

Objectives

By the end of this session, attendees will understand more about:

- Key characteristics of organizations that operate as Service Enterprises
- How you can bring the Service Enterprise Program to your community and organization
- Why the Service Enterprise Program isn't a volunteer management training, but an organizational change management program

Overview of Session

- What a Service Enterprise Is
- History & Evolution
- Domains & Characteristics
- Guiding Principles
- Benefits of Becoming a Service Enterprise
- Service Enterprise Goals, Program & Model
- Service Enterprise Impact
- Next Steps

Service Enterprise's Evolution & Partners

To learn more about the evolution of Service Enterprise and the contributing partners visit volunteeralive.org/serviceenterprise.

Guiding Principles

The guiding principles behind Service Enterprise initially came from Reimagining Service, a national multi-sector coalition dedicated to increasing social impact through the adoption of effective volunteer engagement practices.

The four guiding principles are:

- **The volunteer ecosystem is more effective when all sectors participate in its evolution.** Volunteerism doesn't exist in a single sector, and the responsibility of successful volunteer engagement resides beyond nonprofits alone. We are interdependent when it comes to this work, and together we can increase the impact of volunteerism by working to improve the system across all sectors (i.e., nonprofit, private, faith-based, education, government, etc.).
- **Make volunteering a core strategic function, not an add-on.** Volunteers fundamentally increase our ability to achieve our objectives and advance the social mission of our organizations. Engaging volunteers effectively can help an organization serve more people in the community as well as change the core economics of an organization, which can allow it to scale more quickly in a cost-effective way. Too often, volunteers are not engaged in strategic ways that add value to the organization. Further, we typically think of the volunteer program rather than integrating volunteers into all aspects of an organization's work. Organizations that think

creatively about effectively engaging their volunteers can accomplish more and do so in a cost-effective manner.

Volunteer engagement is a critical core function of an organization — just as important as any other aspect of running a successful organization. After all, volunteers can be just as valuable a resource as hard cash — most organizations that have development departments would not think of getting rid of them when times are tough.

- **Focus volunteer engagement on true community needs.** Rather than responding to the supply of volunteers, identify key priorities in the community and then purposefully seek out volunteers with the core skills needed to address those priorities. Communicate the value of volunteers to the community by celebrating their impact, not just the hours they serve.

Community needs should dictate the activities of volunteers — this is true for the volunteer who walks in a corporate group. Volunteer service that only considers the needs of the volunteer or group rarely meets community needs and often pulls organizations off their mission.

- **To get a return, you have to invest.** Organizations that make volunteers central to their work and manage them well may see 3–6 times their return on investment. This is a smart way to maximize impact, but it requires upfront and ongoing financial investment in volunteer engagement.

What Is a Service Enterprise?

A Service Enterprise is an **organization that leverages volunteers and their skills to successfully deliver on its social mission**. These high-performing organizations have deeply integrated volunteers into their strategic plan and organizational infrastructure, thereby allowing them to reduce costs, and increase efficiency and effectiveness in providing services to fulfill their mission. As a result, volunteers change the core economics of the organization for the better!

Service Enterprise Research

Both TCC Group and Deloitte LLP conducted pro bono quantitative and qualitative research to explore the nonprofit Service Enterprise concept. In 2009, TCC Group analyzed 652 qualifying organizations that had completed its Core Capacity Assessment Tool (CCAT). The CCAT is a 146-question online survey that measures a nonprofit's effectiveness in four core capacities — leadership, adaptability, management, and technical capacities — as well as organizational culture. The findings that emerged far exceeded initial expectations. From TCC Group's data and analysis, it became clear that:

- Nonprofits that engaged 50 or more volunteers per year and had strong volunteer management practices outperformed peer organizations in every measure of organizational capacity

Participant Materials

Dec 2022



Service Enterprise Program

- When an organization reaches 50 volunteers AND achieves an effective volunteer management model, not only do they lead and manage their organizations better, but they are also significantly more adaptable (i.e., reflect the capacity to be a learning organization), sustainable, and better resourced (i.e., have skills, knowledge, experience, tools and other resources to do their work)
- To achieve the level of effective volunteer management necessary to engage 50 or more volunteers (which is what is needed to create a significant and “scalable” change) requires strong human resource management practices
- Organizations with 10 to 50 volunteers, regardless of whether they are managed well, are statistically equally as “effective” as their counterparts without volunteers on all measures of organizational effectiveness, yet their average (median) annual budgets are almost half. Specifically, organizations with between 10 and 50 volunteers have a median budget size of \$615,000, while organizations with no volunteers have a median budget size of \$ 1.1 million. This implies that organizations that break the barrier of 10 volunteers have as much capacity as peer organizations that do not engage volunteers.

According to TCC Group (“Positive Deviants in Volunteerism and Service,” December 2009), despite the benefits organizations reap from operating in this manner, less than 15% of nonprofits at the time of the initial study were operating as Service Enterprises. All core organizational capacities (leadership, adaptive, management, and technical) are significantly and markedly stronger for nonprofits with more than 50 volunteers and a strong volunteer management model; this describes less than 15% of all nonprofits in the CCAT database. These organizations are also significantly and markedly stronger than organizations that don’t involve or engage volunteers at all.

This chart from TCC Group’s CCAT Study shows elements of volunteer management and how nonprofits are rating themselves. These scores are based on the organizations’ assessment that they are “effective” at these practices.



TCC group looked deeper at the top performers in volunteer management and the other four core capacities (leadership, adaptability, management, and technical capacities) as well as organizational culture. They found that there were about 11% of these organizations were considered “positive deviants.” They changed the name to the more appealing “Service Enterprise.”

The researchers discovered five critical pieces of information about these “positive deviants” or Service Enterprises.

1. All organizational capacities are **significantly and markedly stronger** for nonprofits with a strong volunteer management model.
2. When organizations engage and manage any number of volunteers well, they are **significantly better led and managed**.
3. Service Enterprises not only lead and manage better, but they are also **significantly more adaptable, sustainable, and capable of going to scale**.
4. Operating as a Service Enterprise requires **strong and well-developed human resource management practices**.
5. Organizations that engage volunteers are equally as effective as their peers without volunteers, but at almost **half the median budget**.

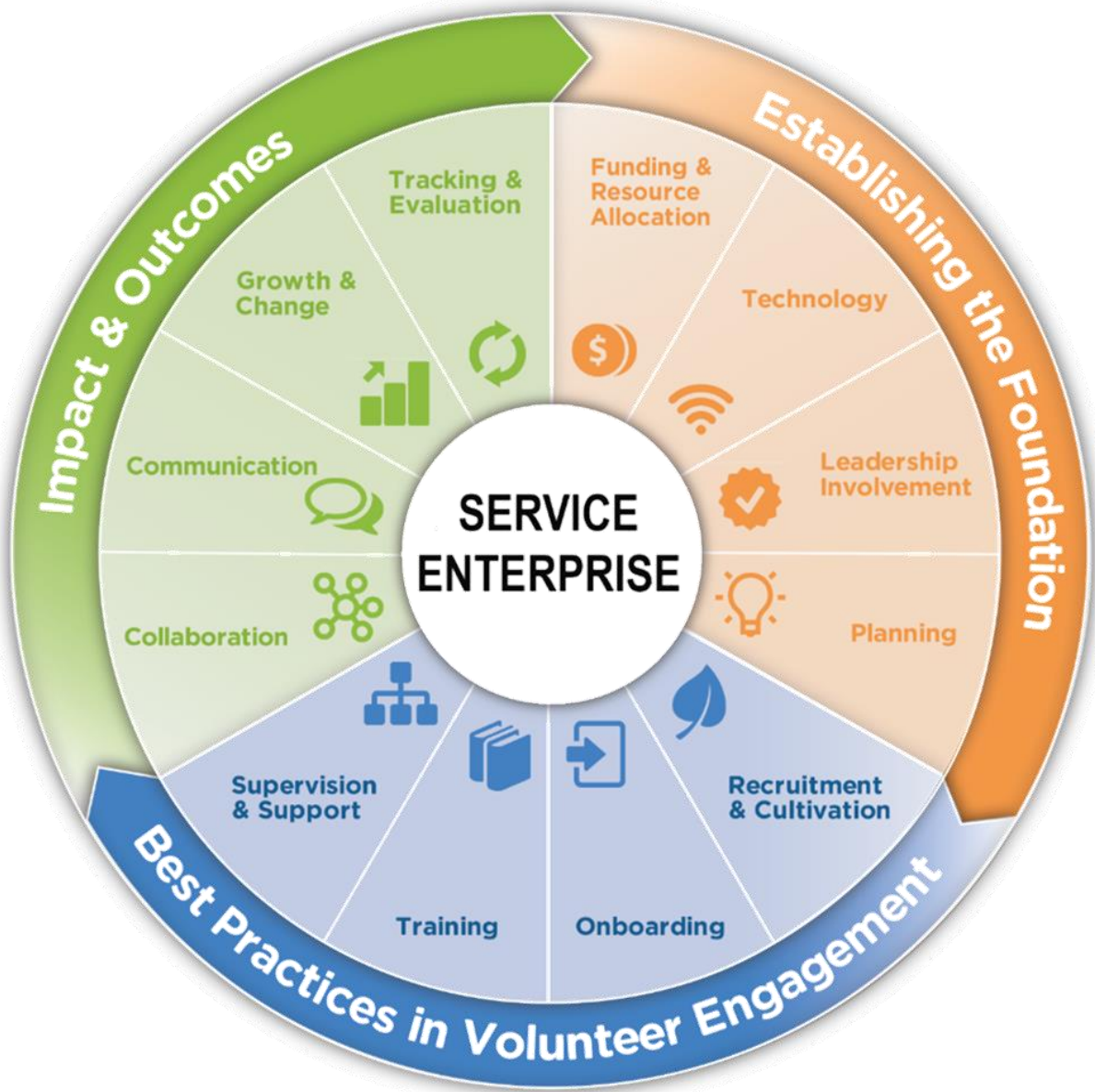
Building off the research conducted by TCC Group, Deloitte conducted a series of interviews with exemplary nonprofits in 2010. The purpose of Deloitte's research was to look at high-performing organizations to understand how and why they achieve their results. Deloitte examined the CCAT data and chose to interview nonprofits that had the following characteristics:

- Have deeply integrated service into their delivery of core programs and infrastructure, and therefore minimize their costs and scale work in new ways
- Engage at least 50 volunteers per year
- Utilize an effective volunteer management model
- significantly outperform their peers in at least one area as a result of engaging volunteers

The Deloitte research also found that nonprofit Service Enterprises invest resources to ensure the following activities are integrated into their volunteer management processes:

- Respond to volunteer inquiries quickly
- Screen potential volunteers for skills and genuine interest
- Define and communicate roles and expectations clearly
- Implement standard training for all volunteers
- Match the skills and interests of the volunteer with volunteer opportunities
- Establish the value of the volunteer — making sure they have an important role in the organization
- Provide volunteers with an opportunity to provide and receive feedback
- Implement a good tracking tool to measure value
- Provide constant support and assistance to volunteers
- Provide an opportunity for volunteers to connect with other volunteers and nonprofit leadership
- Develop an ongoing recognition program
- Develop strong relationships with partner programs

In 2014, Points of Light, Algorhythm, and the RGK Center at UT Austin re-evaluated the characteristics based on a larger data set available through Service Enterprise, which showed some changes in the characteristics. Then again in 2022, Points of Light and the RGK Center further updated the SED and the characteristics and grouped them into three broader domains. The three Service Enterprise Domains are:



Establishing the Foundation - creating and sustaining the appropriate groundwork and necessary organizational underpinnings to assure the successful engagement of volunteers and other community resources

Best Practices in Volunteer Engagement - practices that ensure the effective engagement of volunteers and community partners

Impact and Outcomes - the degree to which your organization utilizes the tools at your disposal to create and sustain relationships, tell your story, listen to your stakeholders, and measure success against your mission and organizational objectives

Establishing the Foundation	Best Practices	Impact & Outcomes
<p>Funding & Resource Allocation Provision of the financial, human, space, & material tools necessary for the engagement of volunteers, as well as the willingness to seek additional support as needed</p>	<p>Recruitment & Cultivation Engaging individuals & groups to serve your organization is an ongoing cultivation process. Recruitment should be targeted to assure a diverse mix of community members with the skills, interests, & abilities to further your mission</p>	<p>Collaboration Being a part of your community is vital to the work & services of nonprofit & public sector organizations. Collaborative undertakings with other organizations, your constituents, & your volunteers build relationships & sharpen the focus of service organizations</p>
<p>Technology The broad-based utilization of technology to facilitate all aspects of volunteer engagement, including record-keeping, communication, & service options</p>	<p>Onboarding Providing a smooth pathway to service through careful screening, preparation, & guidance that includes both community members & staff involvement</p>	<p>Communication Effective communication takes many forms & operates through an increasingly wide & diverse array of channels including formal & informal means, print & social media to send information to external & internal groups</p>
<p>Leadership Involvement Executive & board leadership demonstrate through actions their commitment to community involvement & the engagement of volunteers as a key strategy to achieve the organization's mission</p>	<p>Training Education & skill development, as well as the knowledge of organizational parameters & boundaries, are critical to ensure that both volunteers & staff are equipped to perform their work & to work effectively together</p>	<p>Growth & Change Vibrant, exciting organizations seek ways to improve services, cultivate leaders, continuously seed new ways of thinking, & create new platforms for action & problem-solving. Staying on the cutting edge of industry practices motivates staff, whether paid or unpaid</p>
<p>Planning Thoughtful, comprehensive preparations for volunteer & community engagement based on established principles & practices of effective management</p>	<p>Supervision & Support\ Assures that oversight & support are consistently provided to volunteers & community partners to ensure they are empowered to succeed, & to feel valued & appreciated</p>	<p>Tracking & Evaluation Assessing the degree to which an organization monitors progress toward institutional goals & the performance of volunteers, staff, & partners in reaching these objectives</p>

Glossary of Terms & Definitions

Updated Nov 2022

Benefits of Becoming a Service Enterprise

Becoming a Service Enterprise allows an organization to leverage the full value of volunteer time & talent & leads to more efficient engagement of volunteers. It leads to program growth & increased capacity & sustainability. It also offers specific financial incentives by increasing the ability of paid staff to focus their time & energy on roles & activities for which they are uniquely qualified & as a result will fundamentally grow an organization's operational capabilities. Nonprofits that successfully transform into a Service Enterprise will:

- More effectively serve the community through increased organizational capacity
- Improve networking opportunities (with people who are enthusiastic about an organization's mission & value)
- Realize operational & infrastructure efficiencies through volunteer engagement
- Recognize opportunities to grow organizational revenues by leveraging the time & talent of paid staff & volunteers alike in new & creative ways

Fundamentally changing how an organization uses volunteers is a long-term goal that happens over time. Organizational transformation & systemic change are never easy, & becoming a Service Enterprise requires significant time, resources, & commitment to the process. However, the benefits of transforming into a Service Enterprise are significant.

Program Model

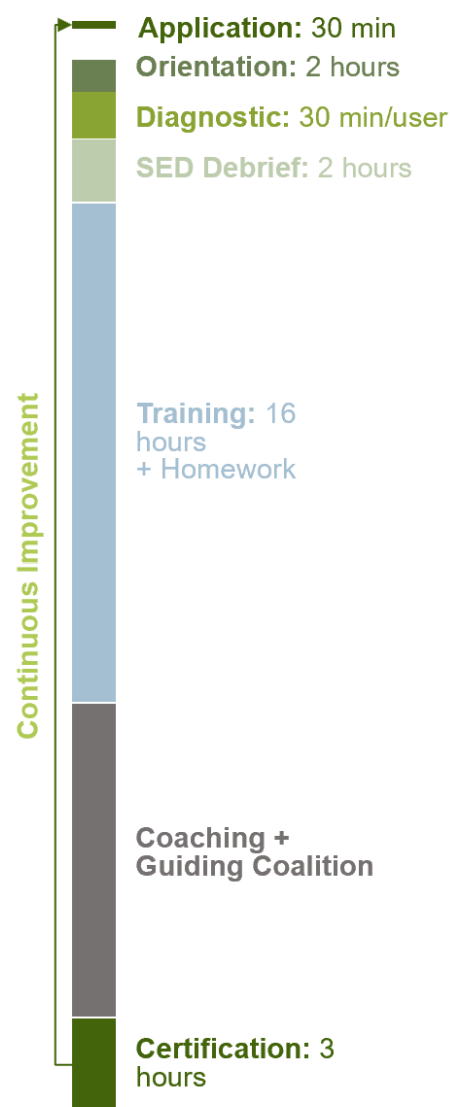
Participating organizations move through the following process:

Application: Interested organizations complete an online application, which gathers demographic information about the organization, as well as baseline volunteer data & practices.

Orientation: The two-hour orientation introduces participants to the basic concepts of Service Enterprise, including research, & helps build a cohort among the organizations.

Diagnostic: An online assessment tool that measures the degree to which an organization is a Service Enterprise. It also diagnoses strengths & challenges that an organization needs to address to become and/or sustain being one & be certified.

SED Debrief: After all participants have taken the SED, the Hub will receive the results and schedule time to meet with everyone who took the SED, as well as others who may be part of the Service Enterprise process. At this meeting, they will



Service Enterprise Program

Domains and Characteristics

review the organization's SED results in-depth & talk about the next steps. This includes the training, other training that may be provided, & consulting or coaching needs. They also begin talking about the Service Enterprise Action Plan.

Training & Coaching: Training includes approximately 16 hours of classroom training. The sessions equip organizations with tools to help them operate as a Service Enterprise. Topics include:

- building board support
- determining the return on volunteer investment
- defining strategic roles of volunteers
- identifying ways to institutionalize the changes.

Each session includes collaboration time, but there is also work to be done between sessions, an action plan, worksheets, & additional resources. In the last session, each organization will share a short presentation about its Service Enterprise work.

During & after the training, the Hub will provide coaching or consulting for each site. Coaching includes support, review, connections to resources, & accountability toward achieving certification. The organization working with the coach determines the topics.

Certification: The length of time to become a Service Enterprise will vary by organization. After completing training & coaching & once you feel like your organization has made significant progress against your action plan, you can decide to apply for certification. A representative from the Hub will schedule a site visit (in person or virtual) to observe current volunteer engagement practices in action or interview those involved virtually. During this site visit, the organization will share evidence that it is achieving a level of excellence in the following characteristics:

- Leadership Support
- Planning
- Training
- Supervision & Support
- Growth & Change
- Tracking & Evaluation

Additionally, the organization will share evidence that it is achieving a level of excellence in three of the following characteristics:

- Funding & Resource Allocation
- Technology
- Recruitment & Cultivation
- Onboarding
- Collaboration
- Communication

After the visit, the Hub will file the certification paperwork with ALIVE, & you will receive your certification packet within three weeks of submission. Certification will remain in effect for three years. Your organization will be required to apply for recertification after three years.

Continuous Improvement isn't a step because it's ongoing. Learning & growth are never over, so this is when you take what you've learned & continue to fine-tune your volunteer engagement to meet the mission of your organization.