



SYLLABUS

Managing the Nonprofit Organizations

Winter A 2008

Business Administration 519

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Office Hours: By Appointment

Meeting Times:

Friday, January 11 th	12:30 p.m. - 4:30 p.m.
Saturday, January 12 th	9:00a.m. - 12:00 p.m.
Friday, January 18 th	1:30 p.m. - 4:30 p.m.
Friday, January 25 th	12:30 p.m. - 4:30 p.m.
Saturday, January 26 th	9 :00 a.m. - 12: 00 p.m.
Friday, February 1 st	Distribution of Take Home Final Case Exam
Sunday, February 3 rd	Final Case Exam Due (by 11:00 p.m.)

Classroom: Wiley 2760

Course Description

In the United States, 1.5 million nonprofit organizations account for more than \$1 trillion in revenues annually of the nation's economy. In the past 15 years, the nonprofit sector grew faster than the overall economy and is now the third largest industry in United States behind the retail and wholesale trade. Therefore, the non-profit sector plays a key role in society and in the economy. Many essential goods and services, such as education and health care, are delivered by non-profits. Non-profits play a central role in delivering charitable services of the kind that are often under-provided by the market. Non-profits also are active in political and public-policy arenas. Finally, non-profits are important in providing the social capital that holds societies together and make them work.

The ability of a nonprofit to consistently deliver results depends on the quality of its human capital. Yet in 2006, Bridgespan Consulting Group contended there is a nonprofit sector leadership deficit. Today's nonprofit organizations struggle to attract and retain talented senior executives they need to fulfill their missions. Over the next decade, nonprofit organizations will need to attract and develop some 640,000 new senior managers – the equivalent of 2.4 times the number currently employed. This projected leadership deficit results from both constrained supply and increasing demand. The key factors includes the growth of the nonprofit sector, the retirement of leaders from the baby boomer generation, and the movement of existing nonprofit executives into different roles within or outside of the sector.

Starting, growing, and managing non-profits leads to challenges as complex as, and in some cases more complex than, the challenges facing the private sector. Non-profits need to identify their market, confront competitors, and manage their internal operations just as do firms. However, non-profits must address the needs of multiple constituencies, they must balance their values against the requirements of effective management, and they must attract and retain a skilled labor force without the financial resources that characterize much of the private sector.

This is a course intended to give students a broad overview of the leadership challenges of the non-profit sector. The course content is designed for students who not only plan to lead nonprofit organizations, but who also may serve as volunteers or on nonprofit boards. As illustrated in the figure below, the core framework for this course will focus on nonprofit leaders as capacity builders:



McKinsey's Capacity Building Model

Topics in the course will include:

- ✓ Overview of the nonprofit sector
- ✓ Mission statements
- ✓ The external environment for nonprofit organizations
- ✓ Marketing and public relations
- ✓ Financial management, revenue generation and fundraising
- ✓ Internal issues for effective management
- ✓ Volunteer management
- ✓ Leadership model and challenges
- ✓ Board of Directors and the role of governance
- ✓ Strategic human resource management
- ✓ Sustainability, evaluations and impact measurements
- ✓ The Roles and Functions of External and Internal Consultants

Required Course Materials

There are two required textbooks for this course that can be purchased from local bookstores or at www.amazon.com.

Crutchfield, L. and Grant, H. (2008). *Forces for Good: Six Practices of High-Impact Nonprofits*. Jossey-Bass: San Francisco, California.

Wolf, Thomas (1999) *Managing a Nonprofit Organization in the Twenty-First Century*. New York: Fireside, Simon & Schuster.

Three Cases and a Reading produced by Harvard Business School Publishing can be purchased at <http://harvardbusinessonline.hbsp.harvard.edu/relay.jhtml?name=cp&c=c63904>.

Additional readings and cases will be posted on the course's C-tool site.

Pedagogical Approach

The pedagogical approach for this class entails action based learning and the co-creation of knowledge. Through case analysis, experiential exercises, training seminars, and projects we will develop a learning community that explores the topic of nonprofit leadership. In addition, we will adopt an "excellence perspective" where course participants will be asked to work together to identify nonprofit competencies that result in factors, such as thriving, capacity building, effective programs, financial success, high performance. To reach an optimal level of learning, the pedagogical approach demands a high level of student involvement and commitment.

Expected Outcomes for This Course

- ◆ From a leadership viewpoint, the conceptualization of the industry dynamics and macro-environment of the nonprofit sector.
- ◆ Application of the capacity building framework to nonprofit organizations.

- ◆ Development of leadership competencies for inspiring stakeholders and advocacy.
- ◆ An understanding of systems of shared leadership, strategic alliances and nonprofit networks.
- ◆ A human resource management and governance perspective of leading employees, boards and volunteers of nonprofit organizations.
- ◆ The management of change, environmental uncertainty, and adaptation in nonprofit organizations.
- ◆ An understanding of the financial and fundraising aspects of nonprofit management.
- ◆ A systematic approach for evaluating the performance and effectiveness of nonprofit organizations.
- ◆ Practice applying nonprofit management models and techniques to cases and experiential exercises.

Evaluation: Final grades will be distributed based on the UMBS grading policy and determined as follow:

<i>Assignment</i>	<i>Allocation of Points</i>
Class Participation	25 points
Group Training Project	25 points
Final Case Analysis	50 points
Total	100 points

Class Participation

Successful class participation requires regular attendance and constructive contributions to class discussions and experiential exercises. Hence, maximizing learning will be dependent on preparation and participation. Before class, you should read the assigned readings/cases and prepare the corresponding questions. When preparing for class, think about the application of the readings and case studies to the topic of the day. Ideal class participation contributes to discussion by building on or responding to the observations of others, makes links to prior classes, and integrates lessons learned from other courses. Debates are powerful opportunities for learning, and you are encouraged to challenge the views presented in our discussions provided you do it constructively and with civility.

Group Training Project

You will work with your learning team to develop and present a creative and engaging 12-minute training module designed to improve class members' nonprofit leadership competencies. In addition to your oral presentation, your team will develop a five-page professional handout to supplement your module and will distribute this handout to all students and the professor during your training session. Also, the team should post resources and reference articles on the course's C-tools site.

If you choose to use PowerPoint, you are limited to 5 PowerPoint slides for your presentation. You will have **5 minutes after your 7 minute module** to respond to questions and comments. The consulting training module will be presented in class on Friday, January 25th and Saturday, January 26th. One of your goals for the team project is to provide your classmates with a

learning experience that both teaches them something new and is “memorable.” Therefore, your presentations should be creative and innovative and may be validated by a mini-cases study.

Possible topics may include, but are not limited to the following:

- ◆ Board Leadership and Development
- ◆ Organizational Change and Adaptation in Nonprofit Organizations
- ◆ Strategic Alliances in Nonprofit Organizations
- ◆ Marketing for Nonprofit Leaders
- ◆ Capacity Building
- ◆ Growth Strategies
- ◆ Strategic Planning
- ◆ Financial Management of Nonprofit Organizations
- ◆ Outcome Assessment and Program Evaluation
- ◆ Leadership Competencies in Nonprofit Organizations
- ◆ Designing and Managing Fundraising Programs
- ◆ Enterprise Strategies for Generating Revenue
- ◆ Recruiting, Training and Retaining Volunteers
- ◆ Strategic Human Resource Management of Nonprofit Organizations
- ◆ Crisis Management in Nonprofit Organizations

The Final Case Analysis

The final exam will be an individual, take-home cases analysis. Noon on Friday, February 1st, I will post the case, questions, and guidelines on C-tools. The case will be due 11:00 p.m. on Sunday, February 3rd. The case will feature a nonprofit organization and test your conceptualization, knowledge, and application of topics covered during the course.

Managing the Nonprofit Organizations

Course Outline and Assignments

Please complete assignments prior to class.

Session 1	Friday, January 11th 12:30-4:30 p.m.
Topic:	Course Introduction – Mapping Excellence in the Nonprofit Sector
Background Readings:	<p><u>Readings:</u></p> <p>Introduction and Chapter 1 in Forces for Good: The Six Practices of High-Impact Nonprofits (by Crutchfield & Grant).</p> <p>Introduction and Chapter 1 in Managing a Nonprofit Organization in the Twenty-First Century (by Wolfe),</p> <p>What Business Can Learn from Nonprofits by Peter Drucker (posted on C-tools).</p>
Case	<p><u>Case:</u> University of Michigan Dance Marathon: Organizational Excellence Created and Managed by Students (posted on C-tools).</p>
Preparation Questions for Discussion:	<p><u>General Discussion</u></p> <ul style="list-style-type: none"> • Compare and contrast the industry dynamics and organizational strategies of the nonprofit and for profit organizations. • What are pillars of excellence in nonprofit organizations? <p><u>Dance Marathon Case Discussion</u></p> <ul style="list-style-type: none"> • What is the mission of dance marathon? What stakeholders does the mission service? • Map out Dance Marathon’s strategy. What would you recommend for the organization’s growth strategy? • What factors contribute to excellence in this organization? • What is the organization’s financial model? How can Dance Marathon generate additional revenue? • What are your future recommendations for Dance Marathon?
In-Class Exercises	<ul style="list-style-type: none"> • Introductions

	<ul style="list-style-type: none">• Web-Based Scavenger Hunt of Excellence in Nonprofit Organizations• Getting Started – The Group Training Project; Selection of Topic• Preparation for Northwood Arts Simulation
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Session 2	Saturday, January 12th 9:00 a.m. -12:00 p.m. <i>(For the simulation we will meet in Wiley 0750)</i>
Topic:	<i>Capacity Building in Nonprofit Organizations</i>
Background Readings:	<p><u>Reading:</u></p> <ul style="list-style-type: none"> • Northwood Arts Background Reading and In-basket of memos. • Effective Capacity Building in Nonprofit Organizations prepared for Venture Philanthropy Partners by McKinsey & Company (posted on C-tools).
Preparation Questions for Discussion:	<ul style="list-style-type: none"> • Read the pre-work, memos and 10 year report. When you meet with the top-management team, be prepared to develop a plan that addresses both the strategic and operating issues of Northwood Arts.

Session 3:	Friday, January 18th 1:30-4:30 p.m. (Please Note the Timing of this Session)
Topic:	Strategy & Organizational Skills in Nonprofit Organizations: Performance Management, Planning, Fundraising/Revenue Generation, Marketing and External Relationships
Supporting Readings	<p><u>Supporting Readings:</u></p> <p>Chapters: 2, 3 5 & 6 in <i>Forces for Good: The Six Practices of High-Impact Nonprofits</i> (by Crutchfield & Grant).</p> <p>Chapters 5, 6, 8 & 9 in <i>Managing a Nonprofit Organization in the Twenty-First Century</i> (by Wolfe).</p> <p>Sawhill, J., and D. Williamson. "Mission Impossible? Measuring Success in Nonprofit Organizations." <i>Nonprofit Management & Leadership</i> (Spring 2001): 371-386.</p> <p>Colby, S., N. Stone, and P. Carttar. "Zeroing in on Impact." <i>Stanford Social Innovation Review</i> (Fall 2004): 24-33.</p> <p>Kaplan, R & Norton, D. (2006). <i>Strategy Scorecards in Nonprofit, Government, and Health Care Organizations</i> (please purchase from the website of Harvard Business School Publishing).</p>
Cases:	<p>The Harlem Children's Zone: Driving Performance with Measurement and Evaluation (please purchase from the website of Harvard Business School Publishing)</p> <p>Background Information: Harlem Children's Zone A Case Study of Learning to Grow with a Purpose by the Bridgespan Group (Posted on C-tools)</p> <p>The Annie E. Casey Foundation: Answering the hard question: "What difference are we making? By Katherine Kaufmann and Robert Searle of the Bridgespan Group (posted on C-tools)</p>
Preparation Assignments:	<p>Reviewing the McKinsey reading on capacity building, analyze the importance of strategy and organizational skills as important activities for nonprofit organizations. What does each activity entail? What are the supporting mechanisms for each activity as nonprofit organizations build capacity?</p> <p>When analyzing the <i>Harlem Children's Zone</i> case, evaluate its strategy. What are their essential capacity building activities? What are the strengths and weaknesses of the Harlem Children's Zone?</p> <p>When analyzing the <i>Anne E. Case Foundation</i> case, reflect upon the question of how leaders can evaluate nonprofit organizations? What are some systems that for</p>

	profit organizations use that are relevant to nonprofit organizations? How should the evaluation of nonprofit organizations differ?
In-Class Exercises:	Develop a scorecard for nonprofit organizations. Prepare for Training Presentations
Net Impact Forum	Refer to website for Agenda and Registration http://webuser.bus.umich.edu/Organizations/netimpact/forum2008/registration.html Friday, January 18, 2008 10:45 am – 12:00 pm Cross-Sector Social Impact Track: Consulting for Nonprofit Organizations: Unique Challenges and Opportunities Michigan Union <i>Anderson Room D, 1st floor</i> Nonprofits can benefit tremendously from the type of strategy consulting services normally associated with private corporations. However, given the lack of resources within nonprofits, how must these services be altered, in terms of revenue model and tactics, to provide a measurable impact for the organization? Can nonprofits justify hiring consultants to improve their organization (without the prospect of increased profits), or is the future of nonprofit consultancy solely philanthropic? <u>Confirmed Panelists:</u> Jill Corcoran , Community Impact Manager at BCG Mary Wissemann , Wellspring Consulting

Session 4	Friday, January 25th 12:30 – 4:30 p.m.
Topic:	The Supporting Bridge: Human Resource Management, Governance Organizational Structure, Infrastructure, Systems & Culture
Background Readings:	<p>Chapters 4 and 7 in Forces for Good: The Six Practices of High-Impact Nonprofits (by Crutchfield & Grant).</p> <p>Chapters 2, 3 and 4 in Managing a Nonprofit Organization in the Twenty-First Century (by Wolfe).</p> <p>Bowen, W. "When a Business Leader Joins a Nonprofit Board." <i>Harvard Business Review</i> (September-October 1994): 38-42.</p> <p>Stauffer, D. "The 'Pay' from Volunteer Service Can Include Career Gains." <i>Harvard Management Update</i> (August 1998): 1-4.</p> <p>Taylor, B., R. Chait, and T. Holland. "The New Work of the Nonprofit Board." <i>Harvard Business Review</i> (September-October 1996): 36-43.</p>
Cases:	<p>American Red Cross – South Central Connecticut Chapter (posted on C-tools).</p> <p>NAACP (please purchase from the website of Harvard Business School Publishing).</p>
Preparation Questions for Discussion:	<p>Evaluate Red Cross' human resource management practices. How do the human resource management practices support its mission and goals? What is the role of volunteers? How can nonprofit leaders nurture and inspire volunteers?</p> <p>How did the NAACP's board contribute to the crisis? What is your assessment of how the new leadership managed the crisis? What recommendations would you make for further strengthening of the NAACP's governance? What lessons about governance can we draw from the NAACP experience?</p>
In-Class Exercises	<p>Developing a strategic human resource management plan for a nonprofit organization.</p> <p>Selecting, developing and evaluating the performance of nonprofit boards.</p> <p>Training Seminars</p>

Session 5	Saturday January 26th 9:00 a.m. – 12:00 p.m.
Topic:	<p>Training Seminars: Leadership Competencies in Nonprofit Organizations</p> <p>Sustaining Excellence in Nonprofit Organizations</p> <p>Course Wrap-up</p>
Background Readings:	<p>Chapters 8 and 9 in <i>Forces for Good: The Six Practices of High-Impact Nonprofits</i> (by Crutchfield & Grant).</p> <p>Chapters 10 and 11 in <i>Managing a Nonprofit Organization in the Twenty-First Century</i> (by Wolfe).</p>
Case:	KaBoom (please purchase from the website of Harvard Business School Publishing).
Preparation Questions for Discussion:	<p>What is KaBoom's value proposition? Identify key factors that contribute to the success of KaBoom. Are these factors sustainable? What skills and resources do KaBoom need to shift its strategy?</p>
In Class Exercise	Training Seminars

Biography

PROFESSOR LYNN PERRY WOOTEN

Professor Lynn Perry Wooten joined University of Michigan Business School faculty in 1998 and earned her Ph.D. from the Ross School of Business at the University of Michigan. Prior to joining the faculty at Ross, she was an assistant professor at the University of Florida. She teaches corporate strategy, knowledge management and consulting courses. She earned her undergraduate degree in accounting from North Carolina A&T State University and is a Certified Public Accountant. Professor Wooten completed her MBA from the Fuqua School of Business at Duke University with a concentration in accounting information systems and strategic management.

Professor Wooten's research studies how organizations utilize human resource management policies to attain a competitive advantage. Her research projects focus on sources of competitive advantages in organizations and how firms strategically adapt to changes in their labor markets. In addition, she studies strategic-consequences of employee-centered crises and the effectiveness of work-life programs in organizations. The industrial context for her research projects includes retailing, health services, and knowledge-intensive firms.

Professor Wooten's research has won awards from the Academy of Management and the McKinsey consulting firm. She served on American Institute of Certified Public Accountants (AICPA) Executive Committee of Work/Life & Women's Initiatives, and currently serves on the Borders Books, Diversity Council. She has published in journals, such as the Academy of Management Journal, American Behavioral Scientist, Journal of Management Inquiry, and Organizational Dynamics.

Professor Wooten channels her passion for nonprofit organizations into her research, teaching and community service. She has studied crisis management and diversity issues of nonprofit organizations. In addition, Professor Wooten writes teaching case studies about nonprofit organization, and is the co-director for Executive Leadership Institute which trains human service executives. She is the member of several nonprofit organizations including the Ann Arbor Junior League, The Links, Inc. and Jack & Jill of America.

Professor Wooten's husband David Wooten is also a faculty member of the marketing department at Ross School of Business. They have two children.

