



Central New York Nonprofit Leaders Series: Part II

Submitted by Jon Zella on Tue, 03/25/2014 - 11:33

Central New York is home to a lot of nonprofits and individuals trying to create a better community for themselves and their neighbors. For this blog series, we have contacted people we see as leaders in the nonprofit community in Central New York. These individuals have information, expertise, and good habits which we thought were worthy of sharing. We hope to cover as many topics as we can.

This week's topic: **The Business of Nonprofits** with Gregg Tripoli, Executive Director of the Onondaga Historical Association.

We sent Gregg some questions about being a leader within a nonprofit. Here's what he had to say:

1) For nonprofit organizations, the word "profit" or "revenue" carry a stigma. Describe why it is important for nonprofits to ignore that: Nonprofits need to create revenue to operate – they should understand that donations and grant funds are revenue. Surpluses (“profits”) are necessary to ensure sustainability in the long term and are invested back into the business to sustain growth, expand and improve services, maintain facilities, attract and retain quality employees, build endowments, fund new ventures, leverage grant funding (many grants are reimbursement grants and grantors want to see strong financial statements), etc.

2) From experience, what are some ways nonprofits can create new forms of revenue outside of fundraising and grant writing? Fee for service revenue is a common revenue source – show how you can add value to another organization or individual, quantify that added value and put a price tag on it. Look for ways to add value with your business that others will be willing to pay for. Build partnerships and collaborations that are mutually beneficial. From experience, we have built earned income through licensing and reproduction fees for images and content we own, consulting fees for knowledge we have or can obtain through research in archives we have, profit sharing with collaborators on products that are mutually developed and

then sold through our respective retail outlets, customized exhibits that highlight the histories of client organizations and companies, products (from stationery and books to films) that we develop and sell, products (from t-shirts and jewelry to books and toys) that we buy at wholesale and sell at retail, lectures and speaking engagements that educate, entertain, and inform, research and historical services that we provide.

3) How important is the organization's relationship with and overall presence within the community? Essentially, It raises awareness and visibility and helps create contacts, partnerships and collaborations. If you are a community service organization, it provides you with the opportunity and ability to know your customer, learn what they want, how they want it, what they value. It helps keep your “ear to the ground”. It exposes opportunities for added value – lets you know where and how you can add value. It provides a forum for you to promote your organization and its services and products.

4) Would you recommend partnering with businesses or other nonprofits? Yes, it opens your organization up to their audiences and customers and creates symbiotic partnerships that are mutually beneficial. It expands your opportunities and widens networking possibilities. It can add new dimensions to your existing products and services.

5) Does it really "take money to make money" when attempting to build new revenue streams for nonprofits? Sometimes, but not always. Be prepared to fail and make sure you can take care of the down side because the up side will take care of itself. Take calculated risks but think outside the box.

6) What can individual members of an organization do to help improve revenue? Generate ideas and look for opportunities - development is everyone’s responsibility. Quantify your contribution to the organization and be conscious of the cost of services. Work smart and efficiently and practice good time management skills. Be a good ambassador for the organization. Be a team player and make the organization’s goals your goals. Work hard and put in the extra time when it’s necessary.

7) What are some general tips, pieces of knowledge, which you can lend to area nonprofits in terms of the business of nonprofits? They should think of their business as a business. Understand cost accounting, balance the cost of services with revenue generated, and net value of their services. Diversify revenue streams and build earned income. Promote the relevancy of your products and services. Be as ubiquitous as possible. Be conscious and knowledgeable about best practices. Try new things, think outside the box and maintain a positive optimistic attitude.

We want to thank Gregg for his time and expertise on this subject. Be sure to visit Onondaga Historical Association. More information can be found on their [website](#).

Think you know someone who could be a part of this series? Let us know by emailing info@shinemanfoundation.org

