

Thrive, Survive or Wither?

The Future of Nonprofits

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Focus of Workshop

- Identify strategic issues and challenges facing human service, nonprofit organizations
- How to use trend information for current and future practice

Structure of Workshop

- ❖ 20 minutes reviewing models and process of planning
- ❖ 20 minutes highlighting trends
- ❖ 20-30 minutes in small groups discussing applicability of information to your practice
- ❖ 20-30 minutes debriefing small groups

Process:

data gathering plus interaction;

explore and debate issues;

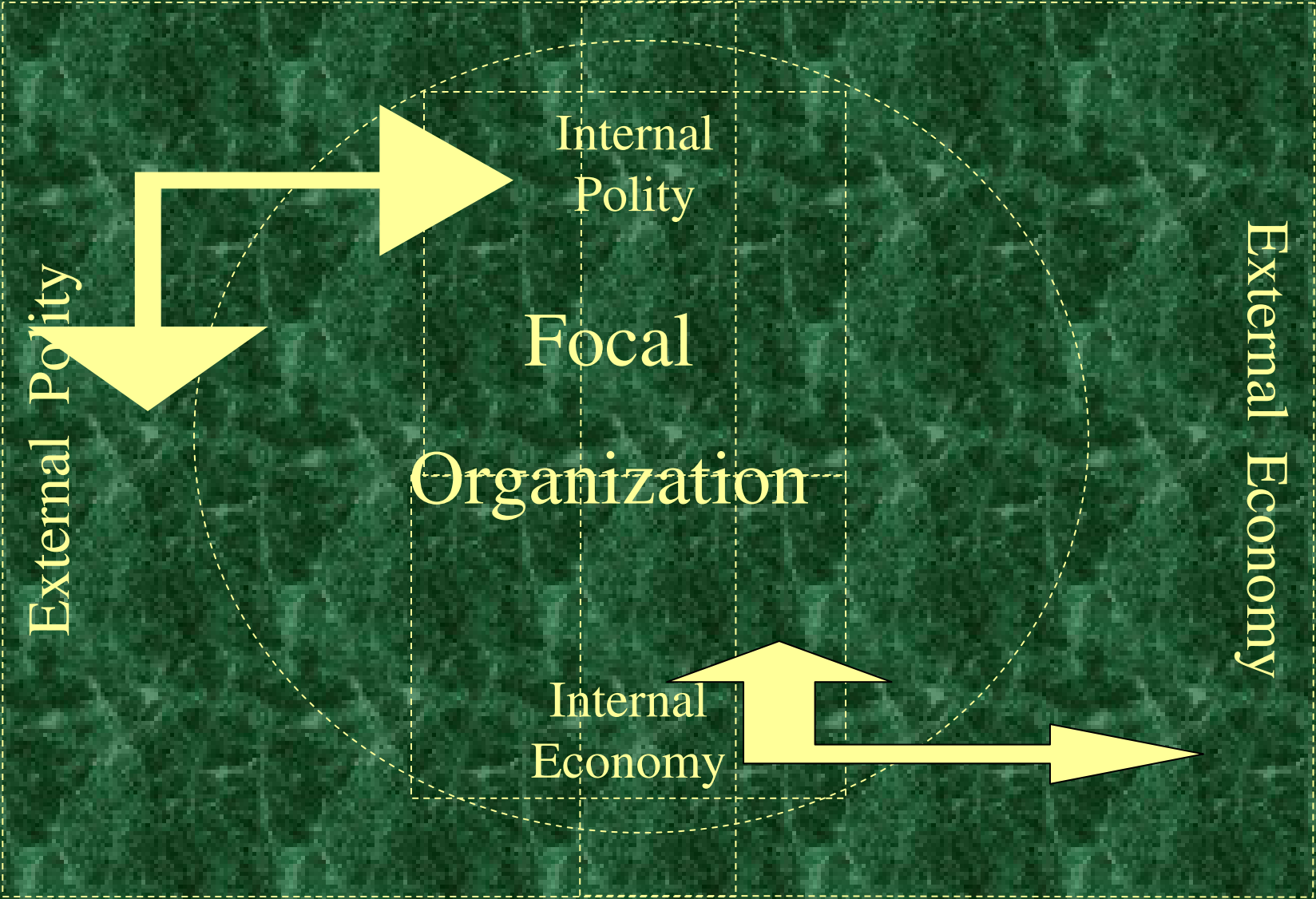
prioritize list;

Outcome of the Process:

- a strategic plan
- a system for assessing and monitoring progress;

Analytic Models

External Polity



Internal Polity

Focal Organization

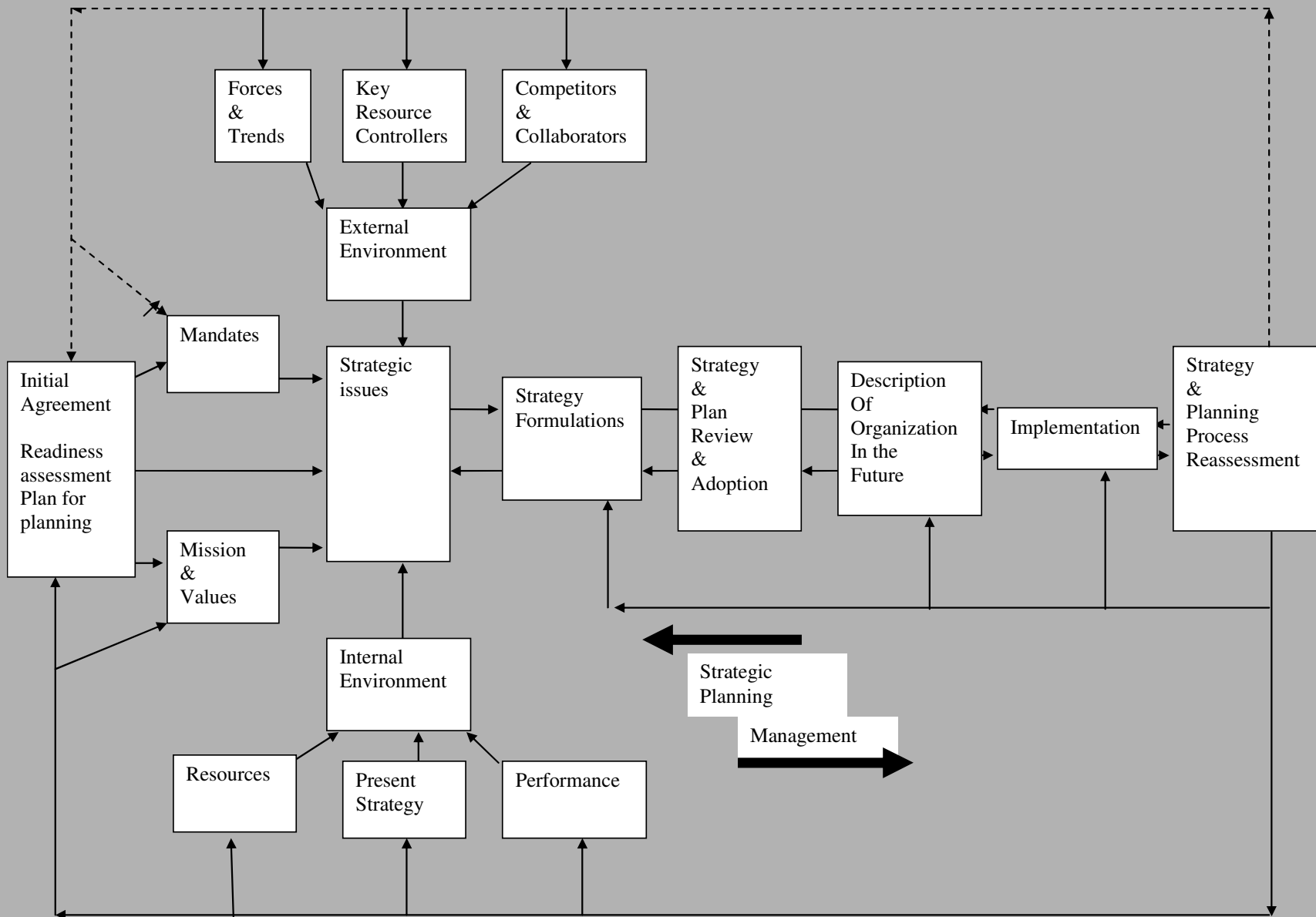
Organization

Internal Economy

External Economy

PEST ANALYSIS GRID

Political	Inner		
	Outer		
Economic	Inner		
	Outer		
Social	Inner		
	Outer		
Technological	Inner		
	Outer		
		Year	



Applying the Framework

The Process

1. Assess environment

- identify opportunities and threats/
challenges in external environment
- evaluate internal, organizational strengths
and weaknesses

Review Questions:

- How accurate were prior forecasts, i.e. from 2 – 3 years prior
- What are major trends and changes
- What are key risks and opportunities
- What are core strengths or competencies
- How do we distinguish ourselves from competitors

2. Identify strategic issues

- Identify key issues and prioritize fundamental policy issues facing organization
- Determine which strategic objectives are most important given portfolio of programs and attributes of industry
- Assess and translate impact on organization's strategy
- Develop long term goals to address these issues

Review Questions:

- What are core strengths or competencies
- How do we distinguish ourselves from competitors
- What are key risks and opportunities

3. Formulate response, goals and plan

- Determine how to capture opportunities and counter threats/ challenges
 - Start with what you already do
- Matching portfolio to environmental trends
- Understand scale advantages and assets
- Innovate at Scale

Review Questions:

- How could we double business
 - What would be reaction of competitors
- How do we monitor implementation

Trends

THE BIG QUESTIONS:

1. What will be the role of human services for those who experience trouble adjusting to these changes?
2. How do we achieve sustainable operations?

Bifurcation of approach to meeting human needs

- professionalization, bureaucratization and commercialization
- small, community-based and informal

Political Trends

- Diminishing public support for governmental services
 - Decreased sense of mutual obligation and citizenship
 - Increased emphasis on individual responsibility/ benefit
- Privatization and loadshedding
 - Ballooning of public sector activities requiring increasing productivity gains
- Increasing demand for accountability: outcome/ impact assessment
- For-profits will compete with nonprofits where it is profitable to enter traditional npo market niches

Economic Trends

- US economy will stagnate or slightly deteriorate between 1996 and 2006
- A market approach to human services will predominate
 - Resources
 - Competition
- Sectoral blurring
- greater scrutiny of business behavior and role accountability
 - trust
 - transparency

Social Trends

- Shift in economic activity between and within regions
- Consumer landscape will change and expand
- Connectivity and technology will transform way people live and interact
- Complexity, intensity and intractability of social problems will continue and increase

Technological Trends

- greater dependency on technology
- Jobs tripping towards greater complexity
- succession planning for CEO retirements and transitions
- need for new sources of revenue, improving fund raising

Challenges facing nonprofit organizations

- Increasing demand
- Increasing need
- Legitimacy

- Movement from treatment to crisis response
- Charity exhaustion among the public
- General distrust of governmental intervention in social sphere
- Unwillingness to pay taxes or fund public/governmental programs

Continued emphasis on privatization or marketization

- Competition
- Cost
- Substitutability
- Differentiation
- Niche
- Accountability

Generic Strategies for success:

1. Frequent assessment of forces effecting agency
2. Develop an entrepreneurial culture
3. “Manage agency like a business”

