



## Making Ends Meet While Making a Difference

**The second part of a two-part series profiling leaders who made the transition from the corporate world to the non-profit sector.**

One concern shared by almost all the leaders we interviewed, at least before they made the transition to a non-profit organisation, was, “Will I have to compromise my standard of living to a degree I find uncomfortable?” The answer: an overwhelming “no”.

There are various ways that the transition can be made palatable, and sometimes the gaps between former and current salary are not as large as you might think. And there are some crafty ways of managing the difference.

### **Transitioning in stages**

Ramon Marmolejos and his two co-founders of the social development company, Emzingo, took a particularly intelligent approach to the startup phase. Before making the final leap into the social enterprise, each kept one foot in the for-profit world, coordinating salaried stints with the other founders to maintain momentum with the new venture! All three are now in Emzingo full-time, and while they are not as wealthy as before, any small financial discomfort they may feel is offset by satisfaction with their societal contribution.



### **Ramon Marmolejos**

- Currently: Co-Founder and Executive Director, Emzingo
- Previously held roles with: PepsiCo, The FutureWork Institute, Monitor Group

- Advocates strongly for : “Doing good and doing well also.”

Born in the Dominican Republic, Ramon emigrated to the U.S. with his family when he was five years old. He distinguished himself early on by becoming the first member of his clan to attend university (and a prestigious Ivy League one at that!). During his time there, Ramon noticed that there were “not many brown or black faces” around him, and started to question what kind of system could have brought this about.

During the first week at his first job after graduation, fate struck to underline Ramon’s feelings. As the Twin Towers fell, he asked himself if he was truly doing what he should be doing – he had heard Steve Jobs’s legendary commencement speech earlier, and it had marked him. Ramon found makeshift ways over the next four to five years to contribute more, but the real shift occurred while at business school in Spain, where he met a group of like-minded people. As part of their coursework, they created Emzingo.

This social enterprise creates transformational learning experiences in developing economies for its clients and participants. Emzingo has proven that doing good doesn’t always mean suffering and being poor.

### Leading by consensus

Nick Grant, a former cost-cutting and re-organisation expert in the strategy consulting field, experienced an innovative approach to remuneration while he was working as a “partner” of Save the Children. The Boston Consulting Group worked with Save the Children to send consultants on missions across the world, with a dual contribution to a reasonable (but reduced) salary. This meant that there were few if any barriers to a consultant going off on this adventure.



**Nick Grant**

- Currently: Director of Strategy, Cancer Research UK
- Previously held roles with: Braxton/Deloitte Consulting, Boston Consulting Group and Save the Children
- Advocates strongly for: “Doing things that are a million times more important than what I was doing before.”

When Nick Grant joined Cancer Research UK as director of strategy, he soon discovered that he had hundreds of different stakeholders to get to know and to “take with him on a journey”. He notes the challenge of bringing people on board in the consensus-driven culture that prevails at nonprofits.

All our interviewees observed that passion and emotion abound in this world, but Nick is the most candid on this point. “I have never seen so many tears! People are being themselves and much more genuine than in the corporate world, and it is so much easier to get excited about cancer survival rates exploding than it is about increased profits.” However, he is quick to balance this with the fact that emotion can impede change.

### Capitalists and philanthropists collide

Even if sometimes salary cuts can be the less fun part of making a move to the non-profit sector, it is important to remember, as almost all of our

interviewees did, that it is not a “one-way street” into this field. Alexander Friedman, former chief investment officer of UBS Wealth Management and former CFO of The Bill & Melinda Gates Foundation, wrote in a 2010 *Financial Times* article: “These days, it has become something of a trend to demonise capitalists and praise philanthropists. But if we are to make true progress in tackling our most pressing social problems and live up to our moral obligation to help those in extreme poverty, these two seemingly polarised groups need to come together in fundamentally new ways.”

Diana Noble understands very clearly that these two worlds need to be in closer contact. Having done “incredibly well” in the private equity field, and reached a “plateau that was less interesting and exciting than the climb up”, she found herself CEO of a very prominent firm before 40. She felt that the second half of her working life should be a kind of “setting to rights” to make up for all her success in the first half.

To this end, Diana went back to school (Oxford) for a year, hoping to figure out her new destiny, and strongly believing she could not fit into the nonprofit world. But when a friend asked if he could introduce her to the head of the Clinton Foundation, she was intrigued, given the stature of the man. Within twenty minutes, she was hooked on the fact that this was a world of mostly private sector people, solving global problems with a market-driven outlook. Gone were her entrenched fears of not fitting in. For five years, Diana worked in a number of senior roles, including running all country operations in Africa/Caribbean/Europe and all global teams.



**Diana Noble**

• Currently: CEO, CDC Group

• Previously held roles with: Schroder Ventures, Clinton Foundation’s Health Access Initiative

• Advocates strongly for: “Realizing that the worlds of Profit and Nonprofit are finally coming much closer to each other so that value and understanding can flow both ways.”

After the Clinton Foundation, Diana set sights on CDC, which had a rich and proud history, but had come under fierce criticism for being too focused on financial success. It was an opportunity to combine her experience as a commercial investor in private equity with the knowledge she’d gained about development at the Foundation. She has now been CEO for nearly three years. When asked if she would return to a purely for-profit role, she says that the challenge at CDC is so rich and multidimensional that toiling in order to deliver improved profits would feel a bit empty.

None of those we met said that working in the nonprofit sector had been a boon to their finances, but none complained of serious struggles. It seems clear to us that there must be a fair tradeoff in this area, as much as anywhere else. If you want to attract and retain a great leader, you must collaborate to find a solution that works for everyone. If that means six figure salaries, then it is the job of the organisation to work towards even greater surplus.

#### **Five Major Skills That Stretch in Nonprofit**

1. Patience (volunteers are not paid employees and it’s a different covenant)
2. Making the dollars and pounds stretch
3. Innovation springs from the need to find solutions with little resource
4. Influencing multi-stakeholder environments
5. Listening and not imposing - taking the people on a journey

#### **Five Frustrations to Overcome in Nonprofit**

1. The need to communicate constantly about what you are doing, or else the money does not come in
2. Lack of process and skills in early-stage organisations can be a brake on growth
3. Surprising competency gaps in the stakeholder organisations can lead to slow progress
4. Getting over the temptation to “battle” as opposed to “engage”



5. Some stakeholders expect nonprofit people to be sandal-wearing hippies, but the surprise when they meet “normal” leaders can actually be used to advantage

The first part of this series can be read **here**.

*Antoine Tirard is a talent management advisor and the founder of NexTalent. He is co-author of Révélez vos Talents, a guide of psychometric tools. You can follow him on Twitter @antirard1. Claire Lyell is the founder of Culture Pearl and an expert in written communication across borders and languages. You can follow her on Twitter @CulturePearlC*

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