

# The Journey of a Mutant Manager

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As the field of social entrepreneurship develops, a growing part of the discussion is the need for “mutant” managers, people who can bridge the nonprofit and business worlds. This is a new role, with new demands, expectations and standards. Increasingly, business schools are being looked to as the source for these managers. As an MBA student with a nonprofit background now working in a social purpose enterprise, I am faced daily with the challenges of filling this new role. These challenges range from translating business school concepts and values into the social purpose enterprise world, to balancing issues of organizational culture, to questioning the value of an MBA. By sharing my experiences and addressing some of these challenges, I hope to provide insight into this new role, both for MBA students interested in entering this sector and for nonprofits looking to hire an MBA.

My personal journey began at Oberlin College, where I studied Economics and Third World Studies. I was very interested in

economic development, and became involved in the community economic development field by working at a community development corporation in Holyoke, Massachusetts. I felt a critical part of what was keeping many communities from economic success was the lack of access to resources, particularly technical skills and economic analysis. My role at the CDC was to provide business counseling and technical assistance in layman’s terms in order to help aspiring entrepreneurs make their dreams a reality. I felt that I could make a difference by working to bring business skills into communities traditionally isolated from the business world. In order to develop my business skills, I entered the MBA program at the University of Massachusetts, where I took an internship through Students for Responsible Business at Youth Industry in San Francisco. Youth Industry and The Roberts Enterprise Development Fund introduced me to the concept of social entrepreneurship, which brought together perfectly my interests and experiences involving youth, small business development, and economic

change. My summer was so fascinating that I agreed to stay full-time at Youth Industry as the Business Development Coordinator.

Although my enthusiasm is undiminished, there have been several challenges in translating my technical and academic skills and previous work experience into my new workplace. Through conversations with other MBAs who have entered this field I have found that many of our experiences are common, although our backgrounds and motivations vary widely. Some challenges would be present in any small business, and some are particular to the social entrepreneurship field. These challenges include applying business school concepts, working in an organization with limited resources, learning to balance the double bottom line of profitability and social change, and organizational culture.

One of the main challenges has been translating business school concepts that are traditionally geared toward large corporations to small social purpose enterprises. Accounting in particular presents challenges, as in business school our professors assured us that “our book-keepers would take care of the details” and our primary role was to analyze the information presented to us. This attitude was immediately put to the test at Einstein’s Café (Youth Industry’s café in the Sunset district of San Francisco), where I had to develop and implement a cost accounting system. Business school teaches the concepts and value of a system like this, but not its implementation, such as how to program the register or design a user-friendly inventory tracking system. In addition to the implementation and scale issues, which are present in any small business, Youth Industry accounting calculations include social costs. Moreover, implementation must take unique factors into consideration, such as the high employee turnover rate made necessary by the design of our youth internships.

A related challenge is the reality that the level of resources is clearly lower than in a major corporation. The level of detail and in-depth analysis expected from our professors in many cases is prohibitively costly to implement at an organization like Youth Industry or any small business due to the staff time and resources required. One must learn to distill the critical facets from business school and apply them in a realistic and cost effective manner. It is important to stay focused on the

main objective of the task and the particular steps necessary to accomplish it.

The key questions I have learned to ask are:

- ◆ What is the objective of this project/task?
- ◆ What information is crucial to accomplishing this task?
- ◆ What information would be helpful, but not critical?
- ◆ What are the challenges in gathering this information?
- ◆ Are the costs and time required to gather this information greater than the benefits accrued?
- ◆ What is the framework for analysis?

These questions have helped me to apply marketing, operational and accounting concepts in a realistic manner. These questions may lead to pared down surveys that may not be statistically significant, but may still yield valuable information. One might also have to make improvements in stages as opposed to implementing a new program all at once. Although it may yield a less academically correct outcome, ultimately it may be more effective.

One of the challenges in making changes and establishing new systems in a social purpose enterprise is implementing them with employees who are not trained in traditional business. Many MBAs are used to working as part of a team, in an environment of shared knowledge and a common language and skill set. The people MBAs work with in social purpose enterprises bring a different set of skills to the table, such as counseling, experience working with the target population or contacts in the community. Often it is the MBA who is expected to bring the business knowledge. To effectively fulfill this role, it is crucial to assess the skills of the people who have been running the business to date and learn from their experience and intuitive knowledge. Business managers often have the knowledge and business sense, but may not share the same vocabulary as MBAs. It is important not to assume knowledge and to avoid being patronizing. Business school

taught me how to write a business plan, but I had to actually work in a business to understand its particular operational needs and how to effectively execute that plan.

As part of balancing the double bottom line of financial success and social impact, concepts that MBAs feel are important to business success may be compromised. This can cause friction and a sense of frustration. It is important to maintain flexibility and perspective in order to judge which compromises are acceptable and which are not. One example of this is at Einstein's Café. I wanted to track each combination available (half turkey sandwich/cup of soup, half turkey sandwich/salad, etc.) on our menu in order to gather information for cost, marketing and sales analysis. However, this would have required a complicated reprogramming of the register, which would have been difficult for the youth program participants (interns) at our program to implement without a high degree of error. The cost differential between a soup and salad was minimal, so we compromised to measuring a half turkey combination, soup or salad. The register was reprogrammed and now generates information helpful to our cost containment and marketing strategies, but it is more user-friendly than the original plan. My analysis will still be effective, and yet the cashiers will be able to use the register without excessive training or errors.

The organizational culture of a social purpose enterprise is also very unique. The pressures of accomplishing positive social goals while being profitable create a new set of tensions. As an MBA, I quickly realized I would have to get my hands dirty to understand these dynamics. Maintaining an outside, consultant perspective wouldn't allow me to grasp the complexity of the issues facing these businesses. Before I was able to design an effective cost accounting system I had to understand the operational reality of the business. I accomplished this by working on the line and in the kitchen to understand the conditions under which this system would be implemented, the key issues facing the business and the manager's challenges and priorities. In addition to gaining greater understanding for myself, by working in this manner I also believe I gained the trust of the interns and employees.

The need to be aware of and cultivate trust is another issue commonly facing MBAs entering this field. An advanced degree in

itself does not automatically create trust— in many cases it is cause for mistrust. Many of the program participants may feel that MBAs stand for everything they are trying to overcome – traditional authority, values and power. It is important to recognize that these dynamics may exist not just in relating to the participants, but to other employees of the organization as well. This can be minimized by having the position and expectations clearly defined to all parties before the MBA starts working. It is also important for the MBA to be conscious that this reaction may happen and to be sensitive to the dynamics. As one small example, I dressed in “business casual” attire during the first few weeks of my job. I eventually realized that such attire was creating a wider gulf and mistrust, causing me to fit the stereotype even more. By toning down my wardrobe, I was able to fit into the organizational culture more smoothly. However, I remained myself – it would have backfired completely if it appeared that I was trying to be someone that I'm not.

Some of the MBAs I spoke with, particularly those with no previous nonprofit experience, found it challenging to learn how to effectively interact with the program participants. Many MBAs are used to working with and supervising college students who are conditioned to accepting feedback, multi-tasking, and problem solving. Due to the barriers many of the program participants have to overcome, a traditional supervisory approach is often unsuccessful. Communication styles may have to be examined and modified to successfully relay expectations and tasks. Furthermore, if the MBA's position is more analytical, involving less direct client contact, it is easy to feel alienated from the program participants or employees. I have found the best way to counteract these issues is to make a concerted effort to spend time with fellow employees and program participants during and after work hours, although this is not a stated part of my responsibilities. Without this contact I would feel unable to understand the pressures the business managers face, and would risk losing sight of our mission.

At times it can be isolating to be the only one jumping up and down over a successful spreadsheet, or to have to look for advice outside of the agency on technical questions. In the private sector it is common to learn business skills and techniques from peers and

supervisors. While such learning is present at social purpose enterprises, the MBA has often been brought in to provide answers to business issues, and the learning that takes place is more operational and social. It can be difficult to be placed in that position, and it has been crucial to my success to have the support and expertise of the Executive Director and outside consultants.

I have encountered a lot of interest and questions about whether or not an MBA was the appropriate degree to have for success in this field. When I first decided to get my MBA I doubted whether or not this was the degree I should be pursuing. I went to business school to continue in the economic development field but wasn't sure if I was going for the credentials alone, or if I would also learn something useful. I was afraid of being brainwashed by corporate culture and/or being isolated from my fellow classmates because of our different world outlook and political views.

While I did not find business school as intellectually stimulating as I might have found a Masters in history, for example, I am actually using every class I have taken. Marketing, operations management, accounting, organizational behavior – the lessons learned in business school are part of my daily work. In order for a social purpose enterprise to be successful it is important for business development staff to understand the whole spectrum of business issues. Business school exposed me to the range of issues, and gave me enough of a foundation to identify issues as they arise, and determine a strategy for solving them. The key is to at least have sufficient exposure and understanding of an issue to be

able to identify it and the resources needed to address it.

Business school gave me analytical skills, took away my fear of numbers, opened doors and opportunities. It doesn't take the place of real world experience, but it has given me a valuable foundation and a depth of understanding I may not have gained through work alone. The important challenge facing mutant managers is how to achieve a balance between business values and social goals. Business school has given me tools to help accomplish the goals I truly believe in, however the tools are a means to the final goal: social change.

The rewards of working in this field are numerous. It has been exciting to work in small businesses and to discover my strengths and weaknesses through the challenges I have encountered in this new field. Working with the program participants and developing relationships is rewarding and inspiring. It is deeply satisfying to be part of something new where you are not following rules, but making them. You can challenge yourself intellectually about the value of what you're doing and strive to make a difference. You can see how your skills are valuable while you work with incredible people - both staff and participants. And it is invaluable to be able to carry out your values through your work.

The presence of MBAs in this field does signal a change in culture, with different expectations and challenges. The standards and experiences also differ, and the challenge facing this field is to find a way to integrate the skills and perspectives of MBAs and other businesspeople with the social conscience and values of the nonprofit world in an equal and complementary way.