

How Nonprofits Can Incorporate Entrepreneurship into Their Work

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By Christopher Purdy

Social entrepreneurship is increasingly in vogue among nonprofits and, as a result, many organizations are exploring how they might practically introduce such concepts into their structures and programming. Entrepreneurs are now joined by ‘social intrapreneurs’, individuals who use entrepreneurial spirit to manage an autonomous program or business unit that delivers social impact within a larger nonprofit organization or company. If nonprofits can leverage the entrepreneurial spirit and use more business methodologies, they can drive innovation through risk-taking, improved services in the social realm, and increased cost-effectiveness.

Entrepreneurs combine risk tolerance with a ‘go-getter’ mentality to design and launch new businesses. Chris Mahon of the Haydn Green Institute for Innovation and Entrepreneurship at Nottingham University Business School, writes(<https://www.theguardian.com/small-business-network/2015/nov/06/who-wants-to-be-intrapreneur-seven-traits>) that there are seven “must-

have traits” to be a successful intrapreneur: passion, creativity, a master of the art of persuasion, resilience, a team player, ability to seize the moment, and bravery.

I like the sound of that. DKT

International(<https://www.dktinternational.org/>) embraces

that spirit. We nurture social

entrepreneurship([s/social-entrepreneurship/](https://www.dktinternational.org/service)) across our leadership in 30

odd countries. These leaders are intrapreneurs, managing

self-contained entities with full responsibility, authority, and accountability. These entities are a part of the broader organizational structure, and share common traits:

- Focus on results that matter and can be measured
- Willingness to be held accountable for results
- Acceptance of risk
- Intolerance of bureaucracy
- Attention to financial efficiency
- Belief in the power of commercial methodologies

However, being an entrepreneur or intrapreneur isn’t just about using commercial marketing techniques. It’s about creating a culture where people can take risks, learn from their mistakes, and respond quickly to changes in the marketplace. This is easier said than done – and is often the critical, overlooked part of inculcating social entrepreneurship. As Peter Drucker once famously quipped, ‘culture eats strategy for breakfast.’

So, how can nonprofits incorporate entrepreneurship to a greater extent in their work?

- First, **consider charging for your products or services**, even if it’s only a modest amount. Affordable prices can easily be charged for medicines and contraceptives as well as nutritious foods and food supplements. But similarly, a small fee can be levied for information, advice, and related services. If your offering truly has a value to a given constituency, they may be willing to cover part of your costs. This serves a number of purposes. First, it provides independent income that can be plowed back to your program to achieve greater impact. It also demonstrates that there is a genuine demand for your



services, thereby reducing the wastage or inefficiency associated with free goods and services. Not unimportantly, it reduces the patronizing relationship between the giver and receiver; when someone pays for something, they engage in a relationship between equals.

- **Take a hard look at organizational culture.** Does it truly provide space for risk-taking? How are employees rewarded? Is the focus on process or results? How much do bureaucracy and meeting-attendance slow down action? Changing culture is both challenging and time-consuming but it can be done with thought and determination. Even small changes can reduce fear of risk or change long-standing practices.
- Part of changing culture and becoming more entrepreneurial is to **hire and train people who think and work that way**. Importing employees from the business world may sound awkward but there are many commercially minded individuals who are searching for opportunities to apply their skills in new ways. Similarly, many professionals from the nonprofit world are eager to embrace more business-like practices given the opportunity to build their knowledge and capacity.
- **Ask donors for space to tolerate risk.** Because many charities rely on large, key donors for funding, they are susceptible to donor concerns when they test new ideas, take stances on potentially controversial issues, or experiment with commerce. But, innovation and change often necessitate donors getting comfortable with such unknowns. Requesting donors to provide greater flexibility in this area can improve performance and produce stronger results, and many donors are happy to do this.
- **Hold yourself accountable by rigorously monitoring and publishing agreed-upon metrics.** Preferably, such indicators are easy to track and understand throughout the organization. They need to be tangible and practical. Reducing birth rates is too abstract and large to motivate team members; how many contraceptives they sell is clear and easy to assess. Doing this provides fast access to information that allows course changes in strategy as well as a way to measure social impact.
- **Embrace commercial tactics.** Can you develop a profit and loss statement that links revenue and expenses to other key metrics? Are there ways to leverage technology and modern communication platforms such as search engine optimization, geolocation marketing, and digital media to educate and inform people? Is it possible to use what are

considered to be traditionally private sector incentive structures to motivate and guide employees? Adopting new ways of doing business can be productive, cost-effective, and fun.

At DKT, our utilization of social entrepreneurial strategies has led to an impact-oriented model that allows some of our programs to help subsidize others and provides income for DKT, a combination that offers hope for genuinely sustained results and a cost-effective investment for donors.

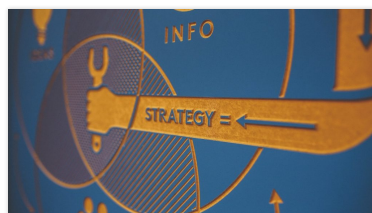
Christopher Purdy is the President and CEO of DKT International(<https://www.dktinternational.org/>). From 1996 to 2011, he served as Country Director of DKT programs in Turkey, Ethiopia, and Indonesia, where he managed the largest private social marketing family planning program in the world. He served as Executive Vice President from 2011-2013. His professional interests include social marketing, global health, and socially responsible capitalism.

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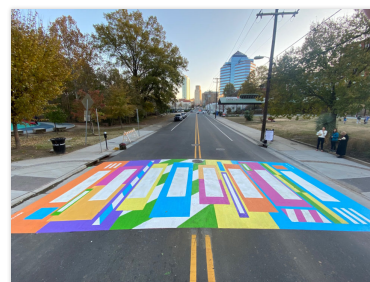
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