fourth annual digital media arts summit this fall. The summit, which hosts business professionals and teachers in digital media arts, will offer a display of local digital media projects as inspiration for youth.

"The philanthropic sector of the U.S. is doing a better job of adapting than the government," Worsham said. "They cannot tax. They can only appeal to people based on their generosity. There have been a lot of shakeups over the years, and I think most of that is settling. They have to operate within their means. It's been especially trying since 2008. They are starting to find a new base here now and we'll start to see building in nonprofits as opposed to cutting."

Nonprofits looking to engage in digital arts and social media should look into hosting interns from local schools, Crow suggested. Another opportunity for nonprofit organizations and Long Beach residents alike is the Long Beach Community Foundation's project to bring Public Access Digital Network (PADNET) television back to Long Beach.

"We hope to be on the air in June or July. We're having regular meetings with content producers. Content producers will provide live programming or programs to be uploaded onto the system, or programming they have already produced," Worsham said. The primary filming station will be out of the Long Beach Community Action Partnership, 3012 Long Beach Blvd., with several satellite locations to open over time. The station will offer

studio time, rental equipment and professionals to help train individuals on how to make a quality program, he said.

### **Integration Succession Strategies Into Sustainable Plans**

According to Normandin, leadership is not just about today; it's about tomorrow as well. "Succession planning is an important aspect that the foundation focuses on," he said. "In fact, there are four new boardmembers coming on in July, and [leadership] always looks at leadership qualities when choosing members."

Memorial Medical Center Foundation's boardmembers include residents of Long Beach, the South Bay and North Orange County, Normandin said. They are asked to serve a term of three years, and are allowed four consecutive terms for a maximum of 12 years of service. "We want every boardmember to serve on a committee; we want every boardmember to be an ambassador back to the community," Normandin said. "At the same time, we ask them to consider a gift of their own. I'm proud to say we have 100 percent participation from our board."

The topic of succession planning is important, Wilcox said, because "boardmembers and executives alike are realizing that the nonprofit sector has hit a preponderance of baby boomer leaders. There is an intergenerational transference taking place right now, and I am seeing more and more nonprofits having a real struggle with that." However, local groups are reviewing or have a plan in place to address the need for future leadership. According to Prevratil, he has built a committed staff at Archstone Foundation, most of whom have been with the foundation for seven to 10 years. "Of course, people are promoted to other areas and other foundations. But it's not just succession planning for whoever the CEO is. It's making sure that the program has people who are coming up through the pike as other people leave," he said. "Succession planning is something that is always part of our strategic plan."

At St. Mary Foundation, Gagner said his focus is on balance. As with social media, balance is key in succession planning for both staff and the board. "There has been a conscious decision that the newer boardmembers are being mentored. Not in such a way that is pedantic, that they are being taught; they are just working with others who have been around for many years. When you start looking at our board leadership, we've got some really great leaders. It's a privilege when you have the opportunity to come and serve with [them]." Gagner himself took on the mentee role under his predecessor, John Wagner. Wagner, who served 20 years with the foundation, worked with Gagner for nearly a year and a half before the transition occurred.

Rebuilding Together Long Beach, the Long Beach affiliate of a national organization formerly known as Christmas in April, takes applications from low-income individuals and families whose homes are in need of renovation or repair. Mary Anne Rose, board president of the executive board, said a board retreat in February 2011 resulted in implementing a strategic focus on sustainable recruitment of volunteers as future boardmembers.

"Last fall, we were talking about how we wanted to get new committee members on board for our April [community] work day, because we'd like to consider having them join our board in July," Rose said. "That's when we have our board elections. As a result of that conversation in the fall, we put together a community event in March, which was very successful. We had about 20 people that came and were interested in getting more involved in our organization. That is a strategic goal . . . constantly revisited based on the need."