

**Commercial Product:** Vonage

**Open-Source Alternative:** Skype  
(www.skype.com)

I'd been using Vonage for about a year (paying \$24.99 a month) when I heard about a new Skype deal (\$29.95 for unlimited calling per year). There are cordless phones that are compatible with Skype, so you can call from anywhere in your office. It's compatible with Apple and PCs. And you can take your number with you to different locations, as when you move offices or use the number at both home and office, even easier than with Vonage.

And here's something really cool: Belkin (and a few other manufacturers) have created Skype handsets so that you can use Skype without being connected to a computer. These devices connect through any open wireless network. If you have one of these devices and the unlimited Skype account, you have an unlimited-use cell phone. Vonage can't do that!

### Why Pay Huge Prices?

As you can see, you can obtain some great nonprofit software without paying the high costs. If you need help finding and downloading any of these open-source titles, just contact me and I'll help you out. Enjoy! ■

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*Ian Robert Anderson (info@clickitz.com) is founder of Clickitz (www.clickitz.com), which offers a simple way for nonprofits to raise funds using the Internet. Clickitz gives nonprofits a complete Web store with thousands of digitally downloadable products (no packaging, no shipping, no credit card processing). All nonprofits need do is direct traffic to their Clickitz Web store; with every sale, they receive a commission.*

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# Nonprofit Sector Growing Pains



**The economic crisis may be just what's needed to turn the nonprofit sector around. Here's what we must do.**

By Bruce Glasrud

Over the past few decades, the nonprofit sector has become one of the fastest growing sectors of our economy. Most of us have assumed that such growth is something to celebrate – a sign that nonprofits are showing increasing influence.

That's not the real story, however. Some of this growth is unnecessary and counterproductive, highlighting weaknesses at the heart of the nonprofit sector. Today's weak economy is bringing the problem into full light.

Some of this growth we can do without.

### Leaving a Legacy?

Case in point: I was recently approached by a successful, soon to be retired businessperson who wanted me to help him start a new

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nonprofit. When I inquired about his intended mission, he said he wanted to raise money for a national nonprofit he had always liked. It took me considerable effort to convince him to forget starting a new organization and, instead, offer his sizeable talents directly to his favorite cause. (I cut out the middleman — and cut myself out of a lucrative contract. Ethics and bank accounts seldom walk close together these days.)

Of course, I can only hope the favored nonprofit has the good sense to involve this businessperson properly. Many nonprofits — far

more than we like to admit — do an appalling job of engaging volunteers. Alas, that's a major reason for the impulse by some to start their own organizations.

Look for more of this capricious type of do-gooding as baby boomers retire and want to "leave a legacy" or start a second career by forming their own nonprofit organizations. As I've indicated, this urge will be partly driven by finding no existing nonprofit able to invest their volunteer skills wisely. Others may start their own organizations out of a need for self-aggrandizement. But the impetus for many nonprofit start-ups is purely a lack of competitive intelligence.

A large factor is poor market research.

### Competitive Intelligence?

The rate of start-up failures is steep. A large factor is poor market research. Many nonprofits spring up oblivious to the fact that there's another nonprofit in their community with a similar — if not the very same — mission. It's like someone opening a coffee shop, not realizing there's already a coffee shop right across the street.

Moreover, too many nonprofits are launched over the needs of a very, very specific group or sub-cause. Foundations and other funders tell me that they're increasingly swamped with requests for funding by "worthy" causes looking for someone, almost anyone, to bankroll what's little more than someone's pet project. For both established and new nonprofits, there's often a palpable sense of entitlement to funding. If you notice your local foundation officer getting a littler grayer these days, that may be part of the reason.

### Market Forces and Playing Nicely

No, I'm not anti new nonprofits. New organizations with new ideas

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are desperately needed. And if they push aside stale, outmoded nonprofits, our communities stand to benefit.

Regrettably there are, at present, no true "market forces" in the nonprofit economy. The mindset of many nonprofit leaders is one of benign coexistence with any others in their community and mission sphere. We're all good people with good intentions, right? Usually so. But by giving mere good intentions a free pass, we may be depriving our missions of success.

Most funders are still fudging on being tough-minded on the issue of "market forces" in philanthropy. For now, most deal with the matter by just not funding certain programs.

Nonprofits have to stop playing so darn nice.

### Before Starting a New Nonprofit

Here's a prescription for those thinking about starting a new nonprofit:

**Check Your Ego.** What's your real reason for starting an organization? If it's to leave a legacy, start a new career, or see your name on some letterhead, you're not doing it "for the community." You're primarily doing it for you.

**Do Your Homework.** Carry out a thorough environmental scan. Perform market research of the mission sphere and community you wish to serve. Do other organizations have the bases covered? Can you do things smarter, better, faster?

**Take Advantage of the Struggling Economy to Spark Meaningful Change.** Today's difficult economic environment may be the opportunity we need to convince nonprofits,

once and for all, to take teamwork, collaboration, mergers, and other types of alliance seriously. Before launching any new initiative, search out every chance to share and cooperate with others, save money by cutting overlapping services, avoid duplication, and take some real steps toward a strong, consolidated sector.

**Don't Be Afraid to Play Rough.** It's a rough world out there. And nonprofits have to stop playing so darn nice — if it's at the expense of their missions and communities. Overt competition, if practiced frankly and ethically, isn't a bad thing. It fosters efficiency, innovation, and the type of growth that is indeed healthy for the nonprofit sector.

Welcome those retirees with the burning desire to make a difference.

### How You Can Help

Next time someone asks you about starting a nonprofit organization, hand them a copy of this article. Before you start explaining the steps to incorporation, make sure there's really a need for a new organization. Could the person's desire to start a nonprofit be funneled into helping your organization or others that already exist?

Most important, be sure you welcome those retirees who have such a burning desire to make a difference. Use their talents fully, and give them true decision-making power. Let them unfurl their creativity and challenge your status quo. Isn't it better to engage their energies in pursuit of your mission than to have them start a new, competing organization that might put you out of business? ■

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