Detailed Contents

Acknowledgments xvii
Preface xix

PART I. Understanding Nonprofit Management, the Nonprofit Sector, and Nonprofit Organizations 1

1 Nonprofit Management as a Profession and a Field Of Study 3

A Revolution in Management 4
A Distinct Profession 5
Nonprofit Management as a Field of Study 8
Toward a Balanced Approach 11
Proceeding With Realism and Pride 12
Chapter Summary 14
Key Terms and Concepts 14
Questions for Discussion 14
Suggestions for Further Reading 15
   Books/Journals 15
   Websites 15

2 Overview of the Nonprofit Sector 17

America's Nonprofit Sector: A Historical Overview 19
Searching for a Common Vocabulary 21
Alternatives to “Nonprofit” 22
Size of the U.S. Nonprofit Sector 23
Differentiating the Nonprofit Sector 24
   National Taxonomy of Exempt Entities 24
   IRS Classifications 25
   Salamon’s Anatomy 33
   The Spectrum of Organizations 34
Emerging New Models 37
Commercialization and Tax Exemption 39
Implications for Nonprofit Managers 40
Chapter Summary 40
Notes 41
3 Theories of the Nonprofit Sector and Nonprofit Organizations 47

Explaining the Nonprofit Sector 47
Nonprofit Theory Across the Disciplines 47
The Failure Theories 49
Market and Government Failure 49
Nonprofits as Gap Fillers 50
Supply-Side Theories 51
Theories of Altruism and Giving 52
Theory of the Commons: An Interdisciplinary Approach 52
Changing Definitions of Private, Public, and Common 54

Explaining Nonprofit Organizations 56
Characteristics of Nonprofit Organizations 56
Nonprofits as Open Systems 58
Resource Dependency 60
Isomorphism 62
Explaining Nonprofit Organizational Structures 63
Organizational Culture 63

Chapter Summary 65
Note 66
Key Terms and Concepts 66
Case 3.1. The Smithsonian Institution and the Catherine B. Reynolds Foundation 66
Case 3.2. The National Trust for Historic Preservation 68
Questions for Discussion 69
Suggestions for Further Reading 70
Books/Articles 70

PART II. Governing and Leading Nonprofit Organizations 71

4 Nonprofit Governing Boards 73
Types of Governing Boards 74
Elected Boards 74
Self-Perpetuating Boards 75
Appointed and Hybrid Boards 76
Advisory Boards and Councils 76
The Governing Board’s Responsibilities 78
PART III. Managing the Nonprofit Organization 125

6 Ensuring Accountability and Measuring Performance 127

Defining and Ensuring Accountability 127
Mechanisms for Accountability 128
   Requirements of Law 128
   Self-Regulation: Standards and Accreditation 130
   Transparency 133
Measuring Performance 135
   Financial Ratios as Measures of Organizational Performance 136
   Measuring Against Peers 138
   Outcomes 139
   Common Indicators 142
   Balanced Scorecard 145
   Social Return on Investment 146
   Blended Value 148
Performance Measurement: The Continuing Debate 149
Chapter Summary 150
Key Terms and Concepts 151
  ▪ Case 6.1. Greg Mortenson and the Central Asia Institute 152
  ▪ Case 6.2. Youth Villages 153
Questions for Discussion 155
Suggestions for Further Reading 155
   Books 155
   Articles 156
   Websites 156

7 Strategic Planning and Strategic Management 159

Understanding Strategy 159
Strategic Planning and Strategic Management 160
The Strategic Planning Process 161
   Planning to Plan 162
   Defining Mission, Values, and Vision 164
   Assessing the Situation 167
   Identifying Strategic Issues 168
   Setting Goals 169
   Strategies 169
   Objectives 171
Writing the Strategic Plan 171
Developing an Operational Plan 172
Identifying Strategic Issues and Developing Strategies 172
   Portfolio Analysis 172
   MacMillan's Strategies Matrix 174
The Strategic Planning Debate 175
Chapter Summary 178
Capacity and Collaboration 185

The Capacity-Building Movement 185
Defining and Understanding Capacity 187
Capacity Building in Action 188
A Model for Capacity Building 189
Capacity and Organizational Life Cycles 191
Capacity Building Evaluated 193
Nonprofit Collaborations and Mergers 194
A Continuum of Relationships 195
Drivers of Collaborations and Mergers 195
Exploring Collaborations and Mergers 197
Obstacles to Collaboration 199
  Motivations 199
  Culture 200
  Egos 200
  Costs 200
Conditions for Success 201
  Driven by Mission 201
  Commitment From Top Leadership 201
  Trust 201
  Relatedness 202
  Process 202
Collaboration and Mergers Within National Nonprofits 203
Chapter Summary 205
Key Terms and Concepts 205
• Case 8.1. Change at the Girl Scouts of America 206
• Case 8.2. Strive 207
Questions for Discussion 208
Suggestions for Further Reading 209
  Books/Articles 209
  Websites 209

Managing Paid Staff and Service Volunteers 211

An Overview of Management Theories 212
Understanding Human Motivations 212
Applying Theories to the Nonprofit Workforce 218
Managing Volunteers 220
  Types of Volunteers 221
  Motivations of Volunteers 222
  Volunteer Program Practices 223
10 Marketing and Communications 239

Defining and Understanding Marketing 239
Marketing Serves the Mission 241
Marketing Means Action 242
Marketing as a Process 242
The Marketing Mix 243
  Product 244
  Place 245
  Promotion 245
  Market Segmentation 245
  Price 247
Defining the Exchange 248
Building the Brand 249
Integrated Marketing Communication (IMC) 251
Online Media 254
Evaluating Marketing and Communication 255
Chapter Summary 256
Note 257
Key Terms and Concepts 257
  Case 10.1. AARP 258
  Case 10.2. Susan G. Komen Foundation 259
Questions for Discussion 259
Suggestions for Further Reading 260
  Books/Journals 260
  Websites 261

PART IV. Obtaining and Managing Resources 263

11 Philanthropic Fund-Raising 265

Definitions and Distinctions 266
Motivations for Giving 268
  Understanding Corporate Philanthropy 268
12 Earned Income Strategies 301

Why Earned Income? 302
Partnerships With Business 303
  Licensing 304
  Sponsorships 304
  Cause Marketing 305
  Operational Relationships 307
  Putting Partnerships Together 308
Nonprofit Business Ventures 309
  Identifying Business Opportunities 310
  Feasibility Analysis and Business Planning 310
Earned Income Strategies: Issues and Decisions 313
  Sorting Out the Issues 313
  Evaluating Opportunities Against Mission 314
  Risks to Society? 316
Chapter Summary 317
Key Terms and Concepts 318
  Case 12.1. Minnesota Public Radio 319
Questions for Discussion 320
Suggestions for Further Reading 321
  Books 321
  Websites 321
PART V. Special Topics 363

15 Advocacy and Lobbying 365

Basic Distinctions 367
Overview of Lobbying Law 368
16 Governing and Managing International and Global Organizations 381
Definitions and Scope of International Organizations 382
International Philanthropy and Fund-Raising 384
Global Fund-Raising 385
International Nonprofit Governance and Management 386
Managing Across Cultures 386
Governing International and Global Organizations 387
Structuring International NGOs 388
Chapter Summary 390
Key Terms and Concepts 391
Case 16.1. Médecins Sans Frontières/ Doctors Without Borders 391
Case 16.2. Haitian Earthquake Relief and Recovery 392
Questions for Discussion 393
Suggestions for Further Reading 394
Books/Articles 394
Websites 394

17 Social Entrepreneurship 397
Defining and Understanding Social Entrepreneurship 397
Theories of Social Entrepreneurship 399
High-Impact Nonprofits 402
Social Entrepreneurship Around the World 403
Bill Drayton and Ashoka 403
Muhammad Yunus: Grameen Bank and Social Businesses 404
The Future of Social Entrepreneurship 405
Chapter Summary 406
Notes 407
Key Terms and Concepts 407