

SOCIAL ENTREPRENEURSHIP: MAKARIOS INTERNATIONAL WITHSTANDS THE TEST OF AN ECONOMIC DOWNTURN

Julie B. Johnson
University of Western Australia
8917 Old Lampasas Trail #33
Austin, Texas 78750
Phone/Fax: +1 512 382-0691
Mobile: +1 512 659-4211
johnson.julie@yahoo.com

ABSTRACT

Research and practice has revealed that using business strategies in the nonprofit sector can be beneficial when such tools are given the flexibility to be used in the context of a philanthropic organization. A strategic analysis was conducted on the nonprofit, Makarios International, in the fourth quarter of 2008 which studied the group's priorities, identified strengths and weaknesses and made recommendations based on best practices of a strategic enterprise. This analysis is now used as the baseline to compare and contrast the plans of the group as outlined during the 2008 study to the actual developments throughout 2009.

BENEVOLENCE WITH THE STROKE OF EFFICIENCY

The Problem: Need for Strategic Transformation

Most accountability standards in the nonprofit sector are designed to address only short-term issues, and long-term or strategic choices are not typically given precedence in the decision-making process (Teegen, Doh and Vachani, 2004). Research has shown that by 2001 most privately funded, nonprofit organizations had no outcomes assessments (e.g. an increase in the rate of adult literacy) but measured only the data from ongoing programs (e.g. the number of participants or established locations) (Morely, 2001 in Leviner, Crutchfield and Wells, 2007). As recently as 2009, these accountability concerns had not been alleviated (Golden, Longhofer & Winchester, 2009). Unfortunately, Roberts and Woods (2005, p.45) identify many nonprofit organizations as “short on theory and definition but high on motivation and passion,” however, globalization is encouraging them to make fundamental changes towards stronger accountability (Brown et al, 2000).

In addition to this pressure from external sources, the recent economic crisis has threatened the stability of for-profit and nonprofit entities alike. Alongside economic hardship or strain comes stronger reliance upon nonprofit services (Golden, Longhofer & Winchester, 2009). As more services are being demanded, research reveals that a decline in funding is also likely to take place during a recession. In the United States recession from 1973-1975, the largest decline in donor giving was a dramatic 9.2 percent (adjusted for inflation)—in 1974 alone it decreased by 5.4 percent (Anon, 2008).

Given the nature of a philanthropic organization—largely dependent upon donations while seeking social transformation that rarely takes place quickly—the need for a long term perspective is intensified. Strategic transformation is essential to address existing accountability concerns as well as to withstand evolving economic situations. The purpose of developing a strategy is to build a bridge between an entity and the industry in which it is conducting activity (Grant, 2008). To make this connection, many strategic business principles could be applied to the nonprofit or public sector, but often a conversion must take place of *what* is being measured and/or *how* it is being measured for these principles to be effectively implemented. A philanthropic organization will have different motivations, methods and metrics for measuring success as compared to those of a for-profit business. Goals for social transformation in the areas of human rights, poverty or the environment cannot necessarily be measured by the exact tools of a business that is focused on the profitability of a tangible product or service. In order to transform the strategy away from the short-term, non-governmental organizations (NGOs) are turning to the business world for a framework of ideas.

The Answer: Social Entrepreneurs and Best Practices

One aspect of the business world often adopted and adapted by the nonprofit sector is that of entrepreneurship. An entrepreneur is one “who discovers, evaluates and exploits profitable opportunities, taking into account risk, alertness to opportunity and the need for innovation” (Shane, 2003, in Roberts and Woods, 2005, p46). Some individuals now approach social problems with a for-profit mindset and have created the “social entrepreneurship” movement (Mair and Schoen, 2005). Social entrepreneurs combine the social goals and values of a nonprofit with the perspective of a for-profit in order to address social problems around the world (Roberts and Woods, 2005). Private sector frameworks are being modified to enable philanthropic organizations to more effectively achieve their goals by integrating “efficiency with humanity and decency” (Lindenberg, 2001, p268). A survey conducted in 2003 by the Bridgespan Group revealed that over 50% of the social sector executives in the study recognized that “earned income would play an important or extremely important role in bolstering their organizations’ revenue in the future” (Cohen, Kohl & Van, 2008, p4).

In addition to entrepreneurship, several other elements have been identified that are thought to be significant factors present in a strategic nonprofit organization. In a study of three nonprofits considered “successful”, Mair and Schoen (2005) pinpointed the following activities consistent among the organizations in spite of the divergent missions and activities of the three groups:

1. Partnering with companies that have shared values;
2. Building upon existing resources;
3. Strategic disbursement of resources; and
4. Integrating program recipients into the value chain.

Given the perspective of entrepreneurship and the best practices discussed above—tactics involving marketing, partnerships, resource development and recipient involvement—business principles can be modified and successfully implemented in a not-for-profit setting. By using private sector benchmarking techniques and models, a

philanthropic organization has the ability to not only improve the quality but also further the impact of its programs (Lindenberg, 2001).

OVERVIEW OF THE 2008 STUDY

The Case Study: Makarios International

Given the shift in the business world in recent years (from a market focus to a customer focus) to add more value rather than simply deliver a product to a customer, business principles have become easier to apply to philanthropic organizations (Ngo and O’Cass, 2008). In order to test the adaptability of certain business tools to a nonprofit organization, a strategic analysis was conducted on Makarios International. This study took place in the fourth quarter of 2008—during which many economic indicators showed a bleak state of affairs.

Makarios is a not-for-profit organization that focuses on educational development in the Dominican Republic, Haiti, and other less-developed areas around the globe. The group has offices in the Dominican Republic, where the bulk of programs exist, and in the United States where most of the funding originates. Makarios differentiates itself by providing a holistic approach to education as it addresses the physical, spiritual and emotional needs of children in addition to teaching skills for life (Megilligan, 2008a). The organization was founded in 2004, and as of 2008 employed 20 staff members and managed approximately 250 volunteers in the course of the year.

Elements and Conclusions of the Strategic Analysis

The purpose of the strategic analysis in 2008 was to apply business practicality in a nonprofit setting and determine where principles overlap and where they diverge. After establishing several best practices for nonprofit organizations, measurements were then identified from within the business world that enabled a more scientific study of the organization. Typical strategic analysis tools were applied to Makarios, and the categories studied in 2008 can be divided into six primary areas:

1. Background information—identification and assessment of the contribution of stakeholders, the mission, vision, values and strategic objectives;
2. The external environment—an examination of the political, economic, social and technological (PEST) factors as well as an industry value chain analysis;
3. The internal environment—internal value chain analysis and the evaluation of strategic resources;
4. Conducting a competitive advantage valuation;
5. Analyzing the strategic posture for the upcoming year; and
6. Categorizing the expansion choices—primarily diversification (through forward and backward alignment in the value chain) and market penetration.

Given the extensive amount of sound business tools that were employed, it is evident that Makarios International truly is a social entrepreneurial endeavor, and that many business methods are highly convertible and/or useful for philanthropic organizations in achieving their goals. The analysis pinpointed the strengths of Makarios as well as

the implementation of best practices. Areas that needed improvement were listed as well, and were mostly related to communication issues and tracking the development of the strategic goals. See Appendices A, B and C for the full review of strengths and weaknesses, best practices and recommendations identified in this study.

PLANNING MEETS REALITY

2009 Strategic Objectives

Using the objectives outlined in the 2008 study as a baseline to compare and contrast the actual developments of 2009 enables an assessment of how well the organization was achieving its stated mission that “Makarios is dedicated to educational development in the Dominican Republic, Haiti, and other impoverished areas of the world. We are committed to a child's spiritual, physical, emotional, and intellectual growth, to provide hope for a better future.” *If* the mission is used as the overarching framework for making strategic choices, then the level to which strategic objectives are achieved is a good measure of the success of an organization (Hirschberg, 2008).

At the end of 2008, the three main focal points outlined for 2009 were as follows:

1. Develop partnerships with other international NGOs;
2. Develop the farm as a source of food and revenue; and
3. Expand the existing school (Megilligan, 2008b).

With these three goals in mind and the extent of the economic fallout yet to be fully realized, Makarios braced for the impact, but moved forward with caution and determination. Throughout the planning stage and as 2009 programs began to be implemented, they continued to scrutinize expenditures, but there was little that could be eliminated as all planned spending was necessary to continue running the various programs. While the recent economic crisis may have challenged and even broken many for-profit and not-for-profit entities, the crisis revealed the stability of Makarios. In an interview, the director indicated that “we are not going to be the best example of how the economy affected nonprofits because we have been fine” (Megilligan, 2010). Although things did not always progress exactly as expected, not only were the primary objectives achieved but additional progress was made to strengthen areas that needed focus and attention.

International Partnerships

The first objective was to partner with international non-governmental organizations. Such alliances are becoming more possible due to technological advances (primarily the internet) and more popular due to the need to address world-wide issues by combining the learnings and problem-solving skills from different perspectives and backgrounds (Brown et al, 2000). Such efforts focused on working with groups that already existed in particular areas, rather than establish a new, physical presence of Makarios. This goal was met on several fronts not only locally in the Dominican Republic but also abroad in countries such as Haiti, Pakistan and Sudan. Locally, Makarios partnered with groups on projects such as water purification and adult literacy. These partnerships focused on establishing relationships with local branches

of large, international organizations or smaller, more nimble groups to avoid bureaucratic issues that often accompany larger groups (Megilligan, 2010).

One of the partnerships established in the last few of months of 2009 involved a photographer. The photographer is a champion of social justice, and uses her skills and talents to raise awareness and help alleviate social ills around the world. Her work does not stop with simply taking photographs to tell the story or situation that exists, but rather, she connects the subjects of her photographs to the resources necessary to address their needs. Makarios was able to support this photographer and other groups that had a physical presence in Port-au-Prince, Haiti, but were struggling to obtain necessary supplies due to the devastation. Makarios utilized its strong network and raised tens of thousands of US dollars within days of the earthquake. As a result of the relief work, an unexpected source of donations materialized—new people were introduced to the work of Makarios through forwarded emails and postings on blogs relaying their relief efforts. This exposure created new supporters for the mission of Makarios unrelated to the specific fundraising for the Haitian relief efforts (Megilligan, 2010).

In Pakistan, talks with potential partners have continued for the last two years, but Makarios representatives have been unable to visit due to the political unrest. Instead, they are supporting a Pakistani group by helping to coordinate fundraising events for 2010 when representatives from Pakistan will be in the United States (Megilligan, 2010).

In Sudan, Makarios began a partnership with a group that was starting educational programs in a remote area but had little experience in establishing formal schools. Makarios began consulting with them on a regular basis to provide organizational structure and resource requirements (e.g. teacher training and acquisition of materials). Educational programs are now being provided to four remote villages in southern Sudan (Makarios, n.d.). Makarios is also partnering with the group for child sponsorships—Makarios provides the fundraising through its network of supporters for the Sudanese children from these villages. In return, the Sudanese group provides regular updates to the financial sponsors, a key component of providing non-material benefits to Makarios' stakeholders. Makarios will continue to provide consulting services, ongoing financial support and facilitating volunteers to help with construction during the dry season (Megilligan, 2010).

It is clear that Makarios successfully achieved the first objective of international partnering in spite of the uncertain economic times. The strength of its mission, identifying and working with like-minded individuals (e.g. the photographer) and entities (e.g. groups in the various countries) and the ability to leverage such a committed group of stakeholders are all examples of best practices being implemented across the organization to successfully achieve a goal.

Development of the Farm

The objective for the farm was to further develop it as a source of revenue and food. Efforts were focused on finding an onsite leader to teach sustainable and vocational farming, however, the position had not been filled by mid-year. After much exploration and consideration of individuals to fulfill the role, Makarios determined

that offering in-house vocational training at this time needed to be re-assessed. The farm was still a good program with much potential, but was outside the scope of the educational efforts which primarily focused on younger children. Another local entity expressed interest in buying the land to continue the farming as well as add vocational training for ironworks and woodworking skills, so Makarios took the offer and the farm was sold (Megilligan, 2010).

Although this was a shift in the initial strategy for the farm, the money was redirected to support the expansion of the pre-school, the third major objective. Makarios remains involved with the running of the farm and continues to do outreach programs to children in the area. Additionally, in years to come Makarios will have high school graduates that will be in need of vocational training, and this working relationship will provide a natural and viable option for those students to pursue (Megilligan, 2010).

Preschool Expansion

For the preschool, the annual goal was to add the classroom resources to accommodate one grade higher to grow with the existing students as well as adding a new group of three-year-olds. In 2009, a second building was constructed (partially with funds from the sale of the aforementioned farm) which has two new classrooms and the capacity for future additions.

Makarios determined that it is more beneficial to start teaching children as young as possible and grow with their educational needs. Outreach now focuses on children at the age levels for which the school has existing classes and teachers (preschool and kindergarten). For the older children already attending programs implemented before the school was built in 2007, they continue to attend after school programs. A social work structure is setup to support these older children to ensure that they are attending the local public school by alleviating any financial hindrances that arise for these impoverished families (Megilligan, 2010).

Developments took place in the staffing arena as well. A new teacher came with the advent of the new grade and two additional teachers' aides joined the school. A sponsorship coordinator also joined the administrative staff. Many of the educational programs of Makarios are paid for through individual sponsorships. When the sponsorship program coordinator was added last year, this increased the stability and consistency of donations from sponsors by closing the monthly gap of approximately 15% of monthly commitments that were not being received. Sponsors in return now receive monthly updates on the children they are financially supporting rather than only once per semester. The streamlining of the sponsorship program has not only filled the financial gap that previously existed, but will also facilitate the hiring of three new employees for the school in 2010 (Megilligan, 2010).

Beyond the Primary Objectives but Supporting the Organization

There are numerous examples of the entrepreneurial spirit of this organization, but one particularly interesting example of sustainable revenue was established by leveraging the group's network. Two financial supporters of Makarios in coordination with the Executive Director established a coffee shop—Dominican Joe—in 2006 in the United States. This for-profit business (and fully separate entity)

has become a steady revenue stream for Makarios, the primary coffee supplier to Dominican Joe. The coffee is sourced from a farm in the Dominican Republic via Makarios, and both the coffee farm and Dominican Joe are aligned with the values of Makarios. Additionally, the coffee can be purchased through the Makarios web site.

The revenue stream from the Dominican Joe coffee shop grew even through the economic downturn. The coffee shop has had an average growth of 3-5% each month since its inception over three years ago. This revenue stream accounts for approximately 10% of Makarios' annual budget, and even with the growth of the overall budget last year, this revenue source was maintained because the income grew as well (Megilligan, 2010).

Throughout 2009, Makarios also took the opportunity to address internal issues (see Appendix B for list of weaknesses as identified in the 2008 study). Generally, the issues related to tracking the developments of the organization's vision and effectively communicating those changes to various stakeholders (employees, volunteers, partners, sponsors, general donors, etc.).

To address some aspects of this situation, a business consultant who is also a member of the Makarios network agreed to spend a month in the Dominican Republic interviewing staff, assessing the organization and using his business expertise to objectively identify areas that could be strengthened. Particular attention was given to board governance and communication. According to the Executive Director, concentrating on the developments and communications flowing from the Board to all other stakeholders "has been one of the most important things Makarios has done in the last year and a half" (Megilligan, 2010). The consultant, in coordination with the Executive Director, adapted a for-profit Board self-assessment in order to make it more applicable to the nonprofit setting. From this exercise, communication to current and potential donors and partners has drastically improved. A new logo was finalized early in 2009, and documents beyond a brochure, annual report and the web site were subsequently developed (Megilligan, 2010).

Many discussions also took place to unify the staff regarding the goals and their implementation. Internal marketing efforts such as these are sound business practices and well-developed, long-term relationships with stakeholders—known as relationship marketing—are particularly effective for nonprofits (Arnett, German and Hunt, 2003). Further, research suggests that it is more beneficial to expend resources towards developing stronger ties with existing stakeholders rather than simply focusing on attracting new ones (MacMillan et al, 2005). While the minutes from the board meetings reflected the developments of the organization, they were not in a transferable format to anyone requesting the information—internally or externally. Although the mission, vision and strategic goals were outlined for staff and volunteers at their initial orientation to Makarios, little, if any, follow up was conducted to convey changes as they inevitably occurred. Now, a five-year plan that clearly and effectively outlines such developments exists, and this will act as a baseline for tracking Makarios' progress. Other internal communications documents are in the final stages of completion before being distributed to staff (Megilligan, 2010).

CONCLUSIONS

In evaluating the plans of Makarios for 2009 and the actual developments of such an unpredictable year, Makarios clearly accomplished its objectives. Although there were specific areas in which a low-level impact was felt due to modified behavior of individuals, the negative effects were marginalized because of the broad spectrum of support. Specifically, there was a slight decrease in the amount per patron spent at the Dominican Joe coffee shop, but growth in the total number of patrons counteracted this shift. Second, the volunteer groups going from the U.S. for short-term programs decreased from 18 in 2008 to 16 in 2009. This impacted Makarios financially in that these volunteer groups generate additional revenue because often people returning from the trip become sponsors of individual children or regular donors to the organization as a whole. With two fewer groups in attendance, there was a slight reduction in the revenue that they generated. Third, in the first nine months of the year, the general donors were slightly lower than the previous year, and forced the group to access reserve funds. However, the months of October, November and December more than made up the difference as end-of-year giving was unusually strong. This lucrative quarter was followed by the Haitian earthquake in which new financial supporters were established as a result of Makarios' relief efforts (Megilligan, 2010).

Overall, Makarios International is an example of how an organization fared well in spite of economic uncertainty. Not only were the primary objectives for the year met, but sustainable revenue streams remained intact and attention was given to areas in need of improvement. For Makarios to continue building a strong network of capabilities it must continue to effectively coordinate its various resources (Grant, 1991). It is important to understand which resources will deteriorate with use and require replacement and which resources become more developed and valuable with time (Hirschberg 2008). In a business setting, the use of these strategic resources would determine the company's capacity to compete (Hirschberg, 2008). In a nonprofit setting, the use of resources determines the organization's ability to execute the chosen strategies, thereby addressing their social mission.

REFERENCES

- Anon (2008). "Briefing on the Economy and Charitable Giving", *Spotlights* (fall), The Center on Philanthropy at Indiana University,
- Arnett, D. B., German, S. D. & Hunt, S. D. (2003). "The Identity Salience Model of Relationship Marketing Success: The Case of Nonprofit Marketing", *Journal of Marketing*, 67, 89-105.
- Brown, L.D., Khagram, S., Moore, M.H. & Frumkin, P. (2000). "Globalization, NGOs and Multi-Sectoral Relations", Working Paper #1, Hauser Center for Nonprofit Organizations and the Kennedy School of Government, Harvard University.

- Cohen, S., Kohl, H. & Van, A. (2008). "Social Sector Business Ventures: The Critical Factors That Maximize Success", The Hauser Center for Nonprofit Organizations, Harvard University. Working Paper no. 43.
- Golden, S., Longhofer, W. & Winchester, D. (2009). "Nonprofits in Need", Contexts, University of California Press, 8(3), 14–15.
- Grant, R. M. (1991). "The Resource-Based Theory of Competitive Advantage: Implications for Strategy Formulation", *California Management Review*, 114-135.
- Grant, R. M. (2008). *Contemporary Strategy Analysis*, Malden, MA: Blackwell.
- Hirschberg, P. (2008). *Strategic Management-Internal Analysis*, Lecture delivered for MGMT 8700 on September 25, 26, 27, 2008 at the University of Western Australia, Manila campus.
- Leviner, N., Crutchfield, L.R. & Wells, D. (2007). "Understanding the Impact of Social Entrepreneurs: Ashoka's Answer to the Challenge of Measuring Effectiveness", *Research on Social Entrepreneurship: Understanding and Contributing to an Emerging Field*, 89-103.
- Lindenberg, M. (2001). "Are We at the Cutting Edge or the Blunt Edge?: Improving NGO Organizational Performance with Private and Public Sector Strategic Management Frameworks", *Nonprofit Management & Leadership*, 11, 247-270.
- MacMillan, K., Money, K., Money, A. & Downing, S. (2005). "Relationship Marketing in the Not-For-Profit Sector: An Extension and Application of the Commitment-Trust Theory", *Journal of Business Research*, 58, 806-818.
- Mair, J. & Schoen, O. (2005). "Social Entrepreneurial Business Models: An Exploratory Study", Working Paper No. 610. IESE Business School, University of Navarra.
- Makarios Web Site, <http://makariosinternational.org/sudan/>.
- Megilligan, S. (2008a). *Overview of Makarios* [Interview by Julie Johnson] Texas, October 13, 2008.
- Megilligan, S. (2008b). *Overview of Makarios* [Interview by Julie Johnson] Texas, November, 10, 2008.
- Megilligan, S. (2010). *Review of Makarios* [Phone Interview by Julie Johnson], April 3, 2010.
- Ngo, L.V. & O’Cass, A. (2008). "Creating Value Offerings Via Operant Resource-Based Capabilities", *Industrial Marketing Management*, 1-15.

Roberts, D. & Woods, C. (2005). “Changing the World on a Shoestring: The Concept of Social Entrepreneurship”, *University of Auckland Business Review*, 45-51.

Teegen, H., Doh, J.P. & Vachani, S. (2004). “The Importance of Non-Governmental Organizations (NGOs) in Global Governance and Value Creation: An International Business Research Agenda”, *Journal of International Business Studies*, 35, 463-483.

APPENDIX

A. Best Practices and Strengths of Makarios International—2008 Strategic Analysis

Stakeholders	Makarios has won the loyalty of many stakeholders as is indicated by the strong, positive image that facilitates recruitment. The success of recruiting via informal channels such as word of mouth reveals loyalty and respect for the organization and those associated with it. Relationship marketing and non-material benefits are present, particularly through the sponsorship program for individual children. Non-material benefits are also strongly communicated and displayed to patrons of the Dominican Joe coffee shop.
Mission	The mission statement is well developed by giving long-term direction and stability as well as explaining why the organization exists.
Values	The values have been carefully developed and are clearly outlined. The primary list includes personal responsibility, stewardship, dignity, compassion, integrity, cultural sensitivity, relationship-driven and sustainability.
Strategic Objectives	The priorities are well defined—the critical few rather than the important many (the top three are developing partnerships with international NGOs, expanding the school and developing the farmland).
External Analysis	Value is being added through building upon existing resources such as the partnership with Dominican Joe being established through stakeholders; nonmaterial benefits are displayed at the coffeehouse (e.g. opportunities to be further involved in Makarios programs by donating items such as cell phones to be used in the Dominican Republic); and recipients of the school programs are incorporated back into the value chain through the school/education programs and the farmland.
Internal Resource Analysis	
<i>Physical</i>	The existing land and building resources are well managed and being further developed.
<i>External Non-Material</i>	A very positive public image exists, stakeholder resources are being leveraged to build partnerships with like-valued companies and a very loyal constituency with many of the stakeholders has been established.
<i>Individual HR</i>	The Executive Director is a strong social entrepreneur, stakeholders (founders of Dominican Joe, in particular) have

<i>Collective HR</i>	resources and business experience they are willing to invest in supporting Makarios via Dominican Joe.
	The culture of the organization has consistent values throughout and has a strong ability to recruit new stakeholders.
Competitive Analysis	Makarios is successfully adding value through differentiation with a holistic approach in addressing educational needs, by providing a variety of levels of involvement and incorporating participants in the programs/recipients of social benefits back into the Makarios value chain.

B. Identified Weaknesses in Makarios International

Values	Too many values are emphasized to effectively be used as a test or point of reference in decision-making.
Vision	Vision is not specified in a succinct manner for stakeholders nor is there one document that tracks how the vision is being implemented or how it is evolving.
Strategic Objectives	Although three objectives for the next two to three years are identified by staff, no quantifiable actions or milestones seem to be associated with the objectives to measure successful completion.
Internal Resources	
<i>External Non-Material</i>	Marketing materials are lacking—relationship marketing with general donors is underdeveloped and few non-material benefits are made known to them.
<i>Collective HR</i>	Little formal training exists to familiarize new employees and volunteers with the background (i.e. the stakeholders, mission, vision, values and strategic objectives) of Makarios.

C. Recommendations Resulting from the 2008 Strategic Analysis

1. *VALUES*—Due to the large number of values cited, it could be beneficial for Makarios to develop a more concise or prioritized list which will maintain consistency among stakeholders regardless of how much growth is experienced in the future (Collins and Porras, 1996).
2. *VISION*—Develop a vision statement that expounds on the mission statement but is not as detailed as the three Strategic Objectives—often it can be helpful to use sensory clues to describe the desired future state that will indicate how the future will look, sound, feel, etc. This will also help establish a baseline to document changes to or implementation of the vision (Hirschberg, 2008).
3. *STRATEGIC OBJECTIVES*—It is problematic to take a balanced scorecard from the business world and apply it directly to Makarios International, but adaptations can be made in order to apply the framework in a productive manner (Keyt, 2001). Developing a balanced scorecard could be a valuable exercise for the Makarios Board of Directors to undertake as an internal management tool to enable precise identification of existing resources. Subsequently, this exercise would determine/confirm if the current three strategic objectives are the best expenditures of the available resources (Clark, 2003 in Leviner, Crutchfield and

Wells, 2007). Further, a balanced scorecard enables leaders to transform the identified objectives into quantifiable actions that can be measured (Kaplan and Norton, 199e in Keyt, 2001). As Keyt (2001) describes, an organization must continually answer the question of how the mission and vision are being implemented, and the best way to monitor this is through goals that are SMART (Specific, Measureable, Actionable, Realistic and Time-bound) or through some other measureable guidelines.

4. *EXTERNAL NON-MATERIAL RESOURCES*—Develop official logo and supplementary marketing materials. These materials could be used to explore CRM or other partnerships. It has been shown beneficial for a nonprofit to approach potential partners from a *public* relations perspective rather than that of a *community* relations perspective. This enables potential (business) partners to quickly see what the partnership would involve from a business perspective (e.g. specific and measurable objectives, methods to monitor and evaluate a project and/or a proposal outlining the usage of funds) (Bennett, 2002). In developing CRM partnerships it is important to clearly demonstrate any linkage that can be made between the employees of the business entity and the mission of the nonprofit (Bennett, 2002). Additionally, once a partnership or CRM campaign has been agreed upon, establishing inter-organizational teams to manage the sharing of information is of particular importance to the success of the endeavor (Bennett, Mousley and Ali-Choudhury, 2008).

Relationships with donors who sponsor individual children on a regular basis are well developed through updates regarding the child's progress; however, relationships with general donors are less developed. Partnerships, funding and/or resources are potentially foregone due to the weak nature of the relationship to general donors. Creating opportunities to foster participation and communicate achievements to the donors not associated with a specific activity/program would deepen the ties between Makarios and these stakeholders by promoting the non-material benefits to them.

5. *COLLECTIVE HUMAN RESOURCES*—Create training materials for all new employees and volunteers in order to ensure that new stakeholders learn about the mission, values, vision and strategic objectives. As the organization grows, it is vital to maintain consistency of the core foundation of the group in order to remain focused and coordinated in achieving the mission.

ADDITIONAL REFERENCES FOR APPENDIX

- Bennett, R. (2002). "Corporate Perspectives on Cause Related Marketing", *Journal of Nonprofit & Public Sector Marketing*, 10, 41-59.
- Bennett, R., Mousley, W. & Ali-Choudhury, R. (2008). "Transfer of Marketing Knowledge Within Business-Nonprofit Collaborations", *Journal of Nonprofit & Public Sector Marketing*, 20, 37-70.
- Collins, J., and Porras, J. (1996). "Building Your Company's Vision", *Harvard Business Review*, 65-77).

Keyt, J. C. (2001). "Beyond Strategic Control: Applying the Balanced Scorecard to a Religious Organization", *Journal of Nonprofit & Public Sector Marketing*, 8, 91-102.