



# Lessons from Nonprofit Entrepreneurs

*Entrepreneurs share their secrets.*

BY TERRENCE FERNSLER

## *The Social Enterprise Sourcebook: Profiles of Social Purpose Businesses Operated by Nonprofit Organizations*

By Jerr Boschee. 96 pages. Softcover. Minneapolis: Northland Institute, [www.northlandinst.org](http://www.northlandinst.org).

Available for download at <http://www.northlandinst.org/sourcebook.cfm> or [www.socialent.org](http://www.socialent.org).

**S**ocial enterprise is defined as the use of earned income ventures to financially support an organization's mission. Such ventures keep nonprofit organizations from being vulnerable to changing funding priorities. This book presents 14 cases illustrating the challenges and successes of social enterprise. All provide valuable lessons for nonprofits.

Each case includes a narrative describing how the business started, how it grew, and key lessons learned along the way. Each also discusses critical factors identified by the enterprise director. Although many of the organizations deal with hard-to-employ clients (providing jobs for such clients is a major reason for nonprofits to start businesses), much of the advice applies to any nonprofit. Examples of this advice include:

- **Run your enterprise** with profit in mind.
- **Start** only one business at a time.
- **Involve experts** in planning your ventures, and take the time to plan well.
- **Expect to need** large amounts of start-up capital.
- **Stress** customer service. It's far easier to rely on repeat customers than attract new ones.
- **Be willing** to take risks.

- **Treat employees** with respect and dignity to get the most from them. After all, they are investing their time, talent, and knowledge in the business.

Any nonprofit thinking about earning money through business ventures will find this book indispensable. It is full of useful ideas, cautions, and critical factors for starting a business and making it a success. These tips are all the more valuable because they've been gleaned the hard way, by those in the trenches.

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