In this marvelous book, Steve Rothschild shares the same sound business principles he used at General Mills and later to found two nonprofits. Every social enterprise can benefit from these rigorous, real-world approaches.

—FROM THE FOREWORD BY BILL GEORGE

STEVE
ROTHSCHILD
Founder, Twin Cities RISE!

THE NON
NONPROFIT

FOR-PROFIT THINKING FOR NONPROFIT SUCCESS
Praise for *The Non Nonprofit*

“Steve Rothschild’s fresh thinking translates proven strategies that successful businesses employ every day into practical approaches to confronting centuries-old issues like poverty. No partisan politics, no fancy tricks—just fundamental, time-tested solutions.”

—Harvey Mackay, author, *Swim With The Sharks Without Being Eaten Alive*

“As a Twin Cities RISE! customer, I can say unequivocally that the seven principles in *The Non Nonprofit* work. RISE! provides just the type of employee that every company needs to be successful: self-motivated, engaged, skilled, productive, and emotionally mature. The employer community would do well to take much greater advantage of this underutilized organization.”

—David Abrams, vice president, North Memorial Health Care

“I’ve observed from the beginning of his anti-poverty work Steve Rothschild’s efforts to put his principles into practice. I’ve observed with the skeptical eye of an evaluator. I’ve seen hundreds of good ideas and hopeful visions flounder in the face of complex realities. I’m not easily impressed. But what Rothschild has accomplished impresses. The principles he identifies, explains, and illustrates have broad applicability. He has learned a great deal about what works. Anyone who cares about making a difference should pay attention to what he’s learned—it’s all here.”

—Michael Quinn Patton, founder and director, Utilization-Focused Evaluation; former president, American Evaluation Association
“As director of the U.S. Agency for International Development (USAID) for six years in the 1990s, I presided over the U.S. government’s global poverty reduction efforts. Steve Rothschild reminds me of the innovators whose practical approaches changed the world of development, people like Hernando De Soto and Muhammad Yunus. Rothschild understands incentives, accountability, and personal improvement. His Twin Cities RISE! is a learning-driven organization that empowers challenged citizens to overcome their issues and succeed. Rothschild’s RISE! is not afraid to establish a bottom line and is eager to be held accountable for achieving it. The Non Nonprofit and its recipes for success are a must-read for those who are truly concerned about poverty, here or anywhere.”

—J. Brian Atwood, former dean, Humphrey School of Public Affairs, University of Minnesota; chair, Development Assistance Committee, Organization for Economic Co-operation and Development

“I take pride in being one of the many people Steve Rothschild met and talked with when he was first thinking of starting what turned out to be Twin Cities RISE! I must admit that while I thought his market-based approach was exquisitely on target, I was concerned he wasn’t giving adequate weight to the many attitudinal and behavioral shortcomings that keep large numbers of people impoverished. More than fifteen years later, it’s clear I was wrong, as I know of no analyst or practitioner in the United States who better understands how efforts to help poor people must meld both economically grounded and culturally grounded approaches.”

—Mitch Pearlstein, founder and CEO, Center for the American Experiment
THE NONPROFIT
FOR-PROFIT THINKING
FOR NONPROFIT SUCCESS

Steve Rothschild

Foreword by Bill George
For my wife, Marilyn,
whose love, dedication, and encouragement
have sustained me for fifty years
# Contents

Foreword: How This Book Will Benefit Us All  
*by Bill George*  
ix

**Introduction**  
1 **Principle #1**: Have a Clear and Appropriate Purpose  
2 **Principle #2**: Measure What Counts  
3 **Principle #3**: Be Market Driven  
4 **Principle #4**: Create Mutual Accountability  
5 **Principle #5**: Support Personal Empowerment  
6 **Principle #6**: Create Economic Value from Social Benefit  
7 **Principle #7**: Be Learning Driven  
8 **The Principles in Practice**  

Appendix A: What You Can Do to Make a Difference  
Appendix B: A Note on the Organizations in This Book  

Notes  
Acknowledgments  
About the Author  
Index
Foreword

How This Book Will Benefit Us All

How many highly successful corporate executives walk away from a top job in midcareer to devote themselves to reducing poverty in our crime-ridden American inner cities? Steve Rothschild is the only one I know. He left a senior executive role at General Mills, spent a year studying the twin problems of racism and inner-city poverty, and then used his own money to found Twin Cities RISE!

I first met Steve in 1980 when we were together at a Berlitz class as he was building the Yoplait yogurt business for General Mills. Steve impressed me with his passion and his persistence, qualities that are writ large throughout this book. For years we challenged each other on the tennis court, talked between sets about our dreams of running a major company that could help people, and shared the frustrations we faced in our work.
One day I called Steve to tell him I had decided to join Medtronic, thinking my long-time friend would be enthusiastic about my move. When I shared my good news, there was a long silence at the other end of the phone. Confused, I asked Steve what he was feeling. After a long pause, he said, “I wish I was moving on as well.” Steve confided that he was no longer inspired by his work and was feeling restless to do something more meaningful with his life.

So I wasn’t surprised a few months later when he called to say he had resigned from General Mills. I immediately assumed he would move into a top corporate job at another company, a destiny that was clearly in his grasp. Instead, like the farmer who lets his fields go fallow for a season, Steve used the next year to get closer to his family and explore challenges in the Minneapolis community.

One day while serving on the Minneapolis Initiative Against Racism, Steve wondered what it must be like for an inner-city youth who was flipping hamburgers for a living. What hope did he have of making something of his life, of escaping from a dead-end job? Rothschild resolved then to explore the twin issues of poverty and racism in much greater depth to see what could be done about them.

In these pages, Rothschild shares what he has learned about the most intractable problem in our society today: the poverty concentrated in our inner cities that leads to the downward cycle of failure, hopelessness, despair, violence, crime, and eventually prison—and then repeats itself across generations. It is not a problem that many Americans want to address. Long ago the politicians stopped talking about the problems of the poor and started focusing primarily on the middle class.
Instead of rushing headlong into these problems with quick-fix solutions, Rothschild studied them carefully and talked to countless people in Minnesota and elsewhere about what could be done to correct them. His explorations led him to found Twin Cities RISE! It is based on the bedrock principles of creating value for employers and society to enable the poorest of the poor to qualify for jobs that pay more than $10 per hour.

To make RISE! successful, Rothschild focused all his energies on his new organization, using funds from his personal savings. Applying his enormous leadership and executive talents, he helped the inner-city poor who wrestle daily with the twin problems of discrimination and poverty to rise above their wounds and find a purpose for their lives. In so doing, Steve and RISE! (and RISE!’s graduates) faced the ravages of generational poverty head-on, encountered their ugliest aspects, and found a way to wrestle them to the ground.

RISE! is not just another social service agency that provides education and training programs for hard-to-employ individuals. It is also a success story that demonstrates the benefits of a new approach to addressing our social ills—one that applies sound capitalistic principles, like value creation and return on investment, to enable the most economically challenged citizens to achieve economic self-sufficiency.

Achieving success with RISE! hasn’t been easy for Rothschild. Through his experiences, he’s learned that preparing people for good jobs takes a lot more than skills training. First, the students have to face their own life stories, crucibles, and lack of self-worth head-on in order to then gain self-awareness and empowerment. Rothschild has also found it
difficult to convince employers of the value that RISE! graduates offer them.

As he realized his goals locally with Twin Cities RISE! Rothschild began to focus on using these experiences to create a national model for addressing our social ills. *The Non Nonprofit* sets forth that model in a clear way and demonstrates how we can attack the greatest problems of our society and our world.

In visiting the Minneapolis offices of Twin Cities RISE! I discovered the remarkable parallels between Rothschild’s work in preparing its students for good jobs and my own work in enabling leaders in corporations to step up to important leadership roles. Before they can become fully effective, both groups have to deal with their crucibles and past wounds, discover the passion for their purpose, become empowered, accept personal accountability for results, and continue to learn from their experiences, all based on a sound set of economic principles.

As Steve Rothschild demonstrates, this is not an easy process, and there is no such thing as five easy steps to economic self-sufficiency. But these commonsense principles will improve the results of any nonprofit, or for-profit for that matter, whether it is struggling or performing well. They will help sharpen an organization’s focus, strengthen its organizational culture, and improve its results.

In this marvelous book, Steve Rothschild shares the same sound business principles he used at General Mills and later to found two nonprofits. Every social enterprise can benefit from these rigorous, real-world approaches, whether applied to traditional nonprofit organizations, philanthropy, or government. *The Non Nonprofit* brings to life this unique
twenty-first-century approach to solving our social problems across America, and policymakers, politicians, and all others who want to build a more productive and just society ought to study it carefully.

Minneapolis, Minnesota
December 2011

Bill George

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