

Austin Wright : Tyler Jackson
Ariel Rocket : Morgan Handley
Nonprofit Organizations PAD: 5913
Florence Hartsfield
December 9, 2019

Forces For Good Analysis: The Nonprofit Council

Part I.

The Non-Profit Council of San Antonio is a membership organization of Executive Directors, Presidents, and CEOs of 501c3 nonprofit organizations, along with professionals and for-profit businesses in all of south Texas. Their mission is to support, connect, and strengthen the leadership of nonprofit organizations. They strive to fulfill their mission through advocacy, training, resource sharing and strengthening the combined knowledge of their membership. They have a plethora of programs that successfully aid them in accomplishing their mission. The programs include but are not limited to: The big give kick-off, big give pep rallies, donor education seminars, and plenty of social mixers centered on fellowship and education. It is important to note that their most significant program is The Big Give, which brought in \$4.7 million in donations this past year.

The history of the Nonprofit council started under United Way, dating back to the late 1990s when it was just an executive council. The members of the council would meet monthly to discuss issues, city happenings, best practices etc. In 2002, the group decided to break away from under United Way and form a 501 © 3. The purpose of this was to have the ability to do advocacy and lobbying at the state level, which they weren't able to do under United Way because the overall trajectory of the company wasn't going in that direction. There is a heavy emphasis on advocacy and service, under the current leadership of the nonprofit council.

CEO Scott McAnich began his career with The San Antonio Nonprofit council as a consultant in 2003. Before coming on as a consultant, he spent 20 years in the marketing business which ultimately led to him launching his own television station on KABB in 1985. COO Mercedes Alhaj is a preschool teacher by trade, who pivoted into the investment industry where she spent over a decade in wealth management. After participating in The Big Give in 2016, she decided to transition her career to the nonprofit sector, at which point she joined the nonprofit council. CMO Jerry Moore is a natural-born creator who was "taking photos before riding a bike." His passion for creativity carried through his professional career, dedicating 25 years of sweat equity in graphic design, marketing and branding. Scott, Mercedes, and Jerry, together with five other committees in the organization, work in unison to provide premier expertise and education for all leadership and donors in the nonprofit realm. Although The Nonprofit Council is successfully pushing their agenda, they still have their fair share of challenges.

When speaking of challenges within The Nonprofit Council, Mr. McAnich mentions membership retention and funding at the top of the list, which ultimately harms their sustainability. He mentions that their loss rate is at a constant 2% annually, and growing membership continues to be a top priority. One of the leading causes for the lack of membership retention is the lack of ability to pay dues. Members often realize that their paid dues aren't outweighing the marginal benefit of being a part of the program. A lack of paid dues leads to a fear of not being able to adequately invest in the programs and human capital necessary for continuous growth and sustainability. Moreover, the lack of being able to add to their membership and labor force leads to those in executive roles to do more hands-on work, which is not always the best method for maximizing efficiency.

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Part II.

When speaking with Mr. McAninch, it became clear that the NonProfit Council is very successful at achieving its mission and that having him as their CEO has been a game-changer for their organization. Scott was initially brought on as a consultant in 2005 to assess the organization. At the time, they had approximately 29 members and has since been able to increase to 213, with twenty-one of their members being for-profit companies. One of the organization's strongest attributes is highlighted in the six primary practices of a high performing nonprofit, its duty to "advocate and serve." When looking at the overall mission of the organization, it's apparent that the organization's primary purpose and strength is advocacy. Their mission outlines it perfectly by highlighting the ways it achieves its mission through advocacy, training, and sharing resources. In our interview, Scott mentioned how the Nonprofit Council speaks at local City Council meetings to better inform the people about the significance that the nonprofit sector has on our local economy. The Nonprofit Council is a voice for many organizations that would not otherwise be heard amongst the loud voices whos bottom line is the dollar, not the cause. One of their most detailed works located under their "advocacy" tab on their website, is a comprehensive report that outlines the state of our nonprofit sector as well as organizational contributions, challenges, and unmet needs. Their overall goal is to build a coalition of organizations that provides them with the tools to run and operate successfully. However, as it is seen with so many organizations that start off doing advocacy, their need to add more efficient grassroots programs is vital to supercharging their strategy. Their main programs consist of membership opportunities, the Big Give donation day, leadership training opportunities, and "E-employment alerts." All programs are charged a fee for service, but there are more opportunities they could be gaining revenue from in order to make the organization more sustainable.

The second practice of successful nonprofits that the nonprofit council embraces is making their markets work. One way that the council changes business is by including for-profit companies as members to build corporate relationships. This exclusive relationship provides a unique insight into for-profits that, more often than not, are a considerable resource for employee donations. Also, their funding comes in through sales and services. One of its primary services offered is membership. As we learned from our interview with Scott, their membership dues cover 40% of their operating budget. The most significant source of revenue for the organization is its "Big Give" donation day. This day alone brings in almost \$122,000 in registration fees. When analyzing the organization's 990, it is apparent that they could benefit from developing more earned income ventures. Developing opportunities to earn more revenue would allow them to become more sustainable in the long run, as well as the opportunity to grow the organization overall.

The third practice of high impact nonprofits is to "inspire evangelists." The book states that "great nonprofits see volunteers as much more than membership dues," and I think that the Nonprofit Council embodies just that. A great example of this practice became evident in our interview with Scott when he mentioned the primary roles of the board. Since bringing on its newest Board Chair, the organization has seen tremendous changes. Their Board Chair started by making it a requirement that the board is the most prominent advocates. They need to be the ones starting the conversations about the Nonprofit Council, bringing new people to meetings,

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informing them about the benefits of the organization, and speaking to how their services are helping so many of the nonprofits in San Antonio. In the end, the board should be the organization's most prominent supporters, and the Nonprofit Council is doing a great job of that under the leadership of their new Board Chair.

The Fourth practice of high impact nonprofits is to "nurture nonprofit networks." This is one of the Nonprofit Council greatest strengths. When speaking to Mr. McAninch, he stated that his main goal is to help his members succeed. In Forces for Good, the author speaks on how most organizations will pay lip service to collaboration because they see other nonprofits as competition. Mr. McAninch and The Nonprofit Council instead believe that nonprofits should not be in competition and that their end goal should be to benefit the cause and not necessarily the organization itself. You can see that the Nonprofit Council wants to stay very neutral with its members. When we were speaking with Mr. McAninch, I asked him if he had applied for any grants to help fund their organization, and he stated that he had not and did not plan on it because he did not want to be seen as a competition for his members. According to our Diagnostic Tool, the members of the board, as well as staff, agree with us on this. They all rated it as a one or Strongly Agreed. Out of the six practices, it was the only one that rated one fully.

It appears that another one of The Nonprofit Councils' strengths has been Mastering the Art of Adaptation, which is the fifth practice of high impact organizations. Mr. McAninch spoke about how the organization was able to adapt to the changing circumstances they have encountered. An example of this occurred in 2016 when The Big Give website crashed, and they listened to the partner's complaints and hired a new company for the following year to monitor the website and make sure that it would not happen again. The Nonprofit Council was able to resolve the issue quickly. Though Mr. McAninch stated the organization has not fully regained the trust of the donors, he has seen a steady increase every year since.

It was fascinating to speak with Mr. McAninch and learn about his background. He originally came from the for-profit sector. He was not interested in working for a nonprofit due to their reputation, such as low paying wages and many nonprofits having to close their doors because they could not sustain their organization. He came on board initially as a consultant. When they decided to bring on staff for the organization, he was asked to come on as CEO and the board went out and found funding they did not have before to support his salary for the first two years. According to the Diagnostic tool many on the board also agree that he is excellent at decision making and sharing the power as well as helping emerging leaders. In the next five years he simply wants to grow their membership and help as many organizations as possible. He talked about the main challenges he had faced in his position thus far and he shared that it was bringing on another member of staff due to a lack of funding. He was afraid of bringing on a person and not having enough revenue to sustain the position. In the past, it took quite some time for them to hire someone due to that reason. That, in turn, caused the organization to suffer. He eventually hired someone, and she has been with the organization since then. He told us that he has now taken a step back and acknowledges that he cannot do everything on his own, therefore he is willing to share his leadership challenges with the board and staff. Reflecting on the sixth practice of shared leadership, we can see he has been able to adapt and change for the benefit of the organization as a whole. He

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spoke on how it was a learning curve for him originally coming from a for-profit sector to a nonprofit sector due to a difference in mindsets between the two.

Part III.

As mentioned above, The Non-profit Council does a very great job of balancing advocating and serving its members. Over the years, TNC has done a great job incorporating service into their model of advocacy. Sitting down with Mr.McAninch, it was amazing to hear the history of change the organization took to incorporate service in its mission and how Mr.McAninch saw the necessity to do so. Mr.McAninch mentioned in the interview that a quick way to build membership was to provide support to the members themselves. Additionally, he added that even the task of adding a simple breakfast once a month can have a significant impact. Although Mr.McAninch has done a fantastic job at serving the members he advocates for, there are still some areas of improvement. In the interview, when asked what his priorities are for the next ten years, he answered that membership retention and growth are number one on the list. Currently, TNC's membership loss rate is 2% a year, which, according to Mr.McAninch, is manageable. Of the entire group of nonprofit members, two-thirds are considered mature organizations, according to Mr.McAninch. He mentioned that it is challenging to keep the smaller grassroots type organizations in the membership list for various reasons. One of those reasons is that nonprofits in the grassroots stage are not necessarily looking for advocacy opportunities, especially if they are a start-up social service organization. In some ways, a grassroots service organization is initially trying to get their feet wet in the nonprofit service world and, in some ways, let their service be known and grow to be tried and true. Even though our team understands that this is a natural progression of nonprofits, we think that TNC should be doing a better job of retaining and growing their grassroots membership. We believe this to be an essential recommendation because TNC is an organization that stands for and represents all of San Antonio's nonprofit organizations and should, therefore, proportionately represent nonprofits in all the stages of nonprofit growth. Advocacy was the main reason why TNC was created; they should, therefore, retain grassroots nonprofit membership to continue to advocate for them effectively. We recommend that Mr.McAninch, firstly, analyze the 2% of nonprofits that retract their membership each year to see why they leave. When speaking with Mr.McAninch, he mentioned that most of the time, the smaller nonprofits are the ones that tend to leave. We recommend that he uses the data he collects from this analyzation to create a solution around how to keep the grassroots nonprofits in the membership list. We believe the solution will lie within either modifying current or adding in new programs that have the grassroots organizational challenges and nature in mind. This solution will help TNC retain membership while also provide an advertisement to grow grassroots membership.

TNC has done an excellent job of incorporating business into their organization. As stated earlier, TNC has for-profit members apart of the organization. Currently, 21 of the 213 members of TNC are for-profit organizations. We recommend that a continual increase in for-profit membership would help provide more potential opportunities for partnership and relationship between for-profit and nonprofit organizations. According to the Forces For Good book, nonprofits that form relationships and partnerships with for-profit organizations tend to do well and grow

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strong (FFG Pgs 76-77). Although this recommendation will help the nonprofit members and fulfill TNC's mission, we also recommend that a clear goal of growth is made. TNC should create a percentage of for-profit organizations they want to see within their organization so that they should not exceed it. According to Forces For Good, mission drift is a real danger when nonprofits seek for-profit relationships (FFG Pg.93). Ultimately, TNC seeks to serve nonprofits, and they should serve them solely. We believe this endeavor would help the nonprofits TNC serves to grow in building market relationships. Additionally, we think TNC needs to expand its streams of earned income revenue. They need to diversify where their earned income comes in. With membership dues covering 40% of the operating budget, it would be a detriment to the organization's budget if, for whatever reason, they lose a large sum of members. Diversifying and adding earned income streams would help provide stability and sustainability in the event of membership loss.

TNC has also done a great job of inspiring evangelists. With all but 1 of their 10 board seats being members of TNC, they have brought on a group of people that are excited about the work they do. The board chair has done a fantastic job of being the front runner evangelist when it comes to selling other nonprofits on TNC's mission. We recommend that TNC adds in training for the board members on how to be an effective evangelist with tips and tricks. This addition would continue to help the organization to grow in membership and excitement for board seats in the future.

According to the diagnostic tool survey, TNC scored very well when it comes to how well the organization nurtures nonprofit networks. This was no surprise considering that this practice is the center point of TNC's mission. Mr.McAninch mentioned in the interview that TNC tries to be wary of applying for grants considering that it would seem like TNC is competing with the organization seeks to serve. This principle has helped TNC show trust and support to nonprofits in and outside their organization. We recommend that TNC continues to grow its membership. By doing so, TNC will continue not only to live out its mission but also continue to nurture nonprofit networks within their organization. TNC has excellent programs in place to help develop and nurture members; we think a continued growth in strengthening these programs would help this practice. We think that adding in more relational bonding luncheons would allow for the leaders of these member organizations to have collaborative times to talk.

So far, TNC has shown that they can adapt to changes in the workplace. As noted earlier, they were able to bounce back from a website malfunction in 2016 with their Big Give event. One of the significant areas of adaptation TNC has in front of them is preparing for the next economic downturn. As we have learned in class, economic downturns cause businesses to give less to charities. With 30% of their annual income coming from their Big Give event, this will be an issue and will hurt TNC financially when it happens. Currently, TNC obtains funding for the Big Give's admin costs from grants, and then they use the prior years surplus from the Big Give to cover any remaining costs. We highly recommend that TNC does its best to reach the goal of having their annual Big Give event funded by grants alone. This process will allow TNC to save the profit they receive from the Big Give and better prepare for the year the next recession happens.

Lastly, TNC has done a great job of sharing leadership amongst the staff and board of the organization. Over the years, Mr.McAninch and the board have seen the amount of work that has steadily grown, because of this, they hired more members of the team. Currently, Mr.McAninch

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Forces For Good Analysis: The Nonprofit Council has a Membership Coordinator and a Marketing Director. The membership coordinator is a part-time employee. We recommend that TNC hires an administrative assistant to assist Mr. McAninch and the membership coordinator with the many and growing admin duties that come with coordinating the current members and participants in the Big Give event. Currently, it seems that there is a lot of admin work that ends up falling on the CEO, which should not be the case for a growing organization. The CEO mentioned in the interview that it was difficult for him to reach out to more potential members of TNC because of the plethora of admin work he has on his desk. This change will allow leadership to be shared amongst the organization, help the organization to grow in membership, and therefore allow the budget for TNC to grow larger.

Part IV.

Overall, when considering TNC's 990, interview of CEO, diagnostic tool survey of staff and board members, and research of their website, we see them as a growing "Force for Good" organization. They have grown and are continuing to grow to become that ideal organization that the book "Forces For Good" highlights as to what makes up a high-impact nonprofit. We think that TNC should focus on growth in practices such as "Making markets work," "Mastering the art of adaptation," and "Shared leadership." When it comes to making markets work, we believe that TNC needs to bring in more for-profit organizations and diversify and increase their streams of earned income revenue. TNC needs to be ready for the future and start preparing now for the economic downturn by saving money from The Big Give event. By doing this, it will help them adapt to future change and prevent the organization from going under. We believe that if TNC hires an administrative assistant to assist the CEO in administrative tasks, it will help him continue to grow the organization from a larger scale. We believe The Nonprofit Council is a fantastic organization and should continue in San Antonio for the fantastic service and advocacy they do for nonprofit organizations.

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Part V.


Citations


Crutchfield, Leslie R., and Heather McLeod Grant. Forces for Good: the Six Practices of High-Impact Nonprofits. Jossey-Bass, 2012.

Documentation of meetings


Interview with CEO Scott McAninch

Accept: UTSA Project Interview

 You
To Scott McAninch Nov 12

 Tue, Nov 19, 2:00 PM (1h)
You accepted. [Edit RSVP](#)

nitsuawright@yahoo.com has accepted this meeting.


 You
To Scott McAninch, .Morgan Handley, tylerejackson1@gmail.com and .Ariel Rocket Nov 11

Hello Mr. McAninch,

My name is Austin Wright and I am taking lead on the team to set up an interview with yourself. We would be delighted to schedule that at your earliest convenience. What day and time of the week would work best with you?

Sincerely,

Austin Wright

 You
To Scott McAninch, .Morgan Handley, tylerejackson1@gmail.com and .Ariel Rocket Nov 11

Thank you so much for setting aside some time. I will talk with my team tonight and get back with you.

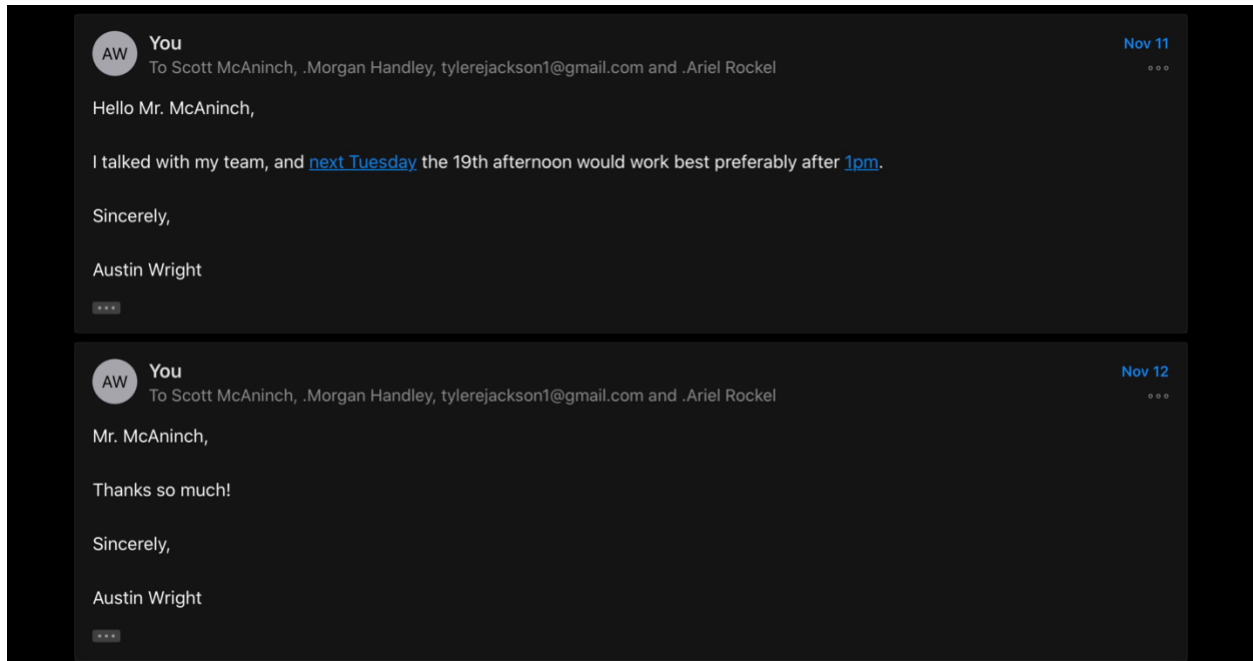
My team and I would prefer an in person interview, we can meet you anywhere. In all honesty, we would love to come by the office facility and tour the place as well. But, we are completely open to what you prefer.

Sincerely,

Austin Wright

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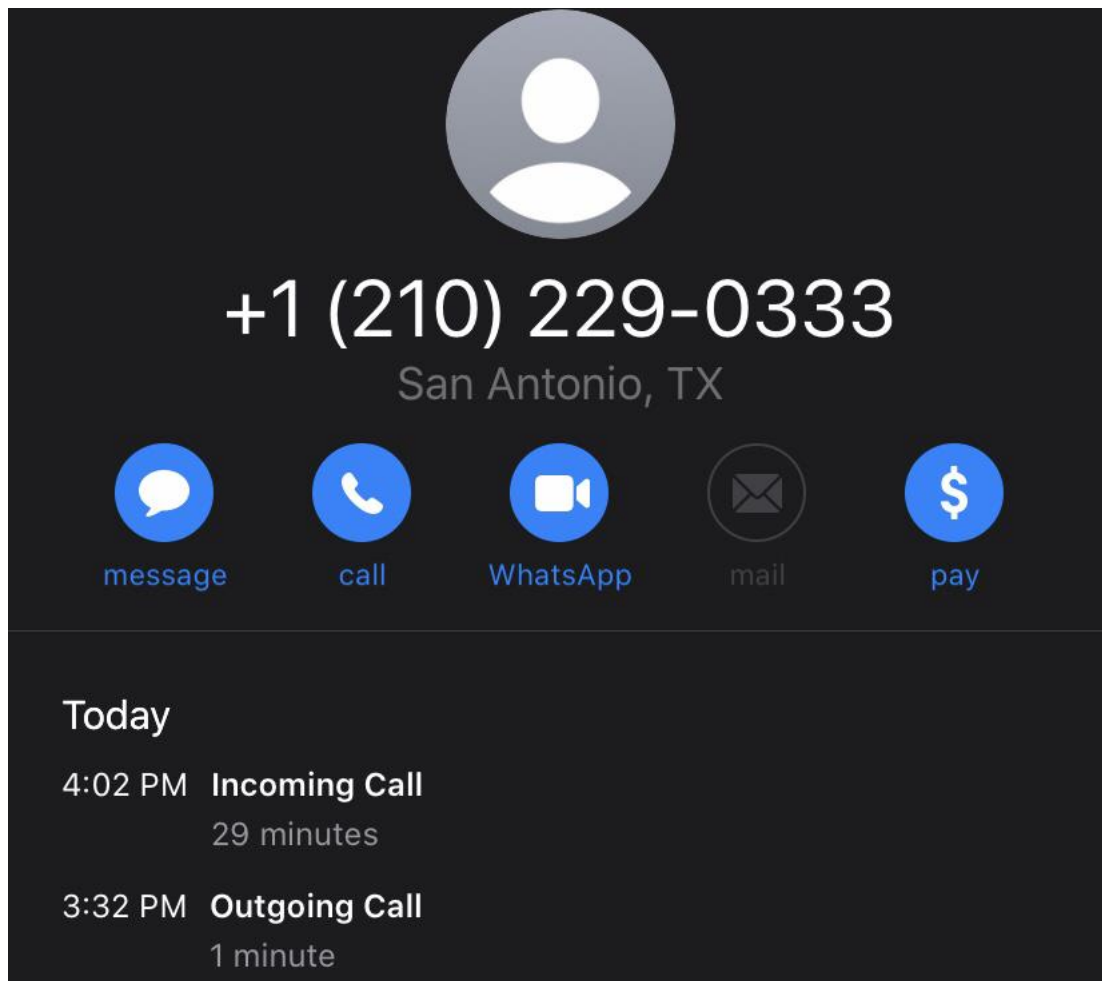
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Diagnostic Tool Survey Results

| | Score 1 | Score 2 | Score 3 | Score 4 | Score 5 | Score 6 | Score 7 | Score 8 | Score 9 | Average Score* |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------|
| Practice 1: Advocate & Serve | | | | | | | | | | |
| 1. Advocates for Policy Reform | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 2 | 2 |
| 2. Combines Service and Advocacy | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 1 | 2 | 1 |
| Practice 2: Make Markets Work | | | | | | | | | | |
| 1. Changes Businesses | 3 | 2 | 2 | 3 | 3 | 3 | 2 | 2 | 2 | 2 |
| 2. Builds Effective Alliances | 2 | 2 | 2 | 1 | 3 | 2 | 2 | 2 | 1 | 2 |
| 3. Funded through Sales and Services | 3 | 1 | 2 | 2 | 1 | 2 | 3 | 3 | 3 | 2 |
| Practice 3: Inspire Evangelists | | | | | | | | | | |
| 1. Creates Meaningful Experiences for Volunteers | 2 | 1 | 3 | 2 | 3 | 2 | 2 | 2 | 2 | 2 |
| 2. Cultivates High Profile Evangelists | 2 | 1 | 1 | 3 | 2 | 3 | 3 | 2 | 3 | 2 |
| Practice 4: Nurture Nonprofit Networks | | | | | | | | | | |
| 1. Embraces a Network Mindset | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 1 |
| 2. Shares Knowledge, Cultivates Leadership | 1 | 1 | 3 | 1 | 1 | 1 | 2 | 1 | 1 | 1 |
| Practice 5: Master the Art of Adaption | | | | | | | | | | |
| 1. Evaluates Outcomes, not Outputs | 2 | 1 | 2 | 3 | 1 | 2 | 2 | 1 | 1 | 2 |
| 2. Effectively Launch New Programs and Terminate | 1 | 2 | 2 | 2 | 1 | 2 | 3 | 1 | 1 | 2 |
| Practice 6: Share Leadership | | | | | | | | | | |
| 1. Executive Director Shares Power and Decision Making | 1 | 1 | 2 | 2 | 1 | 2 | 2 | 1 | 1 | 1 |
| 2. Deliberately Develops Emerging Leaders | 2 | 1 | 1 | 3 | 1 | 1 | 2 | 1 | 2 | 2 |
| | Staff | Board | Board | Board | Staff | Staff | Board | Board | Staff | |
| Scoring Guide | | | | | | | | | | |
| Strongly Agree | 1 | | | | | | | | | |
| Agree | 2 | | | | | | | | | |
| Disagree | 3 | | | | | | | | | |
| *Total all of the scores and divide the total by the number of respondents to get the average | | | | | | | | | | |
| The lower the Average Score, the greater the perception that the organization has mastered that particular practice. | | | | | | | | | | |

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Summary of Interviews/Proof



Call with Scott McAninch

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Notes summary

They represent several non profits

What are some roadblocks you have?

- united way only interested in talking about what they do
 - Road block in corporate San Antonio for employee giving and sponsorship support. They participate in big give and are members in the council, it is a reality.
 - United way is company support, you ask employees to give a proportion of salary to united way. You can designate where you want your funds to go to.
 - Big give funds 500 plus agencies and united way supports 60 ish agencies.
- Valeros bernies for Charity October thru April.
- the next economic downturn happens. Next recession like 2021. They started big give in 2014. They have not seen a giving day in a recession yet. Not a road block now but giving would go down.
- Technology in the future could go down again.
- Over half in 2016 have not come back.
- time in organization getting the help.

How did you get involved in this?

- council started under united way. It was the executive council. Several agencies funded by united way. They formed this council and talked about issues and best practices.
- 2002 they moved out of united way and become an actual nonprofit
- Wanted to do some advocacy and lobbying
- Got it in 2003 all volunteer run by executive directors
- Scott was brought on in 2005 as a consultant to do an assessment of the agency.
- Quick way to build membership is to provide support to the members. And then add some programs like breakfast once a month.
- They did an internal 5 year strategic plan and in order to do that Scott came on.
- Grown from 29 to 38 just the first year. The dues themselves were not going to cover his salary and supplies for events.
- He serves the nonprofits that are members.
- They have 213 members now
- And 21 for profit members.

What is the priorities for the next 10 years?

- membership retention and growth.
- Loss rate is 2% a year.
- The second growth opportunity is the big give. The big give is where they can grow membership.

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- A third are at the 125k a year.
- 2 thirds are in the mature stage.
- And there are 10 that are over 5 million

How many on board?

- 10 members. All but one seat are pulled from the nonprofit council membership
 - He looks to them for programming.
 - The treasurer is pulled from for profit membership.
- The big give, over 3 years, doubled their budget.

How much is the membership dues?

- go on website and look at that.

Challenges?

- struggles to hire first employee.
- Mercedes has been there for 3 years.
- She was hired to be a membership coordinator. Within the first year she brought back 30 members
- Then he hired Jerry communication and marketing director 2 years ago.
- Future challenges
 - Challenge for the next three years is sustaining and growing the big give. What is the big give?

How is the relationship with the board?

- very good relationship. All of the seats except one are members of the organization.

How will you sure that the big give will continue to grow?

- they have a new company called give gab. They are in 70 cities.

How has the impact of philanthropy been on the org?

- with the council, not much. They have not sought grants for funding for programming or operations. It can be seen as direct competition with the members. The big give has changed that. The big give gets grants for the operations of big give. It's a way to market the council to the community.
- The rest of budget comes from fees.

Boards vision?

- check in and update come from staff.
- Focus of the board is to keep an eye on membership growth.