



Tiny Bubbles:

A Guide to the New New Nonprofit Economy

By Dale Galvin

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WHILE THERE MAY BE NOTHING NEW under the sun, human memories are short, so learning from history isn't something we tend to do easily. The phenomenon of fads is a perfect example. Ask any hapless holiday Wal-Mart shopper, trampled and exhausted after lining up in a blizzard at 4 am only to miss the last Furby on the shelf. In past generations, fads such as hula hoops, pet rocks, and Cabbage Patch Kids replaced each other on holiday shopping lists as fast as you could say "Beanie Baby."

A bubble, on the other hand, is sort of a grown-up fad, the larger ones having a much more important and insidious impact than the latest all-protein diet. And humanity tends

toward myopia regarding bubbles as well. For example, by the time the Internet bubble began in the late 20th century, we had forgotten all about the tulip bulb craze of the 17th century and the South Sea Bubble that followed 100 years later (see http://en.wikipedia.org/wiki/South_Sea_Bubble for more information). More recently, former Federal Reserve Chairman Alan Greenspan began aggressively raising interest rates citing fears of a growing real estate bubble.

Some bubbles can approximate full-fledged movements. The Internet bubble of the late 1990s, for instance, was not only a time of hype and inefficient markets, but also the beginning of a new technological revolution, clearly having a large impact on nearly everything we do today.

In the nonprofit world, we are faced with some combination of a fad, a bubble, and a burgeoning movement. The purported paradigm shift relates to a reinvigorated businesslike approach for nonprofits ("social entrepreneur-

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ship”), a potential change in the focus of non-profit philanthropy from charity to investment (“Venture Philanthropy”), and the development of new tools for effectiveness measurement (Social Return on Investment, or SROI). Organizations that embrace these concepts, whether for-profit or nonprofit, are considered “social enterprises,” or “social capitalists,” and an entirely new market is sprouting up in their support.

This article intends to cut through some of the fluff to identify what’s real and what isn’t in the new new nonprofit marketplace. We’ll also review at a high level some of the tools available to you should you choose jump onboard the SROI train, and supply some tips on moving forward. Whether you do or not depends on if you believe we are in a nonprofit bubble or we are witnessing a real sea change. Either way, it’s going to be an interesting ride.

Social Entrepreneurship: The Making of a Bubble?

There are several symptoms of a bubble, and any bubble worth its elasticity will include the majority of these. To analyze whether the social enterprise movement fits the description, we’ll put what’s happening in the market in the context of the symptoms below:

Hype: Hype and its evil twin, irrational exuberance, are clearly the defining elements of any good bubble. As speculative fever causes normally sane citizens to act out ludicrous fantasies, the media obliges. One soft measure of this is an analysis of the number of citations regarding a particular company, industry, or buzzword in the press over time. For instance, Stanford has a new journal dedicated entirely to the social enterprise concept. While it’s a very interesting journal, like the phonebook-sized “new economy” publications published in the 1990s, one wonders how many articles about the same thing can be written.

New entrants: New entrants are attracted by above-market returns. In nonprofit speak, this essentially means easy (or easier) money. This can be represented by the number of “trainees” for the industry, and, as expected, a number of graduate business schools now have significant coursework or programs dedicated to social enterprises, much in the same way they began to have “eBusiness” or “eCommerce” specialties

to support new entrants into the Internet market in the late 1990s.

Free riders: Otherwise known as the “bandwagon effect,” this means that a number of people, companies, or organizations will jump on the bubble train because it’s fashionable and (perceived) returns on investment are significant relative to risk. The corollary to this effect is that risk profiles of entrepreneurs and organizations are significantly altered for the worse. An organization may transform itself to become a social enterprise, or an individual may decide to become an entrepreneur or a founder of such an organization or business because the investment pool is large, the hype is substantial, and the penalty for failure is far less than when the market is functioning more efficiently (cf. full salaries and no equity investment required of bubble entrepreneurs).

The cool factor: Which is a better pick-up line: “I’m an investment banker,” or “I’m a social entrepreneur”? When it’s the latter, the cool factor may be in play.

Market value is much greater than intrinsic value: If you believe even a little bit in fundamental analysis, it’s easy to see when the market value of a company far exceeds the actual value of discounted free cash flows. Translated into the world of nonprofits, if money is flowing rapidly into new, unproven concepts, the organization’s work may be valued at a greater level than it deserves. This also creates a set of false expectations. During the Internet bubble, investors grew to expect a risk-free return of 50 to 100% annually. With respect to social enterprises, large returns are also expected, in the form of promised impact (e.g., wiping malaria off the face of the earth). While such goals are useful targets and laudable, there have been few records of such successful panaceas.

Focus on the wrong metrics: Because more often than not there was no free cash flow (or prospect of it), companies during the Internet bubble were valued on such metrics as market share or Web hits, or even the biography of the founder. The concept of SROI and other measures to be discussed in this article are metrics trying to get at the non-financial impact of an organization with a social mission. Finding the right measure is the holy grail of proving the worth of a nonprofit. However, focusing on the wrong measure, like a new economy journalist

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promising that profits are no longer relevant, can have very undesirable effects.

The Great Debate

Nonprofits are big. The sector represents around 7% of GDP in the United States.¹ Over the past decade, employment at nonprofit organizations has been growing faster than in the private sector. It's no wonder that during the Internet bubble and after, as the wealthy became self-styled stock analysts, venture capitalists, and hedge fund investors, they would begin to apply their newfound perspective on marketplace efficiency (misguided or not), to their charitable activities.

However, the debate over whether a nonprofit should be more "businesslike" or not is nothing new. On one end of the spectrum is the argument that nonprofits need to be mission-focused and not driven purely by a profit motive. In many cases, a nonprofit's activities are strictly short-term and "unprofitable." When a donor pays for relief aid—for instance, providing food, shelter, or medicine after a natural disaster—there is no prospect of a financial return on his or her investment. That is not to say that over time there isn't a chance for some kind of increased global economic growth through this kind of charity, but clearly that is not the primary intention of most of those actions.

Another argument against market-driven nonprofit approaches, according to the worthwhile article "Good to Great and the Social Sectors," by Jim Collins, is that a nonprofit shouldn't attempt to emulate the private sector, because most for-profit businesses aren't very good. This specious argument, a bit like telling your child not to grow up to be a doctor because some are incompetent, misses the point. If you are a nonprofit with the goal to be great, you have no choice but to put into place proxies for the mechanisms that are inherent in efficient capitalism—i.e., market forces that, at least in the long-term, ensure only the best survive.

The Simple Life

What the for-profit world has going for it, like it or not, is a system that rewards businesses with a singular focus on the increase in one metric: shareholder value. For a public company, this means growth in stock prices. That's it.

In the long term, if the system is working

(and combined with a democratic political structure), other stakeholders have a voice. If Nike wants to increase its bottom line by engaging in suspect employment practices in Southeast Asia, eventually, as we have seen, it backfires. Similarly, if Patagonia can justify premium prices for fleece jackets because of its environmentally conscious message, it can do so long as the market values it appropriately. As Patagonia founder Yvon Chouinard has said, "Every time we've done the right thing, it's ended up making us more money."² If this weren't the case, Patagonia would fail, or at least Mr. Chouinard would find it quite expensive to keep up his environmentally friendly habits.

For nonprofits, there is no luxury of a singular focus. Cutting costs is fine so long as they are not at the expense of executing programs on behalf of the public good. Increasing net assets is also important, but how does one retain earnings if there are no profits? In general, there are few financial metrics that are very worthwhile, particularly because the vagaries of nonprofit accounting make it nearly impossible to actually discern meaningful economic analysis. For-profit accounting isn't much more lucid, but there is an entire industry of financial analysts dedicated to deciphering the data. In the nonprofit world, the equivalent would be the program directors of major foundations, many of whom lack a background in accounting or financial analysis.³

There are other critical elements of the for-profit world missing in the independent sector:

Incentives: Great U.S. companies have been built because incentives are aligned. Founders, and in many cases employees, are owners of the businesses in which they work. That means goals for the most part are—or should be—aligned with other investors and shareholders, and even other stakeholders such as customers. In the nonprofit world, it's less clear how to align donors, employees, management, the board, and recipients of the good or service being delivered.

Market Forces: As social enterprise guru Jed Emerson writes, in the social capital market there is a "lack of connection between organizational performance and capital allocation."⁴ Imagine, outside of a bubble economy, companies being allocated excess capital regardless of performance. The nonprofit industry faces such a challenge.

Business Systems: The best for-profits spend

their time trying to be more efficient. They have management information systems, because accounting data doesn't tell the whole story. They use complex project planning tools and CRM systems, and have pay-for-performance incentive schemes that tie the whole thing together. Nonprofits lag far behind. If even the best project managers in the business, let's say Microsoft, still can't deliver bug-free software on time, what hope do major relief efforts or long-term economic development programs have?

The new emphasis on social metrics and philanthropy aims to address these weaknesses. On the one hand, there are new tools and strategies being developed daily for this purpose. On the other hand, there is a lot of noise in the system.

Caveat Emptor

The term "Venture Philanthropy" describes a new breed of donor that aims to invest based on some measure of SROI, or at the very least, to support those organizations that seem to be using their dollars wisely. But is the market for real?

A survey commissioned by Venture Philanthropy Partners found that although there are more than 50,000 charitable foundations in the United States, there were only 42 "pure" venture philanthropy organizations, making grants totaling less than 0.2% of total grant-making in the country.⁵

To be sure, this figure is growing significantly as of late. In addition, individual giving dwarfs foundation grant-making by more than 3:1, and many individuals—especially high-net-worth individuals of the baby boom generation—are applying more of the venture philanthropic approach to charitable giving. But there can be no doubt that to some extent, venture philanthropy is making more noise than 0.2% would justify.

In addition, applying venture capital philosophies to donating isn't a perfect strategy. For one, venture capitalists generally look to build a portfolio in which, say, the majority of investments fail or are mediocre, and a few home runs make all the returns. Also, many venture capitalists look to take an active managerial role, to invest where they have some existing expertise, and to ensure some synergies among portfolio companies.⁶

Given those conflicts, what is real at the core

of venture philanthropy, if anything? Or is it just more new economy hype? I believe that, cutting through the noise, the Furby-like clamoring over a few success stories, and the high-priced consultants, there is a clear message: Impact matters. And increasingly, nonprofits are being asked for results.

The Principles

As a consultant in Europe in the early 1990s, I could clearly see that in the context of efficiency, management philosophy, and market-driven approaches, Europe lagged at least a decade behind even average U.S. companies. In fact, in the wake of Sarbanes-Oxley, it is apparent that even in the U.S., there is quite a wide range of firms on the continuum between old school and new school, or opacity and sluggishness vs. accountability and efficiency.

This market shift is for real, and as we move toward a global economy and efficient information flows, I would surmise it is here to stay. For nonprofits, the principles are the same:

Transparency: There are certain mandatory reporting elements unique to the nonprofit sector, such as the compensation of the top five highly paid employees. However, that's really where transparency requirements end. I recently received a mailing from a large conservation organization stating that "83.3 cents of every dollar . . . goes to the implementation of conservation programs." Just below that, it is clear that 20 cents of that goes to "membership," which I can only guess includes the mailing I just received. While the provision of the numerical breakdown is to be praised, how exactly does the junk mail I just received asking me for money constitute a "conservation program?"

I don't mean to pick on any particular nonprofit subsector. This is part of the overhead game all nonprofits are forced to play. The one that doesn't, will be the one that gets a one-star rating from Charity Navigator. The point is, eventually (we can only hope), transparency will be rewarded, not punished.

Accountability: The aid industry is famous for a lack of accountability. Some governmental or quasi-governmental institution awards a multi-million dollar contract, and at the end of a few years, there's . . . well . . . nothing. Despite the gradual improvement of this unfortunate result, it still happens, and is destined to until

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the end of time unless the lack of efficiency and alignment of incentives in the nonprofit and public sector are addressed. In the social enterprise space, a focus on accountability means being able to answer the question, “What did you do with the money I gave you—exactly?”

Measurement: In the for-profit world, we used to say, “You can’t manage what you can’t measure.” It’s difficult to be transparent or accountable for results unless you are measuring impact. In fact, most of the tools discussed in this article are all about measurement, and it’s no easy task. But until you try, there is no hope of explaining in a systematic way the difference that your organization makes.

Effectiveness: For the new donor, it all comes down to this: Why should I give a dollar to your organization instead of to someone else? This is the same question a stock market investor asks when deciding to buy a share of Google vs. Yahoo. What are my expected returns? Do I like the product? Is demand growing? Is the management team effective? Is the company going to do what it said it was going to do?

The Tools

Throughout this article, I have used the term SROI to broadly represent any metric that values impact beyond financial returns. Simply put, the goal of any such measure is to ensure that a donor’s money is well spent. If I ask a donor for a million dollars to create five jobs that pay \$10,000 per year, economically speaking, the donor is better off investing the million in an annuity, which at a 10% return, returns twice the value as my nonprofit in perpetuity. So in other words, the donor would be better off just handing out money than giving to my nonprofit. But what about the “soft” factors of job creation? What about the self-esteem of the employed? What about the example set for the children of the parent who is going to work instead of receiving welfare? What about the costs of social services saved by the government?

These are the questions that SROI and other methodologies purport to answer—nothing more and nothing less. It’s a justification of a donor’s investment beyond its financial impact.

Of course, the difficulties of calculating such a measurement are obvious. What is the value of self-esteem? What is the value of clean air?

The main problem with SROI is that one never knows where the causal chain stops, or if the nonprofit was part of the casual chain to begin with. If a job program creates income for a family, and that enables a child to go to college, does that child’s income count? What about the grandchildren? Similarly, if a conservation organization tries to conserve an endangered bird by protecting its habitat, and the population of the bird increases, can the organization take credit? What if, at the same time, the bird’s most important predator was obliterated by disease?

These questions are somewhat answerable by using rigorous mathematics and statistical analysis. However, for most organizations, the costs of implementing those calculations far outweigh the benefits. In addition, there are no standards for comparison within the industry. If you create jobs and measure your impact one way, and your competitor creates jobs and measures impact another way, who’s right? How is a donor to choose, other than on the basis of the rigor of the analysis?

As a result of these problems, many SROI-type metrics have come in and out of favor. An organization’s challenge is to pick some combination of what’s out there and come up with a framework for talking about what you do that is credible both internally and externally, and measures the one thing that matters: impact.

There is a large and growing library of white papers, books, articles, and Web sites espousing one or another methodology for calculating the intrinsic value of a social enterprise. While it’s beyond the scope of this article to list them all in excruciating detail, the table on the next page summarizes the key tools.

A Quick Guide to Implementation

You’re now sold on the fact that there is no one right answer, and while the sky is not yet falling on traditional philanthropy, you believe the market is shifting in some important and permanent way toward demanding greater transparency, accountability, measurement, and effectiveness.

So what do you do next? SROI has lost a lot of its luster, mainly due to the difficulties in measurement and standardization as discussed above. Theory of change is now a popular approach, and balanced scorecards seem to be making a comeback as well.

Regardless of the measure you choose, there is only one question you need to answer as an organization: *How do we know when we are successful?*

To answer that question, you first need to know what you are setting out to do. If you bring a million people out of poverty, but you are a health organization, does that make you successful? You also need to know how to measure success. One of the difficulties the conservation community faces is how to measure changes in the environment over time. Without satellite

imagery and literally counting endangered species one monkey at a time, how do you know if you're making a difference? Worse, how do you separate your organization's impact from the multitude of other factors at play?

However, once you know what it takes to be successful in your mission, and once you can measure your progress, the only missing piece is financial. What is the cost of your initiatives, relative to the impact? What does a \$1 "investment" into your organization buy?

Other questions that may be useful for you to

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TOOL	DESCRIPTION	PROS	CONS
SROI	SOCIAL RETURN ON INVESTMENT: ULTIMATELY MEANT TO BE ONE RATIO, SIMILAR TO ROI, THAT INCLUDES A MONETIZED VALUE OF SOCIAL IMPACT	SINGULAR MEASURE FOR OVERALL PERFORMANCE. JUSTIFIES INVESTMENT BEYOND FINANCIAL RETURNS	NUMEROUS METHODOLOGIES ATTRIBUTING CAUSE OF SOCIAL IMPACT TO PROGRAM DIFFICULT TO MONETIZE SOCIAL ISSUES
THEORY OF CHANGE	A CAUSE-AND-EFFECT CHAIN THAT LOGICALLY LINKS AN ORGANIZATION'S PROGRAMMATIC ACTIVITIES TO ITS MISSION	CLEAR ANALYSIS THAT GETS TO THE ROOT OF A NONPROFIT'S PURPOSE CAN LEAD TO A FRAMEWORK FOR DECISION MAKING	CAN BE INTERPRETED IN MANY DIFFERENT WAYS DOESN'T NECESSARILY LEAD TO MEASURABLE OUTCOMES
DOUBLE/TRIPLE BOTTOM LINE	A FRAMEWORK FOR ASSIGNING IMPORTANCE TO SOCIAL, ECONOMIC, AND ENVIRONMENTAL RESULTS OF CORPORATIONS (DOUBLE BOTTOM LINE LEAVES OUT ENVIRONMENTAL)	FORCES AN ANALYSIS OF THREE DIFFERENT TYPES OF IMPACTS BASED ON THE ASSUMPTION THAT CORPORATIONS NEED TO TARGET THESE THREE MEASURES SEPARATELY	PREDOMINATELY USEFUL FOR FOR-PROFITS TO ENHANCE FINANCIAL BOTTOM LINE RESULTS THE SAME SOCIAL VALUATION PROBLEMS AS ALL OTHER MEASURES
BLENDED VALUE	SIMILAR TO TRIPLE BOTTOM LINE, BUT A "BLEND" OF ALL THREE COMPONENTS	A HOLISTIC APPROACH TO ENCOMPASSING SOCIAL VALUES WITH MARKET PRINCIPLES	NO TANGIBLE METHOD FOR IMPLEMENTATION AVAILABLE
BALANCED SCORECARD	HARVARD'S ROBERT KAPLAN DEVELOPED THIS METHODOLOGY TO INCORPORATE A VARIETY OF METRICS FROM MULTIPLE STAKEHOLDERS INTO A SINGLE REPORT	THE ABILITY TO INCLUDE METRICS OF MULTIPLE TYPES OF DATA, WHICH CANNOT NECESSARILY BE COMBINED	COST OF MONITORING A WIDE RANGE OF METRICS NO SINGULAR FOCUS FOR MANAGEMENT OR DONORS MAY SKEW TOWARD OUTPUTS RATHER THAN OUTCOMES
OUTPUTS VS. OUTCOMES	POSITS OUTPUTS (WHAT THE PROGRAM DOES) VS. OUTCOMES (WHAT THE OUTPUTS ACHIEVED, RELATING TO THE OBJECTIVES OF THE ORGANIZATION)	RECOGNIZES THAT IT'S OUTCOMES THAT MAKE THE DIFFERENCE	OUTPUTS AND OUTCOMES CAN BE CONFUSED THE RELATIONSHIP BETWEEN OUTPUTS AND OUTCOMES CAN BE MISSING HARD TO PROVE CAUSAL CHAIN
COST/BENEFIT	BASIC ANALYSIS OF COSTS OF A PROGRAM VS. BENEFIT TO SOCIETY	SIMPLE FLEXIBLE CAN SUM TO A TOTAL AS POINT OF COMPARISON	SAME BENEFIT MEASUREMENT ISSUES AS OTHER MEASURES

There is only one reason a nonprofit exists—to make a difference. If you don't know what kind of difference you are making, you will be forever confused. You won't know how to allocate resources.

consider when getting your story together are as follows:

What is your elevator pitch? This is a 30-second speech about your organization you could give in the event you found yourself riding an elevator with Bill Gates. If it's currently your mission statement, and that's a rambling, multi-sentence paragraph with no specific message, you don't have it yet. "We provide technology to bring clean water to three billion people in need," or "We provide job training to bring the urban poor out of poverty in 30 communities in California," are examples of a specific-enough elevator pitch.

Why should I give you \$1 million rather than someone else? The answer, in social capitalism-speak is, "Because investing \$1 million gets you X."

How do you know that what you are doing works? For example, let's say your theory of change is that after-school programs lead to better lives for the children who participate. But have you tested that assumption? Do you know what those children are doing ten years later?

If you can answer those questions, or at least know how to approach them, you are nearly there. However, there are a few more steps to take:

Organizational design: Do you have the staff; policies and procedures; business systems; technology; structure; etc. to measure your impact and act on it? If not, you will need to make those changes early on.

Alignment: Are your management, staff, board, and partners all in agreement? The debate in the organization from here on out needs to be about whether the mission is being achieved according to plan, and how to do better—not what the mission is and how to pursue it.

Education: Plan on a constant process of educating your stakeholders, including your traditional donor base, who may be confused about why they are looking at bar charts instead of pictures of needy children.

Implementation: This is the hard part. All the best intentions won't matter if you are not regularly measuring and reporting on your impact. The graveyard of management tools and techniques is full of projects given up halfway through. Accountability to your donors means you have to stick with it.

Potential Pitfalls

If you decide to go down the bumpy but potentially rewarding road of social capitalism, there are a few potholes you should take care to avoid:

Going Dilbert: No doubt someone, somewhere, in the history of your organization, meant to start something to help save the world. Along the way, depending on your size, often you may feel your life is more about paper shuffling and office politics than helping those in need. As you go through the process of revisiting your organization's impact model, there may be a tendency to over-bureaucratize both the strategic review process and the implementation of monitoring and metrics. But it's also a chance for your organization to return to its roots, so take advantage of it.

Red Herrings: No organization can do everything. Focus on what you are good at, and either outsource or partner with others for the rest. As in the for-profit sector, there is nothing more powerful than a pervasive, persuasive, singular goal to rally behind, so keep it simple.

Instant gratification: Inefficiencies in the market reward short-term behavior. You can't be expected to save the world overnight, and you need to ensure that your staff and donors understand that. Of course, you will need some short-term wins along the way—it's just too depressing otherwise—but like anything worthwhile, it's long-term impact that's worth waiting for.

The Bottom Line: Impact

There is only one reason a nonprofit exists—to make a difference. If you don't know what kind of difference you are making, you will be forever confused. You won't know how to allocate resources. You won't have a framework to make day-to-day decisions. And you won't know when you have won.

To be sure, there is some noise in the nonprofit marketplace. It is increasingly fashionable to be a social entrepreneur, and that temporary blip in the market creates a distraction from organizations and donors in it for the long haul.

However, as with the Internet bubble, there are many good things to come out of the hype. An enhanced level of sophistication among donors, for one, as well as an opportunity to be

rewarded for effectiveness and not just incumbency, will lead to bigger and better things for those doing the right things in the right places. Furthermore, even after the last flavor-of-the-month SROI management tool fades from memory, high-performing nonprofits will still be focused on the central question of impact.

The world has not changed overnight. The vast majority of donors still give with their hearts and not with Excel spreadsheets, and the blue chip nonprofits will still be with us, SROI or not. But for those organizations that are ready, there is a movement taking place that's worth joining. And if you choose to take some action—whether it's revisiting your mission from scratch, employing some kind of simple SROI metric, or just keeping in the back of your mind a consistent framework for decision making—you'll be further along then most.

End Notes

1. The *Nonprofit Almanac*: www.independentsector.org.
- 2 "He's not worthy," *Outside Magazine*, January 1997.
- 3 There are also research databases, such as Charity Navigator and GuideStar, which attempt to equilibrate nonprofit financial data using publicly available information (e.g., 990s). However, they do not have access to the detailed financial data, senior management, or conference calls upon which for-profit analysts rely.
- 4 "Blended Value Executive Summary," Jed Emerson and Sheila Bonini, 2003.
5. Venture Philanthropy 2002: Advancing Nonprofit Performance Through High-Engagement Grantmaking.
6. For more on the topic of venture capitalism vs. venture philanthropy, see Mark Kramer's article, "Venture Capital and Philanthropy: a Bad Fit," the *Chronicle of Philanthropy*, April 22, 1999.

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If you choose to
take some action—
whether it's
revisiting your
mission from scratch,
employing some
kind of simple SROI
metric, or just
keeping in the
back of your mind
a consistent
framework for
decision making—
you'll be further
along then most.

On the Light Side

It all started with a beer and a conversation about vegan humor (yes, there is such a thing), which eventually and perhaps inevitably made its way to the nonprofit sector. Perhaps you can improve these answers, but in the meantime, have fun with them. Send us your alternate answers or new questions at feedback@npqmag.org

How many grantwriters does it take to change a lightbulb?

Two, one to change the bulb and the other to write the report.

How many development directors does it take to change a lightbulb?

Three, two to recruit and manage a willing team of volunteers and one to send out thank you notes and pledge cards.

How many nonprofit executive directors does it take to change a lightbulb?

One—"I already do everything else around here."

How many nonprofit executive assistants does it take to change a lightbulb?

One—"I already do everything else around here."

How many foundation program officers does it take to change a lightbulb?

"Sorry, we don't give support for overhead."

How many foundation trustees does it take to change a light bulb?

"What's a lightbulb?"

How many evaluation consultants does it take to change a light bulb?

Three—one to develop a theory of change, one to change the bulb, and one to develop metrics based on the theory of change.

How many board members does it take to change a light bulb?

"Wait a minute, does that fall under governance or management?"

How many CFOs does it take to change a lightbulb?

"Let me check the budget."