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## **IDENTIFYING YOUR CONSTITUENCY AND ARRANGING YOUR APPRENTICESHIP**

**T**he world abounds with noble causes, and there is one that is just right for you. If you're reading this book, you have taken the first step in that discovery process.

As a second step, identify your constituency, a group of people who are getting a raw deal. Most people have an innate sense of justice and are offended, even outraged, when they see people less fortunate than they being exploited or taken advantage of. But to really help them, you have to get to know them, walk in their shoes. You would be surprised at the number of organizations that espouse this or that noble cause in which the personnel seem only dimly acquainted with the facts on the ground. Many large, publicly funded development agencies are criticized, and rightly so, because they are populated by "experts" who have never known poverty themselves, nor immersed themselves in the world in which four billion people survive on less than four dollars per day. These agencies may be well meaning and full of brilliant people, but unless they close this

“empathy gap” their work will forever be hobbled by a fundamental lack of understanding of what their constituents need and desire.

Groups like the Peace Corps (international) or AmeriCorps (U.S. based) are ideal for this purpose of experiencing, firsthand, the lives of your identified constituency. You live on the level of the people you are trying to help. You lose your fear of poor people. You learn to speak their language and communicate with them in terms they can understand. You identify with their problems.

Think that the Peace Corps or AmeriCorps is exclusively for newly minted college graduates? Think again. Five percent, or 350 of the 7,700 Peace Corps volunteers, are over the age of fifty. AmeriCorps has ten times as many volunteers and no upper age limit.

Just because you are accepted into the Peace Corps or AmeriCorps does not mean your mission will be gift wrapped and handed to you upon arrival. Some assignments are more appropriate for finding your mission than others. Try to get involved with a privately funded nongovernmental organization (NGO) rather than a government agency. The NGO will make much better use of you and your talents, while providing the possibility of offering you a “real” job when your voluntary assignment ends, if you’ve proven yourself useful. A government agency, on the other hand, may not know what to do with you.

Government jobs, especially in developing countries, are often the creations of political patronage. They pay poorly and often don’t address real needs. Moreover, they tend to be at a loss as to what to do with another body, however willing and able. A great many Peace Corps volunteers end up teaching English, which is a real job, but not necessarily great for finding your mission. Still, your formal job description doesn’t need to prevent you from finding something else useful to do in the community during your abundant spare time. You need to take matters into your own hands and not think the Peace Corps or even an international NGO will have a junior executive training program waiting for you. Read the swag box “From Zero to Hero” to see how I found my mission as a young Peace Corps volunteer in the highlands of Guatemala.



## From Zero to Hero

In my case, I had what sounded like a real job as a Peace Corps volunteer: credit officer for an agricultural cooperative in the highlands of Guatemala. The problem was, having been born and raised in Levittown, New York, I didn't bring a deep knowledge of agriculture to the table. Two months of technical training in growing corn and beans in Costa Rica rendered me more of a threat to the Mayan Indian farmers' crops; I was not the Second Coming of Dr. Norman E. Borlaug. In retrospect, my Guatemalan counterpart, Edgar, could be forgiven for his reluctance to introduce me to the co-op members. He and I had weekly meetings at the co-op office in Chimaltenango, and at each meeting he would tell me to wait for him the following day so we could ride together out to the countryside to see the clients. But when the appointed time would arrive, no Edgar. This went on for two months, and I couldn't figure out why.

Then one morning I came out the door of my house to see him stealthily driving his jeep down the main street of my pueblo, headed out to the countryside. I kept watch on the street all afternoon. When I saw him returning, I planted myself in the middle of the *calle* and flagged him down. He sheepishly rolled down the window.

"Look, Edgar, if you don't want to work with me, that's fine. But I'm not going to sit on my ass for the next two years and do nothing. Introduce me to the co-op members, and I will figure out what to do for them."

"Come on, gringo. Let's have a drink."

That day, over much rotgut sugarcane alcohol, I broke the ice with Edgar, but it wasn't until another two months had passed that I found a way to make myself useful to the farmers. When I was learning Spanish in Mexico, our trainer made a big deal about something called *confianza*. It translated literally as "confidence," but really it means "trust." Until you earned the trust of the people you were trying to help, the trainer warned us, they would not admit you to their culture and whatever noble project you were trying to accomplish, however well intentioned, would come to grief. Unfortunately, our instructor was not too specific as to how one went about earning the *confianza* of the people. He gave us to understand it was a somewhat mysterious process, but we would know when we succeeded.

And when we failed.

I will never forget the day I achieved my “*confianza* moment.” The co-op had promised to deliver credit in the form of fertilizer instead of cash, but the head of the program had screwed up and ordered it too late. The rains started, and the farmers were desperate to plant. Every day they came to my house asking, “*Don Ruperto, dónde está el fertilizante?*”

The fertilizer finally arrived in the country, but then we had another problem. The dirt roads out to the *aldeas* (hamlets) where the Indians lived had been turned to mud by the heavy rains. The branch manager in Chimaltenango told me he could get the truckers to bring the fertilizer as far as my house in San Martín Jilotepeque, but no one was willing to go out to the *aldeas*. Week after week, the fertilizer piled higher and higher in my house, and the Indians sent their delegations, asking me when I was going to make good on my commitment to deliver it to their communities.

Finally, I took matters into my own hands. I went into Chimaltenango and found a trucker who, for ten *centavos* extra per bag, was willing to drive the final leg from my house to the *aldeas*. I paid him out of my own pocket from my meager \$150 a month salary.

I still recall the looks of jubilation on the faces of the farmers when, covered with mud from head to toe after digging the truck out of one slippery morass after another, we finally rolled into their communities with our truckload of fertilizer.

For the first time in my life, I felt useful.



Aside from volunteering through the Peace Corps or AmeriCorps, you can also offer your services directly to an NGO. All foundations welcome volunteers as “force multipliers,” a free resource, and this can be a great way to gain your “poverty experience.” However, be forewarned: surprising as it may seem, not all nonprofit managers know how to use volunteers, and many actually avoid them, having learned that even free resources have a cost. Time is a precious commodity in nonprofits, and orienting and training volunteers so they become a value-added resource rather than a burden requires an investment not all managers are willing to make. Volunteers can help by arriving at the doorstep of the foundation “field

ready,” meaning they have fully researched the organization’s mission, structure, and methodology and can provide a clear proposal for how they can contribute to its success.

Oh, and if your first words are “And I will fully cover all my costs, including travel and living expenses,” this will dramatically increase your chances of being accepted as a volunteer. The initial experience you gain as a volunteer will prove to be invaluable in the future and, in the end, outweigh the expenses you incur starting out.

What kind of money are we talking about? If you are willing to live on a level with the people, à la Peace Corps, then your monthly outlay, once you reach your destination, should not exceed a few hundred dollars. When I was a Peace Corps volunteer, back in 1971, I was paid the princely sum of \$150 a month, and I was able to save \$100 of that each month, with my rent being \$10 a month and my food a dollar a day. Amazingly, since per capita income in the poor part of the world has changed little since then, your expenses should not be much more than that. The airfare, of course, is the wild card. It can be substantial, even if you man an oar in economy, but you can find bargains if you look hard enough.

So let’s say, all in, you would need about \$2,000 to live and between \$1,000 and \$3,000 for the roundtrip airfare. Where would you find such funding?

If you have been working for several years or more, you would hopefully have this amount socked away. If not, you could budget for this expense monthly, and when you hit the critical mass, make your move. If you are a student, many schools have funding for internships, both domestic and overseas. If your school doesn’t offer such internships, or if you are just beginning your career, try pleading your case to your local church or service club. Consider finding a way to finance your poverty experience a first test of your marketing and promotion abilities.

Failing those options, turn to the two people who are likely to believe in you most: Mom and Dad. That’s right, those same wonderful philanthropists who supported you by financing everything from your First Communion to your wardrobe; from braces to piano lessons; and even took out a second mortgage to pay for your college education. Tell them they aren’t done yet: you need this poverty experience to understand how the rest of the world gets by on just a dollar or two a day. Tell them your attitude toward money will never be the same.

Once in the door of an NGO, figure out how to make yourself indispensable. The best way to do this is to get deep into the provision of services

to the organization's beneficiaries. Build a constituency that will raise hell with the organization if they hear you're leaving. Make allies and supporters of your salaried counterparts who will testify on your behalf as to your value to the organization. The Big Boss is probably too busy to have taken the time to even realize you've been working there. Six months after you've hit the ground, inform the boss that it's been fun and rewarding, but you have to get back to the real world and earn a paycheck. Note with satisfaction the alarm on his face as he says, "Where the hell are you going? You can't leave! Sit down, let's talk."

There is no substitute for this poverty experience. If you don't have it, you can still work in a mission-driven organization, but you will always lack that real passion and understanding of the world the poor inhabit. Your solutions will be more theoretical, less grounded in reality, and, as a result, less effective. If you get hired by a nonprofit without having had this seminal experience, condition your acceptance of the job on getting into the field to meet the constituents within the first ninety days of your employment. Offer to pay for it yourself if necessary. Your boss will be so impressed she may tell you to put in a voucher afterward to get reimbursed.

## **Big Pond, Little Pond, or Your Own Pond: On-the-Job Training and Becoming a Social Entrepreneur**

Once you have your poverty experience under your belt, there are two paths you can take on the road to becoming a social entrepreneur. You can move immediately toward the creation of your own mission-driven organization, or you might want to do what most people who eventually go into business for themselves do: learn the basics of the trade you want to ply on someone else's dime. This would mean working for a period of months or even years at a nonprofit before you strike out on your own. The amount of time spent there depends on how long it takes before you feel comfortable going it alone. Alternatively, you could find an organization where you believe you can rise to the top in a relatively short time frame and put your own stamp on it. In either case, you are spared the work and trouble of immediately having to create an organization from scratch.

Let's take a look at the overall landscape and what your options are to obtain this kind of on-the-job training.

There are more than a million charities in the United States alone, and millions more overseas. Most participate in a local capacity and create a small impact. Some, however, have developed an innovative approach to solving a particular problem, have managed to scale it up, and are improving the lives of millions of people. In considering the size and overall impact of an organization, you need to ask yourself:

- Where do I want to work to gain my initial experience?
- Where will I best fit in?
- Do I want to be a big fish in a small pond or part of a large school of fish in a big pond?
- Where can I learn the most in the shortest time frame about what I need to know?
- Do I already have my own Big Idea that I know will change the world and just need a platform to launch it?

Each option has its advantages and disadvantages.

## The Little Pond

The biggest plus of the “little pond” organization is that small, local foundations make a huge difference in the lives of the individuals they serve. Examples include working at a shelter for the homeless or serving food at a soup kitchen. On the international level, a small organization could be one that cares for war orphans in a conflict country. Your experience could be writ small but rich and satisfying nonetheless.

If you’re good and display great aptitude and energy while producing valuable results, you could rise quickly and easily to the top of a small organization. You might see potential for growth the current leadership doesn’t, and figure out how to turn the little pond organization into a big pond one. See the swag box “Crossover Craig: Going, Going, Going . . . Green!” for an example of someone who had worked all his life in the commercial sector and then, at the tender age of fifty-five, crossed over to a small pond nonprofit, helped take it to scale, and found both job satisfaction and, ironically, greater financial reward than in his previous career.

The biggest disadvantage of a small organization is that, unless it is lucky enough to have an endowment or the founder gets a spot on Oprah,

it is likely to be undercapitalized and living hand to mouth. If you join such a group, make sure you are willing to live with the prospect of the president coming into your office on payday with a long face, asking if you don't mind taking an I.O.U. this pay period.

Keep in mind that there may also be a good reason the organization is small: the founder might like it that way. Beware of joining an organization that is someone's personal ego trip or meal ticket. It may have the potential to grow but won't under the current leadership, either because the leaders don't have the skills to take it to scale or they won't let someone more qualified run it. Several FINCA programs that disaffiliated in the first decade of our development did so because the founding managers of the programs lacked the managerial skills or vision to grow the operation. To quote a former director of a FINCA program in Central America, the managers preferred to be "the head of a mouse rather than the tail of a lion."

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### **Crossover Craig: Going, Going . . . Green!**

Craig is a perfect example of someone who crossed over from the private to the nonprofit sector, jumped into a small pond late in his career, and, catching it on the upswing, is today the number two man in a big pond that is still growing larger.

Craig began his career in banking before moving on to work in real estate, insurance, systems integration, and architecture, always in the role of finance and operations manager. While all these opportunities appeared promising initially, none provided the job satisfaction or financial rewards he was seeking. Age fifty and disenchanted, Craig returned to graduate school, earning a master of science degree in organizational development. It recharged his batteries. Through networking with one of his professors, Craig responded to a job posting from an environmental firm. U.S. Green Building Council (USGBC) is a nonprofit whose lofty mission is to "transform the way buildings and communities are designed, built, and operated, enabling an environmentally and socially responsible, healthy, and prosperous environment that improves the quality of life."

At the time, USGBC was a small nonprofit with \$15 million in annual revenues and fifty employees. Like many nonprofits, it was the brainchild of visionaries who over the previous twelve years had brought the organization from zero to the point where it had a precarious grip on financial sustainability. It had something else, however: a Big Idea. And it was not just a Big Idea, it was an idea whose time had come: a system for rating the design, construction, and operation of green buildings. Since buildings in the United States are responsible for 39 percent of CO<sub>2</sub> emissions and 40 percent of all energy consumption, anything that could contribute greater building efficiency was destined to become a very “hot” idea—pun intended. The visionaries, one of whom became CEO in 2003, had positioned USGBC perfectly as the preeminent certification program for green building ratings. However, the CEO needed a partner to manage the exceptional growth that the company was experiencing. Otherwise, it might miss or mismanage the incredible opportunity presented by the growing international interest in a promising program to address global warming.

Enter Crossover Craig. With his experience in both large and entrepreneurial organizations, plus his freshly minted degree in state-of-the-art organizational development, Craig took command of the situation. Over the next five years, in his role as chief operating officer, Craig reorganized the staff and systems at USGBC. The operation transformed from a “process-free zone” into a well-run, competitive organization, while keeping the energy and enthusiasm of the young, idealistic staff intact. Revenues grew fivefold to \$100 million. Staff grew from 50 to 220. Requests for USGBC’s proprietary Leadership in Energy and Environmental Design (LEED) Green Building Rating System grew not just in the United States but also internationally, with one million square feet of space certified each day.

“It’s funny,” says Craig, “while I didn’t take this job for the money, I’m doing very well by doing good. People, planet, prosperity—the triple bottom line is not a fantasy. It’s a remarkably powerful driver of constructive change, so irresistible that an increasing number of global companies are embracing it.

“I love my job.”



## The Big Pond

The big pond generally has all the upsides and downsides of large organizations. The advantages include financial stability, job security, good benefits, a better-defined job description, plus a clear career path. The chief disadvantages include bureaucracy, less entrepreneurial opportunities, and less ability to shape the strategy and future direction of the organization. You may acquire the skills you seek faster in the big pond, but beware of getting too comfortable and overstaying. You might discover that in the process your entrepreneurial ambitions have been extinguished.

Make sure if you choose a big pond you have done your due diligence and are joining a growing concern, not an organization in a death spiral. Organizations have life cycles just like products and people, and you need to find out where your prospective employer sits on the continuum. The most important feature of the big pond is the leadership, and leaders also have life cycles. Is the CEO one of the founders of the organization with a strong personal commitment to the mission but with enough energy and enthusiasm to keep adapting to changes in the competitive environment? Or is she an aging matriarch on a glide path toward her retirement, surrounded by “yes men and women,” padding her nest and preparing to pull the rip cord on her golden parachute? Or is the leader a recently promoted eager beaver with a notion of how to grow the organization, but maybe not enough experience to pull it off? These are hard things to learn during an interview, but you should ask if you can talk to some of the employees to see how they feel about the leadership before you sign on.

In the international domain, most of the big pond organizations fit into one of two categories: relief or economic development. Some organizations, like Save the Children, CARE, Catholic Relief Services, World Vision, and Mercy Corps, do both. It's important to consider what kind of work you want to do. The big relief organizations are designed to respond rapidly to short-term emergencies and disasters of both the natural and manmade kind: hurricanes, tsunamis, famines, civil wars, and genocide, to name a few. They also fulfill a humanitarian role in the less visible, slow-moving tragedies like malnutrition and the AIDS epidemic. These are worthy causes, but the emphasis is on short-term responses, not prevention or making the victims of these tragedies self-sufficient and capable of meeting their own needs in the long run.

The financial model of these organizations reflects this short-term bias. They depend on income from large “feeding programs” financed by the United Nations, USAID, and other governmental or multilateral relief agencies. They also have large, private fund-raising operations that can generate a reliable income stream, based on small donations via direct mail, but are also able to generate huge spikes in contributions, depending on the profile of the disaster. Hurricane Katrina in New Orleans produced a fund-raising bonanza for the American Red Cross initially, followed by a public relations disaster when it was unable to deploy the resources rapidly and effectively. The tsunami in South Asia, which devastated the coastlines of Thailand and Sri Lanka, produced the largest outpouring of public philanthropy in history, far more than the one hundred thousand affected families required and leaving the benefiting foundations with an embarrassment of riches they have yet to find ways to spend effectively.

Development-oriented foundations, on the other hand, focus on long-term, sustainable solutions to the problems of poverty and conflict. People who are frustrated by the seemingly bottomless needs of the poor—and endless solicitations from the relief organizations—are drawn to this sector, as are most social entrepreneurs. The impact of these organizations is usually less immediate and less visible than the smiling child in a refugee camp spooning rice into his mouth. Their funding flows tend to be less reliable and can be “fad driven” in the sense that the donor agencies tend to pounce on the latest intervention showing promise, lavishing resources upon it only to pull the plug when some nay-saying research organization produces a study debunking the practitioners’ claims.

The best development-oriented organizations find ways to involve the poor in their own economic and social development, creating sustainable institutions that continue their good works after the subsidies end. The microfinance industry is one of the best illustrations of this phenomenon, where, after three decades of intense investment by the donor community, more than ten thousand microfinance institutions continue to provide small loans and other financial services to more than 150 million of the formerly unbanked poor. Industry analysts argue about the extent to which individual organizations have achieved true financial sustainability, but most have weaned themselves off donations at this point and earn the bulk of their income from interest and fees charged on their loan portfolios.

## Your Own Pond

The third, and most challenging, path—also, if you have the temperament, the most rewarding—is to come up with your own Big Idea and implement it yourself. In retrospect, recalling all the hard work of all the people who helped build FINCA into what it is today, I can only shake my head at what naïve fools my partner John Hatch and I were to embark on this journey in the first place. When John first told me of his idea to start a foundation to raise money to fund his village banking concept, I asked him how long this might take. “A few months” was his answer. Six years passed before we landed a \$9 million USAID grant, and were, for the first time, able to pay ourselves salaries and hire a few other full-time employees. Before that, we raised money in small amounts, just enough to keep our handful of pilot projects going. After each small contribution John would call to give me the good news: “We’re almost there, partner!”

I realize now John’s sense of time was more geologic than calendar.

It is important to note that John and I both took this leap midcareer, after we had worked for several years in big pond organizations. We also worked as private consultants to both big pond, mission-driven organizations and large bilateral and multilateral international aid agencies. In this latter capacity, we had the opportunity to see scores of development initiatives, some that worked but many that didn’t. By the time we launched FINCA, John was convinced he had the chops to start, build, and run his own business that would change the world.

The advantages of the entrepreneurial path are as compelling as the disadvantages are daunting. The greatest boon by far is the joy of being your own boss. (Probably everyone who has ever had a boss, even a good one, could agree on that one.) The second is the thrill of building your own organization and the pride you feel as you see, first, the foundation being laid, then the walls going up, and, hopefully, the roof finishing it off. You have control over all the key decisions. One of the greatest frustrations of working for someone else—waiting to be recognized and rewarded appropriately for your hard work—goes away when you sign your own paychecks. Oh, and regardless of how bad the job market may be, you can’t be fired! (Well, you could be if you have a Board of Directors, but hopefully they would put you in another role in the organization versus unceremoniously sacking you. More on this when we discuss governance in Chapter 17.)

The chief disadvantage of the entrepreneurial path is the high probability of failure. The failure rate for purely commercial start-ups is more than 90 percent. To my knowledge, no one tracks the failure rate for philanthropic start-ups, but considering you have even less ability to control your income than in a commercial venture, it must be so high only a fool or a visionary would try to beat the odds.

If this doesn't dissuade you, be prepared to deal with the next greatest disadvantage: continuous rejection. If entrepreneurs are a rare breed, then people who can recognize a great concept when they see one are even rarer. Be prepared to have total idiots smile condescendingly as you present your brilliant idea and dismiss you with a cavalier "It'll never work." Unless you are absolutely convinced of the worth of your idea *and* stubborn as hell, this path is not for you.

Finally, being an entrepreneur is a lot of work. Even if it's great to be your own boss, you'll soon discover, if you are going to succeed, you have to be a greater tyrant to yourself than the worst "boss from hell" could be.

Regardless of what size pond you enter, and apart from drive and work ethic, the key factor that determines whether a social entrepreneur will eventually succeed or not is the Big Idea.