

High-flying individuals on a different path

By Sarah Murray

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Two years ago, investment banker Jeffrey Flug received an unusual approach from a search firm. It was for a position as chief executive of Millennium Promise, the non-governmental organisation founded by economist Jeffrey Sachs and philanthropist Ray Chambers to fight global poverty.

Flug was surprised to be considered for the post. "I'd never spent a day in my life working with a non-profit," he says. And when the search firm executive explained that this was a wonderful NGO, he admits his response was: "What's an NGO?" I knew what an IPO was and what an LBO was – but not an NGO."

Not all former private sector executives had as little experience of the non-profit world as Flug, who was then running JPMorgan Investment Bank's North American institutional sales (he had previously been managing director for Goldman Sachs's fixed income division). But many have the same motivation. And while his experience during two decades in investment banking was of "thoroughly enjoying every single year", Flug wanted to do "something more inspiring".

He is not alone. As charities, foundations and non-profits look to hire professionals with business acumen, they are coming across individuals such as Flug and others who want a career move through which they can help tackle some of the world's problems. At the same time, former business executives are choosing to set up their own charities, non-profits or social enterprises.

Kelly Fiore made a similar choice, and her motivation for leaving Wall Street, where she had worked for Lehman Brothers and Goldman Sachs, was similar to Flug's. "I loved the intellectual challenge and both organisations were phenomenal to work for from a career development standpoint," she explains. "But I started wondering what I was doing every day and what effect I was having on the world."

Fiore decided to set up an organisation that would help raise money for good causes. Charity Folks, an online market place that auctions unusual memorabilia and events donated by celebrities, politicians and sports people, has raised more than \$10m since it was launched three years ago. While the company is a for-profit organisation, 80 per cent of donations go to charity.

Battle to attract and retain top talent hots up

While growing numbers of business executives are looking for a new career in charities and non-profits, those organisations still need to work hard to attract and retain former businesspeople, says David Simms, managing partner of Bridgestar, a non-profit that offers executive search services to charities and foundations.

For a start, since many organisations cannot offer salaries that compete with corporate remuneration levels, non-profits must focus on the other benefits they can offer. "[In the private sector] we talk about the need to have strong retention strategies as the

But while Fiore knew what she wanted to do, many business executives have little idea where to start. Before being approached by Millennium Promise, Flug had cold-called different organisations, and had initially considered moving with his family to Ethiopia for a year to fund the building of a school and a medical clinic.

Connie Duckworth, who retired from her position as advisory director at Goldman Sachs in 2001, says it is a good idea to take time out after leaving a corporate job to consider the next move. "Because as soon as you're not fully consumed with work, there will be many opportunities," she says. "You have the freedom of the empty calendar, so people start to call and ask you to do certain things."

However, for her it was a trip to Afghanistan that convinced her of what she needed to do next. "It completely sang to me – it was a seminal moment," says Duckworth, whose passion has always been women's rights and empowerment.

"On the plane back, I knew how I wanted to direct my skills and time: to help the women in Afghanistan to recover."

first order of defence against losing your talent," says Simms. "So thinking creatively about career paths and job flexibility are pieces of the equation that are really important."

In addition, they need to find the right role for former businesspeople, most of whom do not possess the skills or experience to take up posts in on-the-ground programmes. "The pure programme job ends up not being terrible 'bridger' friendly," says Simms. "But all those jobs that are about how to accomplish the organisation's mission, can be filled by private-sector people."

And attracting and retaining more individuals from the private sector is becoming critical. Over the next decade, non-profits with revenues of \$250,000 or more will need to attract and develop 640,000 new senior managers (about 2.4 times the number currently employed), according to research by the Bridgespan Group, Bridgestar's parent company. By 2016, these organisations will need almost 80,000 new senior managers a year.

"The long-term trend is that there will be a war for talent that all organisations need to be engaging in if they're going to succeed in their missions," says Simms.

As a result, she founded Arzu Rugs, a non-profit helping Afghan women generate income by selling the rugs they weave. With a team of eight in the US and 16 in Afghanistan, the project employs about 700 women weavers in 10 rural Afghan villages.

For John Wood, too, it was witnessing conditions on the ground that persuaded him to leave his job at Microsoft and start Room to Read, a charity that publishes books, provides scholarships and helps build schools and libraries in countries such as South Africa, Nepal and Vietnam.

During a trekking holiday in Nepal, Wood met a man who took him to visit a village school. Saddened to find it had almost no books, he started e-mailing friends and colleagues around the world and within two months had collected more than 3,000 books.

The following year, he returned to Nepal and, with the assistance of a yak, delivered the books. In late 1999, he left Microsoft to start Room to Read. "After visiting schools to deliver books and seeing the excitement and the smiles on the faces of the students, teachers and parents, I knew I had found my calling," Wood says.

However, identifying a cause and forming or joining an organisation is only the first step in the transition to the non-profit world. Former business executives then face dramatic changes in their day-to-day working life.

One challenge cited by many is the loss of the IT and other support teams that exist in large corporations. For Deepti Doshi, a former consultant at New York-based Katzenbach Partners, an early adjustment when becoming talent manager at Acumen Fund – a non-profit using entrepreneurial techniques to tackle global poverty – was the need to create her own PowerPoint presentations. "At Katzenbach, we had a department called the Visual Centre, which is where I would send my PowerPoint presentations," she says. "Now I'm an expert on PowerPoint, whether I'd like to be or not."

Wood says the transition was a hard one. "I was going from an environment where I had dozens of people working for me and supporting me to, instead, being a one-man show," he says.

At her tiny operation, Fiore had to get used to having very limited support services. "Leaving the big established Wall Street firms and starting a start-up for charity was a huge shift. You don't have any technical or other resources that you do in a big company with 40 different departments."

Financial adjustments are tricky to handle. First, there is the need to take massive pay cuts. Wood's coping mechanism was simply to stop opening his bank statements. Moreover, former business executives also have to adapt to an environment where finances are constantly stretched. "You have to be a bit more creative since you don't have the same resources available to you," says Fiore.

A move to the charitable sector also involves a cultural shift. When he first joined Millennium Promise, Flug admits he lacked certain sensitivities. His initial idea was to generate funding by getting Wall Street firms to sponsor African villages called, say, the "Goldman Sachs Millennium Village". "When I raised that with the team, their eyes popped out their heads," he says. "They told me: 'You can't do that – we're not colonists. We don't own these villages.'"

Moreover, in the non-profit world, organisations interact with a diverse range of partners, whether academic institutions, governments, other charities or multilateral agencies. "It's not bureaucracy but there are a lot of parties you need to communicate with," says Flug. "In the business world, you lay out the orders and everyone falls in line, but these are partners that don't report in to you, so that's challenging."

Doshi cites differences between managing client relationships and managing donor relationships.

"In the non-profit sector, money is coming solely from individuals who are making a decision that is not based on financial factors but on emotional ones," she says. "So one of the larger lessons of working in a non-profit organisation has been how to manage that emotional relationship."

However, in spite of the culture shocks, former business executives bring valuable lessons learnt in the private sector to their new roles. Flug found he could use his extensive experience in client relationship management to engage his donors and bring "a Wall Street sense of urgency" to an NGO. For Duckworth, strategic planning skills and the ability to "set your sights on an end solution" have proved invaluable.

Wood believes a balance must be struck between the style of work in the two worlds. "I tell our team that we want to run Room to Read with the compassion of Mother Teresa but the focus and tenacity of a blue-chip company," he says.

But compensating for pay cuts and other frustrations are the emotional rewards of working for a charity. Flug describes a visit to a village in Malawi where, with the assistance of improved fertiliser, a community that seven months earlier had experienced a terrible famine now had a granary to store excess maize, several wells and was building a school. "It was one of those moments when you felt it was a gift to be part of this," he says. "That was a feeling I never had in my prior life."

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