

# REIMAGINING SERVICE

CONVERTING GOOD INTENTIONS INTO GREATER IMPACT

## NONPROFIT SERVICE ENTERPRISE

### Research Summary

Research conducted by Deloitte Consulting LLP  
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# EXECUTIVE SUMMARY

## Background

- In order to validate and refine the definition of a nonprofit Service Enterprise, this team conducted a series of interviews with eight exemplary nonprofit organizations.
- Interviews focused on the nonprofits' volunteer management processes and programs. The purpose of this research was not to review a statistically relevant sample of nonprofits, but rather to look at high performing organizations to understand why and how they achieve their results.

## Key Interview Observations



## RESEARCH OBJECTIVES

- Identify key characteristics and critical success factors of nonprofit organizations that demonstrate outstanding volunteer management practices.
- Illuminate behaviors and best practices other nonprofit organizations could adopt in order to improve their volunteer management programs and practices.
- Inform the refinement of the Service Enterprise model through interview findings with identified nonprofit organizations.
- Provide more detail and insight into the operation of nonprofit Service Enterprise organizations.
- Compile a final report highlighting interview findings regarding the characteristics of nonprofit Service Enterprise organizations.

**As a starting point, we began by looking at The TCC Group's December 2009 "positive deviant" research. Specifically, we looked at the subset of organizations in TCC's Core Capacity Assessment Tool (CCAT) database with the following characteristics:**

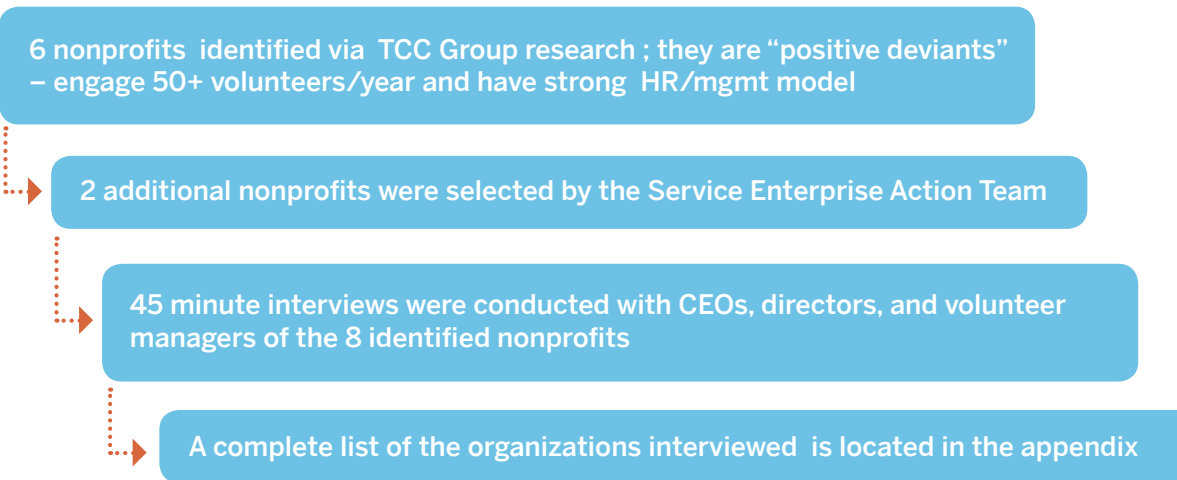
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- Have deeply integrated service into their delivery of core programs and infrastructures, and have thereby been able to minimize their costs and scale work in new ways.
  - Engage at least 50 volunteers per year.
  - Utilize an effective volunteer management model.
  - Significantly outperform their peers in at least one area as a result of using volunteers.
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**Nearly 75% of nonprofits describe volunteers as a critical component of their business model but only 11% of organizations in the TCC Group database have over 50 volunteers and a strong volunteer management model. (Deloitte and TCC Group)**

# BACKGROUND: OVERVIEW OF INTERVIEWS

## Interview Selection Process



- The purpose of this research isn't to review a statistically relevant sample of nonprofits, but rather to look at high performing organizations to understand why and how they achieve their results.
- These interviews were intended to answer the following questions:
  1. What can we learn from the "positive deviants" identified through The TCC Group's research?
  2. How do we map core HR processes and best practices to the key challenges associated with volunteer engagement?
  3. What are the defining characteristics of nonprofit Service Enterprise organizations?
  4. How do nonprofit organizations transition into a Service Enterprise model?

# INTERVIEW HIGHLIGHTS

## Nonprofit Service Enterprise Defined

6 nonprofits identified via TCC Group research; they are “positive deviants” – use 50+ volunteers/year and have strong HR/mgmt model

Able to minimize their costs and scale work in new ways

Have at least 50 volunteers

## Interview Highlights

- Organizations that have volunteerism deeply integrated in their infrastructures must rely on volunteers to administer their programs
- They do not have the budget to support a paid workforce to carry out core service delivery
- Incorporating volunteers into the strategic plan is a clear indication of service integration

- The organizations interviewed have at least 10 – 20 times more volunteers than paid employees
- Programs are operated with a minimal budget by utilizing volunteers
- With strong volunteer management, increasing the number of volunteers increases scalability of operations

- All organizations interviewed currently have more than 100 volunteers
- Over 70% of nonprofit organizations interviewed had more than 250 volunteers

## Anecdotes from Interviews

- The best nonprofit organizations rely deeply, if not solely, on volunteers to administer programs thus reducing funding needs
- Nonprofits that have volunteerism deeply integrated into their infrastructures are able to utilize volunteers not only as the primary source of service delivery, but also to manage volunteers or an initiative

- In one organization, 14 employees were able to offer transitional housing and support services to 75 homeless families through the support of volunteers
- Nonprofit organizations that scale work in new ways are able to empower experienced volunteers to lead initiatives and advance their role as a volunteer

- The number of volunteers is irrelevant if you cannot properly utilize them
- Volunteers are being turned away from organizations because there are not enough resources to process and match volunteers



# INTERVIEW HIGHLIGHTS (CONTINUED)

## Nonprofit Service Enterprise Defined

Use an effective Volunteer Management Model

## Interview Highlights

- Volunteer management focuses on recruiting, expectation setting, training, matching volunteers with opportunities, and retention
- On boarding activities (expectation setting, training, and volunteer matching) are critical to having an effective volunteer management model

## Anecdotes from Interviews

- Recruiting volunteers who have relevant educational backgrounds and relevant experience make the volunteer management process more manageable – particularly for new organizations
- Organizations that have a centralized human resource function tend to have a superior volunteer management model

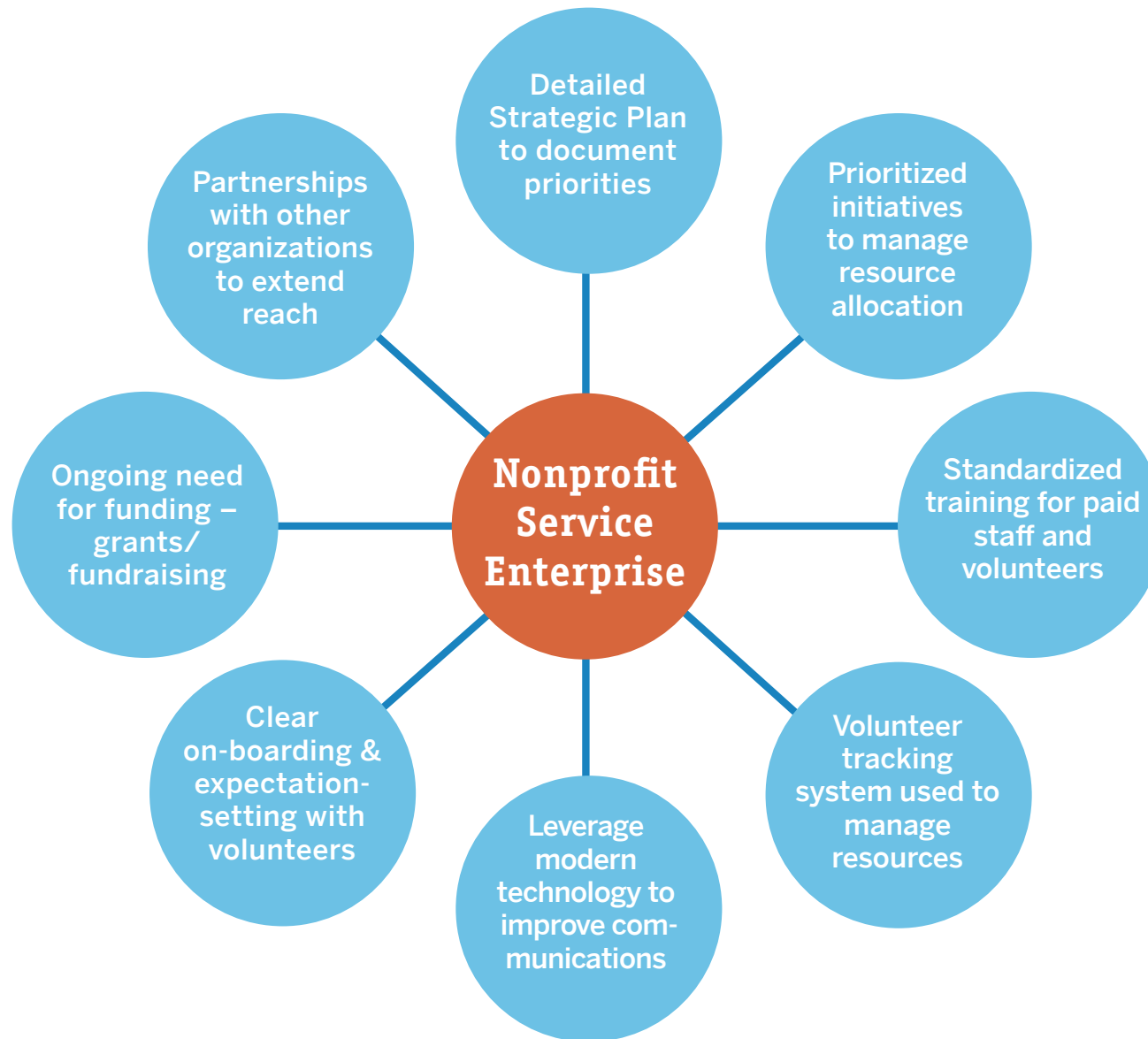
Significantly outperform their peers in at least one area as a result of using volunteers

- Organizations with 50+ volunteers with an effective volunteer management process are more effective on almost every measure of leadership, management, adaptability, technical capacity and culture

- Organizations with between 10 and 50 volunteers are statistically equally as “effective” as their counterparts without volunteers – on all measures of organizational effectiveness – but operate with half the budget

1) Information was provided by the TCC Group Survey – Interviews did not provide an effective peer comparison

## KEY CHARACTERISTICS OF A NONPROFIT SERVICE ENTERPRISE



# NONPROFIT SERVICE ENTERPRISE CHARACTERISTICS

## Key Characteristics

### Detailed Strategic Plan to Document Priorities

- A strategic plan for a nonprofit organization should clearly document service initiatives, resource and funding needs, volunteer integration, and future direction.
  - Defining the role(s) that the organization's volunteers will play increases clarity in the recruiting process.
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### Prioritized Initiatives to Manage Resource Allocation

- Prioritizing organizational initiatives allows funding and resources to be allocated strategically.
  - Prioritizing initiatives helps create an immediate action plan for the organization.
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### Standardized Training for Paid Staff and Volunteers

- Standardized organizational training allows all volunteers to be equipped to handle the assigned tasks regardless of education level or career background.
  - Organizations with standardized training have lower turnover rates.
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### Volunteer Tracking System Used to Manage Resources

- A volunteer tracking system provides the nonprofit with quantitative information on volunteer retention, hours dedicated per year, and hours dedicated over a lifetime.
- Volunteer tracking systems help organizations assign a value (i.e. points to recognize time spent, training completed, etc.) to any given volunteer as well as to the volunteer group as a whole.

## SUGGESTED KEYS TO SUCCESS FOR NONPROFIT SERVICE ENTERPRISE ORGANIZATIONS

### Key Characteristics

Leverage Modern  
Technology to Improve  
Communications

Clear On-Boarding and  
Expectation Setting  
with Volunteers

Ongoing Need for  
Funding – Grants /  
Fundraising

Partnerships with  
Other Organizations to  
Extend Reach programs

### Interview Findings

- The utilization of modern technology allows nonprofits to stay in continuous contact with volunteers through e-mail distribution lists and website updates regarding volunteer opportunities and upcoming events.
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- Nonprofits tend to be more successful when they utilize a standardized and consistent process for helping new volunteers become productive members of the organization.
  - The nonprofits interviewed indicated that a best practice is to set expectations for volunteers and communicate the supporting role of the full-time employees up front.
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- Regardless of the use of volunteers, nonprofits still require funding to support their programs and full time employees.
  - Funding may be obtained from individuals, businesses, charitable foundations, or governmental agencies to support operations and overhead.
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- Partnering with nonprofit, government, and religious organizations has allowed an extended reach into the community.

## SUGGESTED KEYS TO SUCCESS FOR NONPROFIT SERVICE ENTERPRISE ORGANIZATIONS

- Respond to volunteer inquiries quickly
- Screen potential volunteers for skills and genuine interest
- Define and communicate roles and expectations clearly
- Implement standard training for all volunteers
- Match skills and interests of the volunteer with volunteer opportunities
- Establish the value of the volunteer - making sure they have an important role in the organization that impacts the whole volunteer process
- Provide volunteers with an opportunity to provide and receive feedback
- Implement a good tracking tool to measure value
- Provide support and assistance to volunteers at all times
- Provide an opportunity for volunteers to connect with other volunteers and non-profit leadership
- Develop an ongoing recognition program
- Develop strong relationships with partner programs

# NONPROFIT SERVICE ENTERPRISE EVOLUTION

**Interview findings suggest that nonprofit Service Enterprise organizations tend to evolve in a similar way.**

## Fundraising

### Develop Strategic Plan

- Define the organization's strategy or direction
- Determine organizational priorities, resources and funding needs
- Develop an organizational structure
- Define the volunteer role(s)
- Create a volunteer integration plan
- Determine the future direction

### Recruit and Train Employees

- Identify optimal skills for employees (e.g., strong organization, communication skills)
- Identify relevant backgrounds (e.g., business, nonprofit, social work)
- Recruit employees

### Recruit, Train, and Match Volunteers

- Recruit volunteers through various channels (e.g., other nonprofits, marketing campaign, word of mouth)
- Communicate volunteer expectations
- Conduct standardized training for volunteers
- Match volunteers with opportunities in which they are interested

### Provide Ongoing Support and Communication

- Support employees through continuous training
- Supply a contact to provide any needed guidance for day-to-day volunteer activities or special situations
- Communicate regularly to volunteers (e.g., newsletter, monthly meetings)

### Implement Continuous Learning and Improvement

- Conduct feedback surveys and interviews with volunteers and the nonprofit clients
- Revise plans, training, and programs as necessary

- Developing a strategic plan that effectively leverages volunteers
- Obtaining the funding necessary to hire employees, recruit volunteers and support effective volunteer management
- Recruiting long-term volunteers and / or “the right mix” of volunteers to help the nonprofit become a Service Enterprise
- Creating and maintaining an effective system to match volunteers to available opportunities that use their skills and interests

## NONPROFITS INTERVIEWED FOR THIS RESEARCH

Nonprofit	Overview	# of Employees	# of Volunteers
Atlas Corp	Atlas Corps mission is to integrate a global citizen sector in order to create a global partnership for development. Atlas Corps facilitates international fellowships for rising citizen sector leaders who volunteer overseas for at least one year. These Fellows then commit to work an additional year in the citizen sector of their home country, sharing new skills, best practices, and valuable experience.	5	100+
Bridge Communities	Bridges Communities offers transitional housing and support services to homeless families that live and work in DuPage County.	14	200+
CASA of St. Louis County	Our mission is to provide a trained community CASA volunteer to abused and neglected children in the St. Louis County Family Court. The CASA volunteer, serving as a court-appointed advocate for the child, will prevent the child from getting lost in the system by being sensitive to the child's needs and presenting these needs to the Court.	15	300
The Enterprise Center Community Development Corporation	The Enterprise Center Community Development Corporation is a community-based nonprofit organization in West Philadelphia that focuses on comprehensive neighborhood revitalization. Our programs include an innovative education initiative to engage community resources in 15 public schools; a ten-member community outreach team that goes door-to-door to connect neighbors to vital social services; and physical development projects to rebuild blighted infrastructure and create jobs.	6 full time 8-10 part time	120



## NONPROFITS INTERVIEWED FOR THIS RESEARCH (CONTINUED)

Nonprofit	Overview	# of Employees	# of Volunteers
Executive Service Corps of Chicago	The Executive Service Corps of Chicago delivers solutions to overcome challenges and leverage opportunities for more than 150 non-profits and public agencies every year. In every project, ESC's goal is to equip organizations and individuals with new tools, expertise and insights. This ensures that our non-profit and public agency clients are able to provide the highest quality of programs and results for the people and communities they serve.	28	280
Herbert Hoover Boys & Girls Club of St. Louis	Our mission is to inspire and enable youth ages 6 to 18 to realize their full potential as productive, responsible, and caring citizens. Herbert Hoover Boys & Girls Club now serves over 3,500 youth in St. Louis at three sites, two 21st Century Community Learning Centers, and at five schools through the Mentor St. Louis program.	23 full-time, 62 part-time, and seasonal support	750
Literacy DuPage	Literacy DuPage's mission is to provide accessible and customized tutoring in reading, writing, speaking and understanding English to help adults achieve independence.	2 full time 9 part time	485 active 50 between assignments
Upwardly Global	Upwardly Global is a non-profit organization that brings highly qualified immigrants and highly progressive employers together. The jobseekers we help are already permanent residents of the U.S. and work-authorized. We help them write résumés, sharpen interviewing skills and develop professional networks. We also help businesses put the right people in the right jobs and show them how to reap the benefits of diversity.	16	800+