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Corporations are from Mars, nonprofits are from Venus

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When I left behind a 20 year career working for various corporations and increased my local community involvement, it was a rude awakening. As President of my local school's Parents & Citizens Association I found it incredibly frustrating that our meetings went for hours, whereas the business we needed to conduct, I felt, could have been accomplished in minutes.

It added weight to the assertion that the corporate and non-profit sectors are like 'Mars and Venus' – they generally don't understand each other. The question we need to answer is: why is this so and what implications does it have?

In my second year of performing that same P&C role, I started to 'get it' (yes, it took a full year to start 'getting it'). Corporate life and community life are different beasts and I was misguided in my belief that the same techniques that worked in the corporate world could be directly transplanted into a community setting.

Whilst many of my business skills were useful and added value to the way we got things done, I was surprised, though, as to how often my preconceived notions of solutions to problems would be way off the mark. Upon broader discussion of the issues there would invariably be factors that my rational, logical, business-like brain had not considered.

Corporations are good at focusing on problems and getting things done efficiently and effectively. Money is the scorecard. Success is not necessarily easy, but at least the target is clear. We also observe that a single-minded pursuit of financial targets by corporations sometimes leaves us with social side-effects (cigarette anyone?).

Nonprofits strive to make social impact and measuring social impact is not as clear cut. Social issues are very complex and, in the words of Audette Exel from the [Isis Group](#), who has had extensive experience in both the corporate and non-profit sectors, poor decisions may cost more than money, they may cost lives.

When I met with Audette last week, she pointed to an example that put it in perspective: when a mining company helps fund a highway upgrade in a developing country, with our business brains engaged in top gear, we see the infrastructure improvements adding economic value to the region. I get that.

What it may also do, though, is increase the transportation of HIV / Aids along that corridor and it could see smaller villages being bypassed for trade because larger towns are easier to access. Complexities such as these are the things that those of us with business 'heads' don't always comprehend.

The models that the two sectors operate under are quite different: corporations raise capital in order to make profits and distribute financial benefits; nonprofits raise capital in order to engage with communities and distribute social benefits. Social benefits are harder to define and manage.

Another good example comes from a recent blog I saw from a sustainability manager at a major mining company. He pointed out that mining companies are good at providing employment opportunities but are unlikely to have the skill set to address the barriers that prevent local people from taking up the opportunities presented.

What does this all mean for the relationship between the corporate and nonprofit sectors? For starters:

- There needs to be more dialogue, engagement and understanding between the two sectors
- Business should avoid being arrogant or patronising towards nonprofits and take time to understand their 'world'
- Nonprofits should embrace business as a potential partner who can provide specialised skills and resources.

Global [issues and trends](#) are pushing the corporate and non-profit sectors closer together. As Joseph Nye points out, tomorrow's corporate CEOs will need to be 'tri-sector athletes', skilled not only in business, but also in dealing with the government and social sectors.

Likewise, it stands to reason that executives of non-profit organisations will need to be able to form effective partnerships with the corporate sector in order to maintain or improve service delivery.

Mars and Venus can never be the same, but they can at least gain a better understanding of why they are different.