

Bridging the Gap

Tim McCarthy



A collection of 10 inspiring articles from
TheBusinessOfGood.org website.

The Business of Good is a charitable foundation, dedicated to assisting non-profit organizations in expanding their capacity to meet the personal, economic, social and self-esteem needs of the very poor. To learn more about us please visit

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About Tim

My name is **Tim McCarthy** and I am happy that you have found your way to this place at this time. Communicating and connecting with like-minded people is a personal passion of mine.

A little about myself - I am a husband, father, entrepreneur (and social entrepreneur), engaged philanthropist and teacher. In 1988, I started a company, **Work-Place Media**, now the largest at-work consumer media company in the USA. I've been a student of the advertising and media business since 1975 when I graduated from Ohio State. 32 years later, in June of 2007, I added an MBA to my resume, also from Ohio State (Fisher School of Business).

I am a strong believer in **karma**, which is defined most simply as the “the consequence of my actions.” I try to establish meaningful relationships with everyone I meet whether at work, church or across country. My proudest business achievement is that in 19 years of building our company, our only “mission statement” was the golden rule - **treat others as you wish to be treated**. This was frequently repeated at our place along with a more wry statement, often used during crisis, which was “if all else fails, tell the truth.”

In 1998, combining my business knowledge with my philanthropic passion, my wife, Alice, and I founded **Free Hand Inc.**, an organization assisting charitable non-profits with executive resources, funds and management. We “fix” broken charities. The name of “Free Hand” comes from a remark my Mom often made which was **“If you’re not going to give with a free hand, don’t bother giving.”** We’ve made about \$1 million in investments to date and have successfully “turned around” four non-profits (and failed on about seven others).

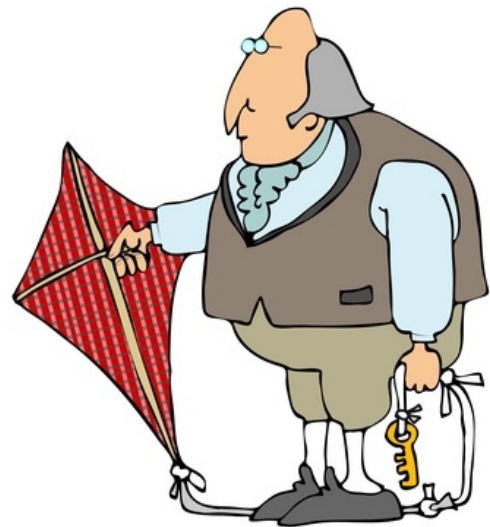
I also love the ironies and humor of life, such as in May when the same week I sold my company to a private equity firm for **multi-millions**, I received a **“B”** in my Entrepreneurship class at OSU.

Doing Well by Doing Good

A couple hundred years ago, our nation's first significant business “professor” Benjamin Franklin, suggested in his “**lesson five**” of business conduct that firms can “do well by doing good.”

Intuitively, that makes a lot of sense if you believe in a consumer based economy; developing products and services that appeal to the needs and wants of the individuals buying them.

But of course, consumer based economies cut both ways. Alert systems and medication for the elderly are developed to fill consumer demand and change our world for the better. Yet porn and casinos also fill consumer demand and have not contributed much.



So, let's look at Franklin's remarks a little deeper.

At MBA school (I graduated in June at age 54), I was amazed to find out that business academe (at least Ohio State's Fisher Business School professors) have expanded beyond simply teaching the theories and disciplines of making and keeping money.

They now teach that the impact business has on social change has

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grown immeasurably since Ben was flying his kite.

This development of third world economies force business to consider how much will be “good” (sanitation, medical needs and nutrition) change and what evils of consumerism (greed, violence, porn) will we rain upon our brothers and sisters of this global village.

And so, upon graduation and the selling of my primary media business, I’ve decided the next chapter in my life will be as a social entrepreneur.

Doing well by doing good seemed to work with my own business. We used direct media and the internet to market to our customers only if we had their permission and we treated each other as we wished to be treated. We also received awards for community service.

In May, every single person in our shop was rewarded for 19 years of blood, sweat and tears in a private equity transfer. I believe we will continue to do well by doing good.

That’s real world, personal experience. But is it broadly available? Two books I’ve read recently say “definitely.”

You may have heard of the first book since Mohammed Yunis won the Nobel Prize last fall for **Banker to the Poor**. In this, Yunis describes the fundamental theory of his wildly successful Grameen Bank, a \$5.1 billion institution whose micro credit loans have gone in small increments to over 5 million micro enterprises without collateral. This father of micro

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credit was a professor who started in 1976 with a \$27 loan to local craftsmen in his home of Bangladesh and has more than proven his theory that **“poor people make good credit risks and even better entrepreneurs.”**

An even broader and forward looking version of the same theory is contained in P.F. Prahalad's book **Bottom of the Pyramid** which espouses the theory that the 4 billion (of 6 billion total) people on earth who earn less than \$2 a day will be most helped when we “stop thinking of them as victims or burdens and recognize them as resilient and creative entrepreneurs and value conscious consumers.” Simply put, Prahalad's theory says businesses who can innovate their product and pricing to serve these 4 billion people (instead of feeling sorry for them) will, as Yunis did, build great businesses of which they can be proud.

A specific example of a company doing this is Technology Management Inc in Cleveland, Ohio. TMI is primarily focused on developing a fuel cell that can be mass produced and sold profitably for about \$500. This cell, using renewable energy sources available in any tribal bush in Africa, for example, can provide improved water for an entire village.

If TMI is successful in this challenging but worthwhile venture, what's their potential for **“doing well” by “doing good?”** Their market will consist of over 1.3 billion people who today have no access to improved water sources - let alone sanitation. And so TMI actually figures it could help end the most common third world diseases - at a profit.

Hmmmmmm.

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People Who Make This World a Better Place

The danger of “**productizing**” and “**promoting**” my learning about social business - which is what I do on this website - is that readers can mistakenly think that we are making the difference on the front lines. We are not.

Our job is different. We use our foundation and this website (and eletters and speaking engagements and so forth) to help “spread the virus”. We seek to learn and publicize innovations and collaborations in social work, named here “**the business of good.**”



It's an important role, I'm glad we are developing it, but it's not the real work.

In my view, the real work is on the ground - working **directly** every day with the people who need support - making a difference in their lives. The people I admire most help someone gain self esteem by developing opportunities for self reliance.

Recently, I noticed that we are getting to know a lot of people in this network of “**real workers.**” I'll introduce you to a few of them here, along

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with their websites where you can find out more. To me, these are the real “**heroes**” of social ventures.

Note: I’m expecting each of these folks will now contact me and say “hey, I’m not the hero, the real “doers” in our organization are....,” but that will be a story for another day.

Rich Clark -- www.saintmartincleveland.org -- I sometimes think that if Rich were locked in a room for over an hour alone he would probably hurt himself. He is constant motion, in thought and deed. He taught in an inner city high school for many years and then was President of Cleveland St. Ignatius high school in the 90s/early 2000s. In 2003, Rich decided he had an even higher calling. Over the last five years, he’s led the development of a new inner city high school (part of a network called “Christo Rey”) that uses an innovative work-study model. Each student basically pays for their own education by working one full day a week at a local company. The company then compensates the school for a full time employee’s pay (each job has a team of five students sharing the work week). The result: providing college prep education to kids who otherwise would have no such chance. In 2008, St. Martin graduated their first 50 students, all of whom today are at universities. Amazing!

Gerald Skoch -- www.wsccenter.org -- Another friend new to me this year, Jerry is a lawyer by education and a businessperson by experience. Jerry leads the 32 year old West Side (Cleveland) Catholic Center staff and volunteer force in daily service to hundreds of local indigent and voiceless with the most fundamental needs of life - food, clothing and shelter. You may particularly enjoy our featured “Success Story” this month in which Jerry outlines a unique and apparently very effective ap-

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proach to homelessness. To me, this guy is the prototype of a new age social business leader.

Sister Gladys Owuor -- www.uvipkenya.org/adozioniGB.html -- Probably my most interesting new friend this year was found in the Great Lakes region of Kenya, on our trip last month. When we arrived at the Unyolo Village project, most of the 100 children supported by the project (health services, education assistance - monetary, tutorial and arts - and family services) were at the gate to greet us. That night, we dined with the sisters then watched the children put on a talent show. The next day, Sister Gladys took us to a demonstration farm that she and her sisters have been developing on the steep banks of a river near Lake Victoria. We climbed a half mile straight down to the river then straight back up, talking all the while about her dreams and how our little family might support this effort. The sisters bring the poorest of the poor to their farm to show them how they can feed themselves by developing a garden on this acreage. Sister Gladys hero image only got bigger for me when I commented to our friend and guide, Joe Cistone, on Sister's slender appearance. He said "oh, didn't I tell you, she has cancer."

So, what do we learn from these people?

Is it that you and me should go into the toughest places in our world and directly serve the homeless, voiceless, uneducated and uncared for? That, even with cancer, we could work 12 hours a day on fighting overwhelming sickness and poverty in a remote village of Africa? Nope. Get real. My idea of "roughing it" is staying at a Sheraton without an indoor pool.

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No, I'm spreading the word on these three people in order to reinforce two of the most basic lessons I've learned so far in **creating effective social ventures**:

1. I do not have to do what people like Rich and Jerry and Sister Gladys do to be effective in supporting and growing their missions. In fact, I should do only what I can do well. In my case, I will work with them to develop business disciplines. But it does them and me no good - in fact it interferes, if I try to do what they do.

2. The stories and personalities of each of these folks remind me that to give best, we should give with comfort and joy. Each of the people in this article have made me laugh. They are each, in their own way, funny and informal people.

We accomplish little by judging, being angry about our world or thinking we can "fix" it. The problems are too big to "solve" simplistically and getting so deep as to despair helps no one.

Instead **we just need to do our little part gladly**. The heroes I've followed not only do good works, they do them with a loving and good spirit.

Mother Theresa said, "We can do no great things, only small things with great love."

Thanks to Rich and Jerry and Gladys for showing me great love.

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