

Missing the mark

Are you neglecting a huge opportunity in the nonprofit market?

What if your product could revolutionize an industry responsible for 13 percent of all employment in southwestern Pennsylvania that pushed more than \$1.2 billion into the local economy last year?

Unfortunately, thousands of innovative technologies with that potential are developed and never marketed, sold or deployed into a massive, growing and yet largely invisible marketplace — the community-based nonprofit sector comprised of food banks,

arts organizations, libraries, shelters and animal rescue operations.

Gains in corporate production

In many industries, an increasingly global and hypercompetitive marketplace has driven extraordinary gains in productivity.

An employee in today's advanced U.S. manufacturing industries is responsible for three times the output than in 1970. That enormous gain was made possible by capital investments in innovative technology that completely reshaped the business models of many firms, while simultaneously helping create a new marketplace for the growth of ancillary knowledge-driven technology industries.

Across the U.S., the nonprofit sector also has grown exponentially — 40 percent in the past decade. However, the growth in technology-driven productivity has been minimal.

Overlooking the nonprofit market

Why has business overlooked this market opportunity? My suspicion is the label “nonprofit” may convey “no profits” to business. The second is that many companies operate off a dated view of nonprofits as “charity.”

When I first joined the nonprofit sector 40 years ago — yes, I am dating myself, but it's for a good cause — the dress code was conservative suits for men, and white gloves and dainty purses for women. We were walled off in a work category with the genteel label of charity.

Today, that workspace has changed dramatically. The charity designation has

long since been replaced with the more business-like title of community-based work.

Misconceptions do us all a disservice — companies with a product to sell are missing a great business opportunity, and community organizations suffer from not having access to essential tools.

Investing in technology solutions

In southwestern Pennsylvania, I head The Forbes Funds, which invests “real dollars” in strengthening the vibrancy, relevance and impact of the nonprofit sector at the community level.

A significant amount of our effort currently focuses on identifying and on-boarding technology solutions to save nonprofits time and money and/or increase their impact.

It is a simple thing like a texting program that reaches kids who have aged out of the foster care system; a time-tracking system that works off a smartphone so workers don't have to return to the office to input their time; or a technology application for scheduling substitute teachers in high-quality day care centers.

Think how great your employees and shareholders would feel if your product not only produced equivalent profits to other markets, but also improved the quality of life in your community.

So, what might you do to weigh the opportunity in this social benefit marketplace?

- Ask your employees if any of the products or services your company produces have relevance to the work of nonprofits.
 - Create a profile of potential customers within the nonprofit sector.
 - Then, go talk to them about the value of your products/services and/or what types of products/services would be beneficial.
- It may be a start to a new chapter in your company's success. ●



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The Forbes Funds is a supporting organization of the Pittsburgh Foundation.

Kate has more than 40 years of experience with nonprofit organizations, foundations, public agencies and corporations at the local, state and national level.

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