



Want to be a social entrepreneur¹?

5 fundamental tips from 20 years of JPI's nonprofit consulting practice

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Starting a nonprofit consulting practice is a leap of faith built on a track record of experience. For the past two decades JustPartners, Inc., has successfully maneuvered the waters of nonprofit consulting, using a combination of skills brought into the enterprise as well as what we've learned from that journey. With the number of new/ young social entrepreneurs (and similar hybrid organizations) growing, we want to offer some key insights we've learned from our experience that might be helpful to others either early in that journey or contemplating it. The tips below might also be useful for existing enterprises struggling in their trajectory or needing some course correction. To all, we wish you the ongoing ability to apply your talents in ways that tap the promise of people, communities, this nation, and the globe.

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https://ssir.org/articles/entry/social_entrepreneurship_the_case_for_definition “We define social entrepreneurship

as having the following three components: (1) identifying a stable but inherently unjust equilibrium that causes the exclusion, marginalization, or suffering of a segment of humanity that lacks the financial means or political clout to achieve any transformative benefit on its own; (2) identifying an opportunity in this unjust equilibrium, developing a social value proposition, and bringing to bear inspiration, creativity, direct action, courage, and fortitude, thereby challenging the stable state's hegemony; and (3) forging a new, stable equilibrium that releases trapped potential or alleviates the suffering of the targeted group, and through imitation and the creation of a stable ecosystem around the new equilibrium ensuring a better future for the targeted group and even society at large.” According to this and related definitions, JPI is actually a hybrid, as noted by the authors: “Other organizations are hybrids using both social entrepreneurship and social activism at the same time. Standards-setting or certification organizations are an example of this. Although the actions of the standards-setting organization itself do not create societal change – those who are encouraged or forced to abide by the standards take the actions that produce the actual societal change – the organization can demonstrate social entrepreneurship in creating a compelling approach to standards-setting and in marketing the standards to regulators and market participants.” To the foregoing social mandate we would add the essential feature of producing financial capacity that enables long-term programming.

So let's get started...

1. Go where few have gone before, but only consult about what you already know well.

It's always easier to stand out when few other enterprises exist in the arena where you want to work, or when you are offering the market something novel – in other words, in an uncontested arena that is un/under-developed. Strategists refer to the arena with no or few enterprises as a blue ocean – in contrast to a red ocean² filled with many established and thus competing enterprises. What talents and skills can you offer in the nonprofit consulting world where a market can/needs to be developed and where direct competition is limited? This question is best answered by a deep understanding of specific issues confronting our world which are being under-addressed, as well as an appreciation for how your talents can best apply to the identified issues. Beginning your work in a blue ocean doesn't mean that the space won't later get crowded, but it gives you important room at the start for innovation and client development.

Remember that early success may require a learning process about doing consulting work itself, so it cannot also require a learning process about the focus of your consultation. There's only so much space for on-the-job learning, and this should be used to concentrate on putting your consulting enterprise together effectively.

2. Consider similar enterprises as allies, not competitors.

When you launch your work in a blue, or relatively blue ocean, there may still be some others offering services akin to your plan. There is no reason to view them as competitors, because the landscape for clients in a blue ocean is still pretty wide open. Instead, we have found it useful to think of and treat them as allies. For example, some were bigger and could handle more of a client load – we'd refer potential clients to them when we were fully booked. Some had capacity for extensive data collection and analysis which we did not – another opportunity to refer or collaborate. And some client inquiries were far afield from our offerings or approach to the work – again, another opportunity for referral.

² <https://hbr.org/2004/10/blue-ocean-strategy><https://hbr.org/2004/10/blue-ocean-strategy><https://hbr.org/2004/10/blue-ocean-strategy> The red ocean imagery implies sharks in the water, which is an imagery inconsistent with Tip #2. So we would shift the metaphor to one of planting seeds in new soil for the growth of a spreading plant (fresh soil/occupied soil).

Over time, the ocean became more crowded. We then sought to understand the nuances of differentiation across consulting enterprises so we could help those who would become our clients to appreciate fully how our offerings were distinct from those of allied consulting groups – as well as when our clients may also need to confer with those allies for related but distinct services. A blue ocean doesn't turn red overnight, so you have meaningful time to adapt to a changing marketplace. Over that time you have a head start in a blue ocean for building a reputation that precedes you and enjoying referrals that your satisfied previous clients will make that bring new work to your door.

3. Be sure your core team has both programmatic and operational expertise and experience.

One of the principals of our core team came with a programmatic idea and extensive teaching and application in the proposed areas of consultation; the other principal brought several decades of success in national and international business. While the programmatic work is the most public-facing portion of a consulting enterprise, an organization's reputation will not be strong and sustained without solid business operations. From the outset, both the programmatic and the operational arenas of our work shaped who we became.

Consulting as a social entrepreneur is born of a desire to advance positive change in the world. That requires deep content knowledge of the issues to be affected, as well as an appreciation for and skill in the practical application of that knowledge. Ideally, a programmatic lead should also come to the undertaking with a knowledge of funding sources that might support the work, as well as links to existing networks that can be used as referral sources for clients.

At the same time, no social consulting enterprise will be successful without the knowledge and experience needed for undertaking the business and legal aspects of an organization, whether in the start-up phase or for sustainability. This "back-office" expertise regularly interfaces with programmatic decision-making, such as in the development of pricing and payment schedules for services, the creation and enforcement of contract parameters with clients and funders, and the enhancement of program delivery through the acquisition of new technologies.

While both competencies are essential for organizational success, they derive from different, if not sometimes competing, paradigms. This means that certain junctures of organizational decision-making will have to navigate competing values. Here's one example: Programmatically, even with an agreed upon scope of work, we try to be responsive to a client's dynamic and unanticipated circumstances. At the same time, this may require changes in our consultants' assignments, to which they had committed their calendars and therefore declined competing engagements. Once we realized that such an occasion was more frequent than not, we built into our contracts additional

costs for client requests for rescheduling. While our program offerings are priced to be reasonable, we could not be unreasonable to our team in order to accommodate a client's unexpected circumstances. It is fair to say that across our 20 years, each area of application, the programmatic and the operational, has gained a greater appreciation for the requirements of the other paradigm, and we have worked hard to craft win-win solutions across these essential areas of expertise.

4. Early on, envision what success should look like for YOU.

Success does not necessarily mean growing big. From the beginning, we aspired to be a small, boutique consulting group rather than a large consulting firm. To do this, we have kept operational expenses contained through having only a small core office team and building the programmatic work around a small group of consultants who agreed to be available as grants and contracts were obtained.

We utilized a pricing process for services that covered both the costs of the program consultants and also built in overhead to maintain the office operations. Our scan of the field of allied enterprises -- what they offered, and what they charged -- enabled us to price our services and pay our team in line with what others were doing.

Certain factors enabled the "small is successful" aspiration to be maintained. First, our team of program specialists who work on a sub-contracted basis have typically been longtime friends who (a) have other non-competing work obligations and thus do not depend on JPI solely for their income; and (b) specifically like working with one another through a small enterprise.

The over-arching point, of course, is to begin your consulting practice with a sense of where you ultimately want it to go so that you can make decisions at every juncture that support that specific aspiration -- or so that you can adjust from an earlier considered position to a revised considered position if important factors (like a growing field of like practitioners) require it.

5. Have explicit protocols about organizational values, roles, and processes that are shared with all team members -- and followed.

A consulting enterprise, no matter how small, must build its operations around values and actions that align with its programmatic work. Just as we chose particular material goods to purchase because of the just reputation of the seller, we wanted to build our

reputation not only on what services we offered but also on who we were as a company. Every new team member was oriented to and expected to align with and utilize these protocols. This commitment expanded our reputation beyond the quality of the services we offered to appreciation that we practice what we preached.

A small group of consultants deserves well-aligned protocols just as a large group of consultants would need such guidance for the purpose of organizational consistency. These protocols provide important everyday anchors for internal decision-making and become invaluable in the face of complicated and even messy external circumstances. We included our external-facing protocols in the contracts issued to and signed by our clients so that there was a shared understanding at the outset about how we operate. If a client was treating our team in a way inconsistent with our protocols, we had these readily available as justifications for a decision we might make to change course or even, in a few cases, to withdraw from an engagement. We always expected clients to treat us fairly, but it is important to prepare, just in case.

The goal here is consistency in decision-making so that comparable circumstances and people are treated comparably – and everyone can expect that.

We've found the foregoing 5 issues to be fundamental to smooth operations and organizational satisfaction. If you are struggling to get started in your consulting enterprise or are encountering some stumbling blocks as you go along, we'd be glad to offer guidance that's built from our two decades of success. Please reach out to us at pdressel@justpartners.org or 443-631-2827.

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