

Is the Grass Really Greener? Advice for the Not-for-Profit Crossover Candidate

In this issue, Laurie Nash, Mary Tydings and the members of the Not-for-Profit Sector at Russell Reynolds Associates address a topic of increasing relevance—private-sector professionals contemplating a move to not-for-profit organizations.

Economic downturns often lead people to a deep reexamination of their careers, and the current slowdown is no exception. Keeping one's executive position in such an environment—or finding a new position—requires a redoubling of commitment to one's industry. There is little patience in the talent market for ambivalence.

As a result, a small but significant number of executives are contemplating making a shift to a second career in the not-for-profit world. There are good reasons for this. First, the economic overdrive that spanned much of the last generation has until recently produced a substantial group of talented people whose economic needs have largely been met, giving them the latitude to think more broadly about their options. Second, many successful executives live in a world in which museums, foundations and cultural institutions hold a place of high esteem. For example, role models like Bill Gates and Warren Buffet have drawn new attention to the business-to-philanthropy path.

The not-for-profit sector has also changed in ways that make it a more appealing arena for a second career. From marketing to lobbying to financial management to technology, not-for-profits are increasingly embracing the sophisticated approaches and tools of the private sector. Not surprisingly, some are also looking to private-sector leaders to implement those approaches.

We have found, however, that private sector executives considering a move to the not-for-profit world are often shrouded in a fog of expectations and assumptions that form a poor basis for decision-making and can spell trouble down the line. Instead, it is important to approach such a possible career shift like any other potential transaction—with a clear-eyed cost-benefit analysis. You might “want to do good,” but more good might be done by making a significant financial contribution rather than taking a job in which you'll be earning the same as you did at the start of your career. (High-level donors and board members, after all, often have an effect on organizational objectives by directing their contributions and voicing their opinions.) As much as you might regard your business skills as being readily “transferable,” they might not be as effective in an environment in which no decision is made until every voice is heard and every option weighed.

These are hard questions, and they need to be confronted early and honestly. For the candidate who remains undeterred, the next step is extensive research. An arm's-length admiration of the not-for-profit world is no substitute for a keen understanding of the players, issues, economics and various constituencies at work as well as the effects of a changing regulatory environment, decreased government funding and greater public scrutiny. Just as with the private sector, the not-for-



profit sector has its array of conferences, publications, infrastructure organizations and networking groups. Delve into them. One of the first things you will discover is exactly how broad the not-for-profit sector is. There are cultural and conservation organizations, visual and performing arts groups, educational institutions at every level, think tanks and trade associations. Foundations include those run by small family trusts and large corporations, not to mention behemoths like the Bill & Melinda Gates Foundation, which is now an equal partner with major government agencies in shaping the global health agenda.

Given the array of possibilities, how are you to narrow your choices? The answer is simple: lead with the heart. Because not-for-profit organizations are ultimately “mission-driven” organizations, your ability to embrace the mission is critical. This is one important way in which the not-for-profit world differs from the private sector. In the latter, executives can often move easily from industry to industry because many of the functional issues are similar. In the not-for-profit sector, however, the specifics of the organization—whether promoting literacy, global health or sustainability—is its very reason for being.

This focus must be reflected in your CV, which should emphasize the competencies and experiences most relevant to not-for-profits: fundraising, advocacy, and consensus-building—preferably with constrained resources. Obviously, work done in volunteer committees and non-profit boards counts for more here than it does in the private sector, so make sure to fully articulate that.

Armed with a succinct résumé highlighting non-profit experiences and knowledge of the area of philanthropy you are targeting, begin expanding your network: attend conferences and study the websites of different organizations and the search firms that represent them. Be prepared with an “elevator speech” of why you are interested in making this transition. Go beyond the standard “desire to give back” and be prepared to show what you’ll be able to accomplish in the new position, illustrated by your track record.

When it comes time for the interview itself, remember that as a non-traditional candidate, you have several hurdles to clear. Indeed, many candidates attempting to move from the private sector assume that they will be so coveted by not-for-profits that the interview will be a formality. Nothing could be further from the truth; indeed, even a whiff of such an attitude will be perceived as fatal condescension. Search committees will be skeptical of your ability to lead effectively within an environment that is under-funded and under-managed. The existing staff is likely to be suspicious and resentful—and rightly so, given that you are looking to take a senior position that might otherwise go to one of them. They will be slow to endorse handing such a prize to someone who has been exempt from the personal sacrifices in income and wealth creation they have made over the years. Thoroughly addressing these concerns is as essential as demonstrating the value you can add. Those seeking to transition need to prove that they can function in a culture of collegiality and slow, collaborative decision making. Boards are equally skeptical. The candidate needs to demonstrate an understanding of and ability to lead within the realities of shoestring budgets, overworked staff, fractious boards and increased regulatory scrutiny.

Just as there is a growing convergence between the skills required to serve on corporate boards and their non-profit counterparts, so too is a growing need for management with skills from the private sector, particularly in the area of financial management. Concepts of cost of capital and return on investment are of growing relevance in foundation circles. Experience with appropriate metrics to measure the efficacy of programs is critical. Convincing a search committee that the leader of a non-profit must be the careful steward of the organization’s finances and reputation should be easier in today’s environment of tighter resources and heightened scrutiny.

In addition to execution and finance skills, non-profits need marketers and communications professionals who are able to effectively identify the non-profit’s mission and create a strategy

plan for accomplishing that mission. The ability to speak publicly as an advocate for an organization, particularly when one is coming from a different background, is also a valuable asset.

The small-but-growing list of senior executives who have successfully moved from the private sector to the not-for-profit world illustrates that this transition can be successfully navigated. Such a move requires significant introspection and preparation by the candidate. Correctly executed, however, it can lead to high intrinsic reward and the opportunity to add significant value in furthering a meaningful cause.

About Russell Reynolds Associates

Leadership. In today's ever-changing global business environment, success is driven by the talent, vision and leadership capabilities of senior executives.

Russell Reynolds Associates is a leading global executive search and assessment firm with more than 300 consultants based in 39 offices worldwide. Our consultants work closely with public and private organizations to identify, assess and recruit senior executives and board members to drive long-term growth and success. We value teamwork, serving our clients with a collaborative approach that spans our international network of sector and functional experts.

Our in-depth knowledge of major industries and our clients' specific business challenges, combined with our understanding of who and what makes an effective leader ensure that our clients secure the best leadership teams for the ongoing success of their businesses. For more information, please visit us at www.russellreynolds.com.

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