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Senior Source to use expertise for moneymaking venture

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Until last year, Peggy Glenn-Summitt's experience with profit-making ventures had consisted mostly of selling Girl Scout cookies and running a pet-sitting service as a youngster.

But the director of programs at the Senior Source, a nonprofit agency in Dallas, recently completed what she describes as a "mini-MBA course" on how to start a business and turn a profit.

Over the past year, she and co-workers attended workshops on everything from market research to financial analysis and sat down with management coaches who helped them write and hone a business plan.

"I had never considered myself an entrepreneur, but here I am," she said.

Ms. Glenn-Summitt and her colleagues are about to put their new knowledge to good use.

The Senior Source, which has been the go-to place for free advice on caring for older adults, intends to launch a fee-based service called Platinum Care Solutions for seniors and their caregivers next year.

Besides continuing all of its free counseling services, the agency will offer a premium senior-care service at a charge.

A team of certified geriatric care managers will do thorough assessments of frail seniors' needs and draft written plans for their care. Then, if requested, the managers will monitor and coordinate that care.

The Senior Source is one of a small but growing number of nonprofit agencies that are creating moneymaking ventures to meet the demand for their services and stabilize their long-term funding.

"Social enterprise," as the revenue-raising practice is called, dates back decades. The YMCA has long been known for its gyms, as has Goodwill Industries for its thrift shops.

But the idea has been gaining currency with more nonprofit agencies, particularly as the economy worsens.

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Lue Taff, elder support director at the Senior Source, explains the complexities of elder care. The agency will coordinate care for the elderly for a fee starting next year.

Many nonprofit agency executives are grappling with how to provide more services as the government cuts back its funding and as foundations, corporations and individuals rein in their giving.

Meltdown's effects

"The market meltdown has cost some donors a quarter to a half of their assets," said Cynthia Nunn, president of the Center for Nonprofit Management in Dallas. "They can't afford to give out as much."

The tough times are compelling nonprofit groups to become more self-sufficient, she said.

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The Senior Source plans to charge \$600 to develop a complete care plan for individual seniors under its Platinum Care Solutions program.

Ms. Nunn's center is working with the Community Wealth Ventures consulting firm in Washington to teach nonprofits such as the Senior Source how to launch enterprises that will supplement their charitable income.

"Agencies can do this without jeopardizing their tax-exempt status by pursuing ventures that are in synch with their social mission," said Charlotte Keany, director of consulting at the Center for Nonprofit Management.

Social enterprises should appeal to nonprofit agencies because the earned income comes with no strings attached, Ms. Nunn said.

The Senior Source intends to use its earned income to prepare for what experts call "the silver tsunami" – the 76 million baby boomers who are beginning to require senior-related social services.

The agency projects that its number of clients will more than double over the next 25 years, from 30,000 today to 70,000 annually, and severely strain its budget.

Ms. Glenn-Summitt sees the new Platinum Care Solutions program as one way to make ends meet.

Every day, the Senior Source's elder-support counselors field dozens of calls from people running into problems with Medicare, shopping for a nursing home or looking for free drugs from pharmaceutical companies.

All of the counselors' advice comes at no charge, but the agency lacks the staff to do more comprehensive assessments of frail seniors' personal needs and make detailed recommendations for care, let alone monitor that care.

"We can't do as many home visits as families would like because our resources are limited," Ms. Glenn-Summitt said.

Beginning next year, however, families will be able to contract for that more intensive help through Platinum Care Solutions, she said. A complete care plan will cost \$600, and care coordination will run \$105 an hour.

The geriatric care managers might, for example, help families hire and supervise in-home caregivers or check out a senior-living community.

"Our elder-support team will continue as always, but we'll offer this separate service for those who wish to buy it," Ms. Glenn-Summitt said.

The agency will launch the venture as soon as it secures the funding to hire additional staff and cover other start-up costs.

About a dozen independent geriatric care managers already operate in the area, but the Senior Source says its market research found enough need to support its new enterprise.

High prospects

Dallas entrepreneur Lea Ellermeier Nesbit gave Platinum Care Solutions' business plan high marks when she recently reviewed it for the Center for Nonprofit Management and Community Wealth Ventures.

"It's a service that people are willing to pay for," she said. "The Senior Source is playing to its strengths. It focused on something it already does well and then figured out how to build on that. It's right on the money."

The Senior Source is one of eight agencies that participated in the first year of a three-year partnership between the Center for Nonprofit Management and Community Wealth Ventures to foster social enterprises in North Texas.

The others were the Autism Treatment Center, Big Thought, Catholic Charities of Fort Worth, the ChildCare Group, the Dallas Children's Advocacy Center, Metroport Meals on Wheels and Safe Haven of Tarrant County.

Nationally, Community Wealth Ventures has counseled 86 nonprofit agencies in nine cities. Three-quarters have begun ventures, and half of those at least a year old are profitable, said senior consultant Diana Peacock.

"Social enterprises may not be right for every nonprofit since they require an entrepreneurial spirit and a tolerance of risk," she said. "But they can bring greater self-sufficiency to agencies willing to do the homework."