AN INTERDISCIPLINARY APPROACH TO ENTREPRENEURSHIP: A THEORETICAL MODEL FOR STARTING A NON-PROFIT

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Abstract - Presented is a theoretical model for starting a non-profit organization by combining a Community Needs Assessment (CNA) with the Project Management Business Case (PMBC); the CNA commonly used in human services to determine the existing services and potential gaps in service within the community and the PMBC which is often used by successful project managers to establish the need for a project. Addressed are the two approaches' in relation to entrepreneurship, differences and similarities of each process, common issues and challenges for nonprofits and project stakeholders, and the potential benefits of using the theoretical model as a more robust tool for planning a non-profit startup. Using this process can aid entrepreneurs to determine the feasibility of opening an agency within the community to provide new or additional services to those who are in need and underserved.

Index Terms - Human Services, Project Management, Entrepreneurship, And Non-Profit.

I. INTRODUCTION

In an attempt to properly service consumers, clients, stakeholders, participants, members, citizens, or other distinct populations, organizations must be cognizant of the particular needs of such communities. Private, public, and governmental entities employ a systematic approach to evaluating the community, operationally defined here as the target group of people being served by the firm or agency, for specific needs while identifying gaps in current service that may not be meeting those needs. It is also at times useful to segment the collection of data into immediate, short-term, and long-term needs in an effort to set a priority [1]. Both the Community Needs Assessment (CNA) and the Project Management Business Case (PMBC) approaches can be useful for non-profit startups to extend offerings to existing firms seeking entrepreneurial opportunities. What follows is a review of the literature related to the use of the CNA, PMBC, potential stakeholders, and finally a theoretical model combining the two methods with regard to entrepreneurial pursuits. The authors will also cover common challenges that nonprofits face along with potential benefits of using the theoretical model to address such challenges.

II. THE CAN

One such approach often used in healthcare and human services is the CNA. In general, a CNA first seeks to identify the strengths and resources that exist within a community with a focus on ascertaining its capabilities while simultaneously exposing needs that are not being met [2]. The Center for Community Health and Development at the University of Kansas provides a toolkit for conducting CNAs to identify both resources and needs that must be addressed. The institution suggests a five-step approach to needs assessment including to (1) describe the makeup and history of the community to provide a context within which to collect data on its current concerns, (2) describe what matters to people in the community, (3) describe what matters to key stakeholders, (4) describe the evidence indicating whether the problem/goal should be a priority issue, (5) describe the barriers and resources for addressing the identified issue(s), and (6) Select and state the priority issue (or issues) to be addressed by the group [3].

III. THE PMBC

Another tactic for addressing the needs of stakeholders in private and government entities includes building a formal PMBC. Project management practices cross over into numerous for-profit and nonprofit industries as well as includes IT, healthcare, construction, security, entertainment, manufacturing, and service organizations among others [4]. The document that serves to justify the initiation of a new project is the PMBC [5]. Similar in some respects to a business plan for a new venture, the central focus of the PMBC is to formulate a plan to address a problem, defined as a "gap between actual conditions and desired conditions", an opportunity, "...a gap between current conditions and a desired future state," and on rare occasions, a government mandate "…a requirement imposed by higher levels of management or external entities or factors" such as regulatory boards or legislators [64-66]. Regardless of the impetus for the project, the PMBC often follows the same systematic steps that involve (1) providing an executive summary, (2) identifying project drivers (i.e., problem, opportunity or mandate), (3) categorizing the underlying causes or reasons for the

problem, opportunity, or mandate, (4) setting a clear goal as to what should be achieved by completing the project, (5) assessing options for achieving the goal by using established methods of measurement, and (6) writing a conclusion that summarizes findings from the options assessed and establishes a recommendation for the best way to move forward [5]. Another consideration that should guide the PMBC as a whole are enterprise environmental factors or conditions that influence, constrain, or enhance the project but are not under the control of the project team [4].

IV. THE CNA AND ENTREPRENEURSHIP

Minimal research exists on the topic of performing a CNA in relation to entrepreneurship. Much of the research focuses on performing a CNA to understand the health needs of the community. The authors will discuss two alternate uses of a CNA and present how the data from the assessments relate to entrepreneurship at the grass roots level.

In the report titled, "Using community-based needs assessments to strengthen nonprofit-government collaboration and service delivery", Eschenfelder (2010) mentions the value in conducting a human services needs assessment to determine community needs, which were unmet or under-met as significant in organizational and community planning. Her language begins to establish the connection of performing a CNA for organizational planning. The authors will further this thought process of a CNA as the initial step to forming a nonprofit. A CNA in terms of social entrepreneurship is a process of collecting information from members of the community to develop an understanding the needs of the community in order to determine the feasibility of starting a nonprofit community-based business that provides interventions which improve the quality of life for those in need.

Reference [2] discussed how the Clearwater Salvation Army workers in Pinellas County Florida conducted a human services needs assessment over a four-month period to determine the needs of community members living in north Pinellas County Florida as well as their role of continuum of care within the community and being a community partner. The investigators collected data from the following participants: informants (community leaders), clients (Salvation Army members), and community (random community members). In addition, they used a variety of methods such as informant interviews, informant surveys, provider focus groups, provider surveys, client surveys, community surveys, existing studies, and data. They arranged the data to determine the top-ranked service needs and gaps in service. The findings revealed several areas of basic needs for individuals living within the county. These include transportation, child-care assistance, and housing assistance to name a few. There were other factors identified as part of the findings that affect service such as health care needs, common barriers to service, and lacking/dwindling service. Due to the lack of funding, another suggested notion was building partnerships to deliver needed services, instead of creating new business; however with the multitude of services identified as high need, this reveals the opportunity for entrepreneurship in the form of new service related (nonprofit) business [2].

In 2007, the Bedford Massachusetts Council on Aging commissioned an investigation and report of a CNA on the growth associated with the aging population. The commission selected faculty members at the Gerontology Institute at the University of Massachusetts to conduct the study. The faculty used a variety of data collection methods including demographic analysis, a survey, focus groups, key informant interviews, peer town comparisons, a housing and transportation review. Focus groups consisted of residents, representative of local organizations, town departments. Key informants consisted of town officials and department heads. Researchers distributed the survey to members of the community who were age 55 or older. As a part of the peer review process, information was gathered from six other Council on Aging communities. A summary of the key findings revealed a variety of concerns. The significant ones highlighted by the researchers include: (1) create a plan to address the growth of the aging population, (2) strengthen dissemination of information about transportation options, (3) promote alternate housing solutions and in-home safety, (4) improve collaboration and community partnerships, (5) strengthen community knowledge about senior services, and (6) expand senior activities.

V. PMBC IN RELATION TO ENTREPRENEURSHIP

A connection can be made between the PMBC and entrepreneurship by first delving into the mind of the effective project manager. Assuming that there are differences in levels of expertise and practical experience among project managers, those leading major projects or smaller more complex projects successfully and consistently often have what is referred to in the literature as the entrepreneur mindset. Reference [6] operationally defines an entrepreneur as "…a person who organizes and manages any enterprise, especially a business, usually with considerable initiative and risk" and mindset as "…a mental attitude or inclination." Inherent in the PMBC is the characterization of the problem or opportunity, options for providing a deliverable to address the problem or opportunity, and alternatives (including an assessment of the potential risks involved) for providing the deliverable [5]. The structure of the PMBC is also comparable to the

typical business plan used by budding entrepreneurs. According to the National Federation of Independent Business, seven essential parts of a business plan include (1) executive summary, (2) company description, (3) products and services, (4) market analysis (including targeted customer segments), (5) strategy and implementation, (6) organization and management team, and (7) financial plan and projections [7]. Comparing these to the steps mentioned earlier in the Project Management Business Case section, the first step for both the PMBC and the business plan, the executive summary, are the same. Company description in the case of starting a business is quite similar to identifying project drivers (problem or opportunity).

Defining customer segments through market analysis as an entrepreneur is analogous to a project manager categorizing underlying causes, as this activity often considers project stakeholders. Finally, stating the strategy and implementation options for an entrepreneur is akin to a project manager assessing options for achieving the goal by using established methods of measurement. In short, a project manager with an entrepreneurial mindset will employ additional resourcefulness, deliberation, and will take personal ownership of the project to ensure its success.

VI. DIFFERENCES AND SIMILARITIES

A closer look at the CNA and PMBC reveals both similarities and differences. Both aim to identify problems, improve services/performance, fill a niche or gap in services, and make the best usage of resources. What differs are the processes and how information is gathered, measured, and verified. PMBC methods for assessment are extensive and include a variety of options such as, financial analysis, factor rating, force-field analysis, Strength, Weaknesses, Opportunities, Threats (SWOT) analysis, and real options and decision trees [5]. Another major difference is verification of results. Information collected during a CNA is difficult to verify because assessments utilize qualitative methods to include surveys, observations, focus groups, and client interviews. The majority of the information gathered is in a narrative format and the focus of the analysis is primarily on the need and resources [3].

VII. STAKEHOLDER ISSUES

Stakeholders are members who play a significant role in the CNA and PMBC process. In addition to stakeholders, the PMBC also utilizes sponsors. Both groups share similar functions. They have great influence, access to resources, and a strong interest in the project or program that is being developed, expanded, or enhanced. They help sustain, guide, and ensure that programs and projects meet community needs and regulatory guidelines. Sponsors are concerned with ensuring that PMBC projects or CNA programs are successful and positively affect their clients [10].

A. Potential Clients

Potential clients for the PMBC can come from both in and outside of the organization. They include CEO, administrators, departments, or stakeholders who will benefit from the proposed project/plan for change, to improve performance, or eliminate a problem or barrier impeding progress. They are willing to seek funding, increase risk, or invest based on the blueprint or portfolio used to develop the business case. The PMBC provides information that helps organizations develop new projects, identify performance/capabilities gaps, increase profitability and improve business as a way to gain an industrial/marketing edge with consumers and other companies as it relates to goods, services, technology or a combination of all three. The PMBC community encompasses both current and potential clients as it relates to the projects' new or improved services [10]. CNA clients are individuals who will directly benefit from services designed to improve/enhance their situation or alleviate/eliminate some type of hardship or deficit. Services can be in-kind, direct, educational, training, skill-building, preventative/interventional, rehabilitative and/or therapeutic in nature. Clients represent a population of people who can be distinguished by their race, age, culture, need(s), or a multitude of factors that make-up the community. The community is the area where the need exists due to gaps in service or a poor-performing agency [3].

B. Regulatory Bodies

Regulatory bodies implement and enforce laws and mandates that vary based on the identified "need" as it relates to CNA or PMBC "project". For example, the Nursing Home Reform Act legislation ensures that agencies uphold patient rights, adhere to mandates, and follow regulatory guideline. It is law that the elderly in assisted living programs receive services that meet all their needs and are free from abuse and neglect. Most importantly, regulatory standards dictate how often an assessment or program evaluation is to be perform. This criterion helps to ensure that companies and non-profits are meeting the needs of the community, protecting consumers, and operate within national, federal and state government guidelines [10].

VIII. THEORETICAL MODEL

In developing a theoretical paradigm, the authors integrated aspects from each model to create a new approach. PMBC would be used in a CNA to collect community level indicators. This process will assist in measuring goals/objectives, verifying data, performing an in-depth analysis, and considering the

success and failure rate of previously used resources. These indicators provide an objective way to measure and assess the bottom-line evidence retrieved directly from the community [3]. The new model would consist of six points: (1) describing the makeup and history of the community to provide a context within which to collect data on its current concerns, (2) categorizing the underlying causes or reasons for the problem, and (3) describing the barriers and resources for addressing the identified issues, (4) setting a clear goal as to what should be achieved by completing the assessment, (5) assessing options for achieving the goal by using established methods of measurement, and (6) writing a conclusion that summarizes findings from the options assessed and establishes a recommendation for the best way to move forward [3]-[5].

IX. COMMON ISSUES AND CHALLENGES FOR NONPROFITS

Although charitable, educational, and religious organizations have been around for thousands of years, in the United States non-profit agencies have only become popular since the 1970's. NGO's, or nongovernmental agencies, as they are known worldwide, are also the most rapidly growing type of organization in the world [10]. Although the missions of nonprofits may vary, the laws in many countries, including the United States, allow them to provide a variety of human services to a range of populations, often in areas where these services do not exist, and no government entity is willing or able to provide such a service. As privatization spreads around the world, the influence of nonprofits can be seen as these organizations take the place of nation states in providing medical services and health care, clean water and food supplies, education, and economic development for people. By nature of its mission, the nonprofit is organized to provide a service to the public, not to generate wealth.

Regardless of its location, the nonprofit is a legal corporation with specific characteristics in its development. Different types of nonprofits exist including health, religious, social, legal, arts and culture, education, environment, research, social, membership, or foundation organizations. Based upon the type of nonprofit desired, the developer must first determine the mission of the entity. The Mission Statement describes the type of work to be completed and makes a commitment to the community for the accomplishment of this work. Preliminary paperwork must be completed in every country, much of it similar in nature since the benefit of a nonprofit is an exemption from paying taxes. In most countries you would still need to file a form with the government indicating the annual income your organization has attained. In the United States the status as a 501(c) (3) nonprofit organization means that you are not only tax exempt, but you are also tax-deductible, allowing donors to make contributions to your agency in exchange for a tax deduction.

The process for becoming a 501 (c) (3) organization in the U.S. involves registering for an Employer Identification Number (EIN) assigned by the government, registering with your state to determine the necessary rules, and contacting the IRS about federal regulations for nonprofits. You are required to Incorporate your organization including establishing a board of trustees who are financially responsible for the agency, completion of your mission statement and inclusion of Articles of Incorporation, state charter documents, the EIN, and application for 501 (c) (3) tax exempt status [11].

This process is similar in developed countries. The lack of knowledge in how to complete these steps is a challenge to the development of the nonprofit. If organized correctly, the nonprofit is then responsible for sustaining itself, dependent upon volunteers, donations, grants, possible government funding, and the ability to fundraise. Challenges to the continuation of the nonprofit include lack of resources including budget shortfalls, staff and volunteers, and effective leadership that aligns the mission to program goals and outcomes.

X. POTENTIAL BENEFITS TO NONPROFITS

As a result of financial challenges to the nonprofit, a new type of organization has emerged uniting the philosophy of the nonprofit with those of the proprietary business. In the profit world, the business maximizes revenue for the owners with no commitment to helping others. In a social business, or social entrepreneurship, the revenue is produced for the benefit of others. There is little or no financial gain for the investor [12]. Organizations using this model are knowledgeable about both the nonprofit and profit ventures and require these necessary skills in management. Social entrepreneurships must combine both the skill sets for the development of mission statements, completion of nonprofit status, working with a board, leadership and management skills, community planning, along with the business acumen in developing a for profit arm of the organization.

Use of this new PBMC theoretical model is beneficial to these enterprises in that it allows the organization to focus more specifically on data driven information which measures community, performance, client, and organizational information. Documentation of the process helps preserve information and assists in the development of a plan for future assessments, program evaluations, and project analysis. Gaps in service and community needs can be better aligned with beneficial results. Creation of pilot programs to test new services and ideas can better serve to evaluate the effectiveness of these services before full scale and perhaps expensive programs commence.

CONCLUSIONS

With the increasing need for funds, resources, and service, the use of interdisciplinary models in the human services field has become an increasingly important aspect of planning, service delivery, marketing, and fundraising.

More pointedly, collaborating with other agencies who provide similar services, has become a preferred approach to operate in a more efficient manner. The authors have provided a theoretical model to demonstrate that a similar concept for interdisciplinary activity can be applied prior to starting a non-profit organization. The authors who are educators in the areas of human services, business administration and project management demonstrate how instead of using one approach to examine the potential for a startup; both the Community Needs Assessment and Project Management Business Case models can be combined as a useful evaluation tool for use by individuals who ae seeking the feasibility of a potential (social) entrepreneurial opportunity as a nonprofit entity.

They have shown through the literature how this model can provide more information to consider upfront which will highlight the strengths and resources, the gaps in service and/or resources, as well as future state or conditions within the community by applying a series of systematic steps as part of the analysis process. While there may be challenges to this approach; the benefits outweigh them. In an attempt to service clients, stakeholders, citizens and distinct populations, those seeking entrepreneurship must first be cognizant of this model and be open to its use. The future of this model is only limited to the imagination of those who place theory into practice.

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