

How Social Enterprise Organizations Can Prosper in 2010

Michael Wong 29 January 2010

In 2009, as a result of the recession, nearly all of the social enterprise organizations in the Philadelphia area had to make the tough choices required by tight budgets. But to prosper this year, these groups are going to have to be smart and creative. More of the same just won't do.

That's because, as R. Andrew Swinney, President of The Philadelphia Foundation, recently told a number of social enterprise leaders, the hard times are far from over.

"Nonprofits really should not be solely depending upon us [foundations] to address their respective financial challenges in 2010. Rather, *they* need to be more innovative in terms of their own operating models to reduce costs as well as to craft new programming to deliver greater value."

One organization that is striving to heed the sage advice of Mr. Swinney is the Main Line Chinese Culture Center (MLCCC), a nonprofit with a mission of providing compelling cultural insights about China to all interested area residents. Here are some of the ways that the Center has adapted to these challenging times.

- 1. Transforming customer perceptions of value from just “nice to have” to “critical need”:** When the MLCCC approached prospective customers, a common response was, “It’s nice to have this programming for local Chinese-American children, but most of my students are not Chinese. Why would they need to learn about the language and people... especially during today’s financial times?” To address this objection, the MLCCC utilized local, popular media like *Philadelphia* magazine, which referenced the value of taking Chinese for all Greater Philadelphia youth: “Everyone is planning to teach Mandarin . . . next year. Newtown Square’s Episcopal [Academy] has been doing it for an enterprising two years — which means when it comes to getting into an international program at Wharton, its students are already out ahead of yours” (*Philadelphia* magazine, September 2009). As a result, some of these schools have been able to market Mandarin as part of their enrichment programming to enhance their competitive position.
- 2. Creating shared-cost models:** With reduced operating dollars for nearly all of the area’s nonprofits, crafting shared-cost models was necessary to alleviate the burden of funding MLCCC’s programming that was not originally planned for within their prospects’ budgets. For example, a number of schools donated facilities and custodian services so students could take the

Mandarin enrichment programming during after-school and weekend hours. In turn, participating youths' parents were expected to contribute as well through modest course fees.

3. **Connecting through strong brand-name**

partners: While the MLCCC was fairly well known within the Chinese-American community, it was not a recognized brand to others. The MLCCC was fortunate that the Russell Byers Charter School generously let the MLCCC reference their organization within its promotional brochures, website, and other communication venues. During its business development efforts, providing a well-known customer reference was invaluable for the MLCCC in building interest with new and potential customers.

Like many start-up social enterprise organizations, the MLCCC faces resource constraints. Through a focused approach on the above tactics, the nonprofit is collaborating with leading Greater Philadelphia organizations to provide innovative programming that can serve area residents.

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