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How a Nonprofit Profited With a Business Plan

by Ruth A. Sheets, MBA

As a small business consultant I work with start ups and companies that are expanding or restructuring, and looking to turn growing pains into business gains. I enter as an advocate, embracing the goals of a client, then work to simplify business matters with smart planning and assisted follow-through.

In 1999, I worked on a project for a large nonprofit multi-service membership organization with locations nationwide. The association in southeastern Massachusetts hired me to achieve two goals: to provide job readiness skills to homeless women and to create at least one for-profit business through which these women could receive on-the-job training.

Accomplishing each goal meant breaking down their separate challenges. The first lay in finding the proper job training vehicle which would broaden employment skills in preparation for successful transition to permanent employment. The second challenge was one faced by every business-the existence of market demand for the product or service. There were also issues related to the legality of a nonprofit organization creating a for-profit business.

Dispensing with the legal issues required that I think outside the box. My solution: Rather than creating one or multiple for-profit businesses, I advised the organization to create a profit center-a segment of a business organization that is responsible for producing profits on its own-through which one or more businesses could be operated. This would allow them to funnel the profits back into organization while retaining nonprofit status.

Free from any legal restraints, we explored various new business/training ideas including a cyber café concept, carpentry training for the local ship building industry, hotel housekeeping, and medical transcription services. Each would provide transferrable skills. Each would increase the marketability of the program participants. However, market demand would ultimately determine which business they were to start, and that meant conducting market research.

Business planning begins with gathering information. As with every startup, it was critical to identify the target market and determine the opportunities and threats facing the organization. Our market analysis pinpointed a growing demand for high quality photocopy services and mailbox rentals for the legal and professional community in the downtown area. We found the barriers for entering that market were minimal. Additionally, existing service offers were similar but the number of competitors was few. Armed with this information, we concluded that the organization should create a cyber café business with an additional menu including facsimile service, Internet access, key cutting, document courier service, and gourmet coffee.

Once it was determined what business we were in, our attention shifted to creating an on-the-job training program that would enable participants to both greet the customers and operate the equipment, the gamut of the soft and technical skills required. We used my research of existing workforce training programs and employer requirements in the training program design. After the association secured office space and equipment, I helped them negotiate with their stakeholders and also helped design the floor plan and establish a service pricing structure.

By refining the goals of the project with a mission statement and business plan, we created a blueprint to take them to opening day. The successful launch and continued operation of that business were the result of putting form and shape to a client's goal. Meeting those goals is the ultimate fulfillment of my business mission.

Ruth Sheets of Ducks in a Row Consulting provides strategic business consulting to start ups, fix ups, and build ups to turn business pains into business gains. With an operational and marketing focus Ruth works with companies in various stages of transition to launch new products and services, target new markets, eliminate barriers to business viability, and establish and achieve business goals. To obtain more information about Ruth Sheets and Ducks in a Row Consulting please visit www.ducksinarowconsulting.com or call **978-463-2264**.

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