

Your Turn

by Michael M. Appell

Don't Overlook Nonprofits!

While business educators often channel students toward the Fortune 500s and lucrative startups, the best way for business students to use their MBAs may not be in the business world after all. The big secret—the one b-school professors don't often talk about—is that nonprofits are in desperate need of MBAs.

A generation ago, there were no organizations helping people with breast cancer. Today there are dozens. The nonprofit sector continues to grow, even in times of recession and geopolitical uncertainty. Students can profit from this trend, not only with a well-paying job, but also with a career where their skills will be appreciated and their sense of satisfaction can skyrocket.

Ever since Ronald Reagan began dismantling The New Deal, Americans have become more adept at replacing and improving on government programs. In the last decade, 50,000 new nonprofits have been launched. Many executive positions are the result of an explosion in family and community foundations. Even during the recent economic downturn, the nonprofit sector has been surging ahead.

Smart job seekers will look beyond the traditional educational and health-related jobs to the array of local, national and international organizations serving every imaginable group in our society. After all, in the business world, our students are foot soldiers in the vast MBA army; in the nonprofit sector, however, they can immediately distinguish themselves. Better yet, a sense of satisfaction isn't the only reward of a



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business career with nonprofits. Strong nonprofits—and there are many—will pay MBAs well if they respect their work.

In general, nonprofits often are long on principle, but short on business experience. And the best asset our students can offer those organizations is an understanding of how the business world works. For example, our students won't break into a sweat when reviewing a budget. They won't scratch their heads when members of the board mention Morgan Stanley or Berkshire Hathaway. They won't see management as an inconvenience, but as an opportunity to provide leadership. In a world where dedicated professionals bring many skills to the table, our students will be the ones with the business skills to maximize personal talents and organizational efficiency.

When it comes to appreciating business acumen, nonprofits have

truly entered the 21st century. Their boards are no longer accepting candidates for leadership positions who don't relate to them as genuine peers. Instead, they're seeking creative businesspeople who put a premium on good ideas and execution. And competition has entered the nonprofit world, making trained business professionals even more valuable. If MBAs are "on the money," nonprofits will compete for them with attractive compensation and benefits packages.

In spite of the attraction of nonprofits, as a business educator you still may think your students just won't be interested in this sector. Are you concerned your students won't think that a nonprofit career could be fast-paced or challenging enough? Encourage them to think again. Have them imagine, for example, leading the American Red Cross in the wake of the September 11 attacks; Teach for America at a time when educational reform is at the forefront; or the Peace Corps as globalization and technology continue to bring the Third World into the First.

If you think your students will feel that nonprofit careers might not satisfy their entrepreneurial spirit, challenge them to look at the sector more closely. When they carefully examine a successful nonprofit, they're bound to find a leader with entrepreneurial savvy. That entrepreneur could be an MBA who's willing to create new alliances, find better ways to deliver services, and offer a product that is the best in its class.

Once MBAs realize the potential nonprofits have to offer, your students must be encouraged to learn the buzzwords unique to nonprofits. They should know that their supporters are called stakeholders instead of stock-

holders, for example. That doesn't mean stakeholders can't make our students' lives miserable if they don't perform well. It just means they don't have any stock options to lose if they have a bad year.

In addition, as future nonprofit leaders, students should know how to rub shoulders with movers and shakers in the business world—with the executives who serve on their boards, lead their committees, and offer guidance on strategic planning. Rather than toiling away in some faceless organization, unnoticed for years, an MBA leader can gain immediate visibility as a nonprofit executive. Some corporate leaders might be so impressed that our students wind up on their payrolls! (It's always nice to have options.)

Finally, they must know that maintaining a sense of humor will be critical, especially when donations are down because of unforeseen cataclysmic events that everyone said could never happen. Your students should be prepared with a witty response when asked why they're studying *The Wall Street Journal* instead of *The Chronicle of Philanthropy*. If MBAs can master the intricacies of macroeconomics, they can probably answer most of the other questions they'll have to face.

As in any career, there is no guarantee of long-term success. But look at it this way: When your students are facing a mid-life crisis and want to give something back to their communities, at least they won't have to change jobs—unlike many of their peers. 

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