

Philanthropy Journal

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OF NORTH CAROLINA

The business of service

Nonprofits today more entrepreneurial, businesslike

There is a move to increase the professionalism and accountability of the independent sector, and more nonprofits and the sources that fund them are working to encourage the change.

By EMILY BREWER

Nonprofits need to be enterprising to make it in today's world.

Shouldering a greater burden than before, with fewer resources and higher expectations, nonprofits no longer can hold out their hands and reap sufficient funds to do the job, say observers.

Jim Johnson is one the nation's

leading proponents of increasing the efficiency and efficacy of nonprofits. He founded and directs the Urban Investment Strategies Center at the University of North Carolina at Chapel Hill, which supports struggling minority businesses by teaching them business and management skills.

"In an era of devolution at the federal level, with fewer and fewer dollars coming from the federal government to address community problems, the nonprofit sector is going to have to address more of those problems and be more entrepreneurial to raise money to meet that mission," says Johnson. "Competition is going

ENTREPRENEURIALISM

to become more intense."

To become entrepreneurial, a nonprofit first must examine the entrepreneurial and business skills of the existing staff and board, says Johnson. Then it may need to recruit staff with those skills and train existing staff.

Beth Briggs, president of Creative Philanthropy in Greensboro, says as more nonprofits boast professional administrators at their helms and increasingly sophisticated boards, they have the ability to step back and look at the big picture of fundraising. "Today they have business sense

and they have people thinking about where the money is going to come from and what they can do to get it," says Briggs.

To look ahead, nonprofits need to draw up a strategic plan, keeping clearly in line with the mission of the organization, she says.

"Nonprofits need a strategic business plan and need people on the board who understand how to run a business and how to meet the bottom line year after year," says Briggs.

Increasingly, donors are looking for business objectives and a solid plan before investing their money in the organization because many come from well-run organizations, says

RELATED STORIES

- Going into business . . . page 3
- Nonprofits collaborate . . . page 4

Briggs.

There are a number of initiatives emerging around the country that pair nonprofits with businesses that can share their know-how with nonprofits.

On the West Coast, about 150 software millionaires have formed Seattle, Wash.-based Social Venture Partners, which works to encourage

Look for TRENDS, page 5

Lifetime of quiet charity

Blumenthal receives philanthropy award

The chief executive officer of Radiator Specialty Company and head of the Blumenthal Foundation has spent a lifetime helping others.

By PATTY COURTRIGHT

Charlotte

In quiet ways Herman Blumenthal has made a big difference in North Carolina.

For more than 50 of his 83 years, the Charlotte businessman and philanthropist has supported a wide range of civic institutions and programs designed to help the state's nonprofit sector.

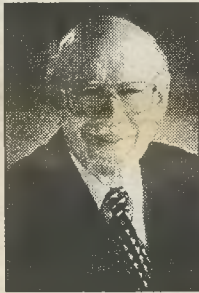
For his contributions, Blumenthal received the Philanthropy News Network's 1998 North Carolina Philanthropy Award. The award was to be presented to Blumenthal by Hugh McColl, chief executive officer of Bank of America, at the Oct. 29-30 "Nonprofits and Technology" conference

sponsored by the Philanthropy News Network.

Blumenthal's son Philip explains that his father came from a family that emphasized the importance of working for the community. The philosophy started with Herman Blumenthal's parents, Lithuanian immigrants who settled in Savannah, Ga., in the early part of this century.

"It's nice to be honored, but he feels it's our obligation to work on behalf of the community, especially when there are so many organizations that need help," Philip Blumenthal says.

For many years, the Blumenthals have given back to the community. In 1953,



Herman Blumenthal

Blumenthal and his brother I.D. established the Blumenthal Foundation for Charity, Religion, Education and Better Interfaith Relations. The foundation has supported projects promoting leadership, education, the environment, the arts, family and health services, literacy and religion.

In a 1997 interview on the North Carolina Public Television program "North Carolina People," Blumenthal said: "It came naturally to give away money and enjoy it. And we do enjoy it."

In 1978, 40 years after joining the family business, Herman Blumenthal took over direction of both the foundation and Radiator Specialty Company, which his brother I.D. had founded in 1925.

The company's first product was a powder radiator sealant. The company since has expanded into five operating divisions that provide 5,000 automotive, plumbing and hard-

Look for BLUMENTHAL, page 8

Duke University targets individuals in capital campaign

By EMILY BREWER

Durham

Duke University will rely in large part on an effort to boost the support the school receives from individuals as it pursues the largest fundraising drive conducted by a Southern university, a \$1.5 billion capital campaign.

In the past, approximately one-third of donations to Duke have come from individuals, says Robert Shepard, Duke University's vice president of development.

"The percentage of donations from individuals has been less than other institutions of our type," he says.

That's largely because Duke is a younger school than other large research universities, and therefore has a younger alumni base, says Shepard.

But the five-year campaign publicly

Look for DUKE, page 20

Fundraisers need to have a handle on the name game

By PATTY COURTRIGHT

Fundraisers need to take care when offering to name buildings or other facilities after donors, say development officers who have used naming rights in their fundraising efforts.

Experts give three fundamentals for using naming rights as part of a fundraising campaign: planning, communication and consistency.

Long before a campaign is launched, experts say, an organization should take a look at itself and

what it wants to accomplish.

During this process of self-examination, the organization looks realistically at whether it has the resources and personnel to spend the necessary time and energy, says Richard Hoffert, executive director of the North Carolina Symphony.

Then, it must make sure the governing board is in favor of the drive and has discussed specific needs and whether outside help is required. This is when the organization determines the amount of money necessary to support the mission and pin-

points how the money will be used, he says.

Board support at every step of the process — before and during the campaign — is crucial.

Organizers should work with their governing boards to develop clear policies and procedures that define the ground rules under which donations are received and processed, says David Winslow of Winslow-Considine in Winston-Salem.

"Always try to anticipate as many questions as might arise through your policies and procedures up

front, before the campaign begins," he says.

This is especially important when naming rights are involved.

"Ultimately, when one is receiving a gift and, in return, giving recognition for the gift, it's something that will impact on the organization for years to come, so it affects the governing board as well as the organization itself," Winslow says.

Just how does an organization decide its gift categories and levels required for naming rights?

It's a combination of art and sci-

ence, Winslow says.

First, he says, make projections of the size and number of gifts necessary for a successful campaign. Take into account that some donors are capable of making much larger gifts than others, he says.

Then look at the structure's floorplan and assign dollar amounts to the various parts of the building as well as the gift required to name the entire building.

"This is where the art form comes

Look for NAMES, page 8

INSIDE

- Opinion 10
- Grants & Gifts 14
- In November 15
- People 15
- Professional Services . . 16

NONPROFITS

Six agencies across the state partner with N.C. State University to modify homes of the disabled.

■ Page 4

FOUNDATIONS

The Community Foundation of Western North Carolina celebrates 20 years and large growth.

■ Page 6

OPINION

Four fundamental principles guide collaborative leadership. A column by Hank Rubin

■ Page 10

FUNDRAISING

Charitable Remainder Unitrust can direct unused retirement funds from I.R.S. to charity

■ Page 12