The Bridgespan Group

Bridgespan is off to a tremendous start. The Bridgespan-Bain partnership is truly unique and our early results with clients suggest we have the potential to make a significant contribution to the nonprofit sector. While we will have grown to nearly 30 people in our first year, when I look down the road, my concern is not that we will have grown too fast or have become overextended, but that we will have not taken full advantage of the opportunity our supporters have given us to achieve the greatest impact possible.

Jeff Bradach, Managing Partner, The Bridgespan Group

Based in Boston and San Francisco, The Bridgespan Group was an independent nonprofit consulting firm sponsored by the for-profit management consulting firm Bain & Company. The Bridgespan Group model was to offer "Bain-like" consulting capability that was customized to the distinctive needs and challenges of organizations in the nonprofit sector. In a February 2000, *New York Times* article, The Bridgespan-Bain partnership was referred to as an "entirely new thing," with Bain providing Bridgespan extensive access to its people, intellectual capital, and infrastructure.

In September 2000, nine months after The Bridgespan Group's launch, founding Managing Partner Jeff Bradach considered the firm's progress and prospects. Before Bridgespan opened its doors, Bradach and co-founding partner Paul Carttar had drafted a list of things that could go wrong. Nothing significant had. Although it had taken much hard work, the firm had successfully raised over $6 million in start-up funding, hired 27 staff, completed its first client projects, opened a West Coast office, and operated ahead of financial projections. Demand from clients far exceeded capacity. The *New York Times* article was just one example of the excitement generated by the new firm. Although past the start-up risks associated with new ventures, Bridgespan faced important strategic and operational challenges concerning how to grow effectively, accomplish its ambitious mission, and optimize its relationship with Bain.

Background: Creating The Bridgespan Group

While serving as Worldwide Managing Director of Bain and Company, Tom Tierney sought to extend and deepen the impact of Bain's pro bono work. Throughout his business career, Tierney had a "desire to serve" and make a contribution to society. As head of Bain's San Francisco office in the 1980s, he spearheaded some of Bain's first pro bono projects with the United Way and the Nature Conservancy. But Tierney increasingly questioned how the firm could do more in the nonprofit sector. In the wake of a major management and financial restructuring, Tierney moved to the Boston

Research Associate John Kalafatas prepared this case under the supervision of Professor Allen Grossman as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

headquarters in 1992 to become Bain's worldwide managing director. By 1995, with more time and resources at his disposal, he began exploring the question: "How could Bain, with its talent and strategic expertise, be used as a platform to make a lasting impact in the social sector?" Over the next few years, he mobilized three Bain case teams to analyze the viability of creating a new nonprofit consulting practice and the best organizational approach for achieving that end.

Bain's Involvement with the Nonprofit Sector

Like many other major consulting firms, Bain was primarily engaged with the social sector through pro bono consulting. The firm was proud of its work and had over the years provided services to over one hundred nonprofits of various sizes, in industries such as human services, education and the environment. Because interest in nonprofits had increased among Bain employees and because demand from both past and new nonprofit clients was rising, pro bono activity had grown.

Bain's most common pro bono engagements originated and were managed locally, with local partners holding decision rights on client selection and resource allocation. Examples of pro bono work included the Boston office's long-term relationships with City Year and the Boston Public Schools; the Los Angeles office's work with the Museum of Contemporary Art; and the San Francisco office's consulting for the San Francisco Opera. Bain partner David Bechhofer had overseen much of the Boston office's pro bono work during the 1990s. He articulated five criteria for considering a case: (1) Would the project focus on one of the top three strategic issues facing the organization? (2) Is the client prepared to act on the results? (3) Is a Bain partner committed to leading the case? (4) Is staff capacity available at the firm? and (5) Is there sufficient interest among the ranks at Bain?

Tom Tierney discussed the pros and cons of Bain's traditional pro bono involvement:

> Our pro bono work is very important to Bain and our clients. We do it because it reinforces our corporate values, encourages local community involvement, and it is simply the right thing to do. Nonprofits benefit from free, high quality service they might not otherwise get. We provide valuable resources and talented consultants interested in learning about and working with nonprofits. On the other hand, the scope and impact of our pro bono work is inherently self-limiting. Due to the economics, it is marginal and incremental at Bain, not mainstream, and thus will not grow to significant scale.

Developing the Concept

Beginning in 1996, Tierney directed Bain teams to research whether an unmet needed existed in the non-profit market. Tierney enlisted Jeff Bradach, a former Bain consultant who was on the faculty at Harvard Business School and was involved with the school's Initiative on Social Enterprise, to serve as an advisor. Along with the analysis by the Bain teams, over the course of two years Tierney and Bradach conducted over 50 in-depth interviews with leaders of nonprofits and foundations about their needs. The research revealed that there was an insufficient supply of quality consulting, and in particular, there was a lack of the kind of data-driven, analytical strategy consulting services delivered by the top-tier consulting firms that had helped so many for-profit companies succeed. Bridgespan's business plan summarized the findings:

> There presently exists a major service gap with respect to the growing list of fundamental strategic issues facing nonprofit organizations. On one hand, consulting firms with sufficient nonprofit expertise and reasonable prices lack sufficient scale and strategic experience. On the other hand, large strategy consultants possess the requisite tools and scale but are expensive and tend to lack dedicated resources experienced in and sensitive to the needs of the nonprofit sector. Consequently, they

> tended to be available to non-profits only on an ad hoc basis, which limits the ability of these firms to generate lasting impact or build a body of experience and knowledge that can be of value to other nonprofits. As a result there is a notable service gap, which could be addressed by a consulting firm able to deliver the desired strategic capabilities in a manner which is affordable, sustainable and attuned to the distinctive character of mission-driven organizations.

Exhibit 1 provides further data on the nonprofit consulting market.

Although a clear need existed in the sector, questions remained. Could Bain's pro bono work simply be expanded? Should a new nonprofit consulting practice be created within Bain or should a separate firm be established? If so, should it be a for-profit or a nonprofit?

It became evident to Tierney that creating a new social enterprise practice within Bain was not a viable option. "Could we engage paying nonprofit clients on an ad hoc basis as part of Bain's mainstream consulting? Could we create a formal practice area, like health care or e-commerce? In both cases, there wasn't enough profitable business out there to make it worth it for Bain to dedicate resources. And, because of nonprofits' inability to pay full freight, the firm would have to subsidize the costs on an ongoing basis. A separate firm could devote resources to develop scale and focus." According to Bradach, "We quickly saw that the new firm had to be separate, but it was clear there was no way it could be created without a very strong connection to Bain. Neither I nor the other founders could have started or sustained a firm with the capability we desired without Bain's sponsorship."

With the broad concept in mind, in the summer of 1997, Tierney assembled a Bain case team out of the San Francisco office to develop the detailed business plan. The firm would be sponsored by Bain, but would be a separate independent organization with nonprofit tax status. No precedent could be found in professional services or other industries of a for-profit creating a separate nonprofit organization that served the social sector through the same core business functions as the parent. Bradach observed, "determining the relationship with Bain was critical. It was crucial that Bridgespan be able to deliver Bain-quality consulting to the nonprofit sector, and we had to figure out how to tap into the talent, ideas, and infrastructure of Bain so that we could do that." The parameters of the relationship between the new firm and Bain would need to be carefully defined and consistently tested without any analogous models to benchmark.

Founding the Firm

By late 1998, based on the strength of the business plan, Tom Tierney, Jeff Bradach and Paul Carttar joined together to co-found The Brigespan Group. Carttar was a former Bain partner who had left the firm in 1990 to pursue other commercial interests: "I worked in the public and nonprofit sectors prior to business school and joining Bain, and I always expected to return. When Tom told me about the formation of Bridgespan, I knew this was an ideal opportunity to put my consulting and managerial experience to work towards a more rewarding social purpose." For Bradach, "After working on this project on the side for two years, I became convinced of the extraordinary potential of the idea. I had spent many years working with nonprofits and for-profits as a board member and consultant, but this stood out as a big idea, one with a chance to make a huge difference on important social issues. This enabled me to make my passion my job." Through the spring of 1999, the founders worked on three major issues: 1) obtaining support from Bain, 2) receiving IRS approval of Bridgespan's nonprofit status, and 3) raising initial funding.

During the fall and winter of 1998-1999, Tierney built consensus for the venture among the Bain partners. Tierney's pitch did not simply call on their altruism, but emphasized how the new firm would create value for Bain. At an April 1999 meeting of all seven Bain North American office heads, Bradach and Carttar presented the business model and asked for Bain's support. Bradach recalled that "We stopped on one particular slide which outlined the benefits to Bain. We told them that it was important to us that the benefits were real because we not looking for a short-term contribution from them, but were looking for a long-term partnership that would last for decades. And that had to be built on mutual benefits."

The North American office heads voted unanimously to support the formation of The Bridgespan Group. Their support consisted of over one million dollars in start-up funding over three years; as well as non-monetary support, including the ability to recruit Bain staff, access to the Bain knowledge base, and access to a variety of administrative systems at a discounted cost. In return, Bain expected three benefits, as described by Phyllis Yale, managing director of Bain's Boston office:

> First, Bridgespan extends our opportunity for impact in the community, consistent with Bain's mission. Second, there is a 'halo effect,' which strengthens Bain's public image and reputation. People think more highly of Bain because they associate Bridgespan with us. Third, and most important, Bridgespan helps Bain attract and retain top talent who may be looking to get exposure to the issues facing global 1000 companies and help the nonprofit sector. Our people want to work for a company that cares.

Because of Bridgespan's tight affiliation with a for-profit in the same line of business, the IRS closely examined the new organization's proposed nonprofit status. Carttar recalled:

> The IRS wanted to assure itself of two main things. First, that we were serving a social purpose. Our commitment to serving clients regardless of ability to pay and to raise money from donors to do that helped to address that question. Second, the IRS wanted to make sure that the Bridgespan Group was not in some way inappropriately generating value for Bain. As the business plan clearly demonstrated, the preponderance of value ran from Bain to Bridgespan, not the reverse. To ensure independence from Bain, our eight person Board of Trustees is composed of five outside, non-Bain people and three representatives from Bain.

The IRS approved 501(c)(3) non-profit status for Bridgespan in the spring of 1999.

Beyond Bain's start-up grant, Bridgespan raised $5.5 million in outside financing from several foundations, including Irvine, Surdna, Rockefeller Brothers Fund, and Edna McConnell Clark. This money was to be used primarily to subsidize projects for clients who could not afford the services. Other priorities in 1999 included signing on initial clients and building a governing board, which was chaired by Tom Tierney (Exhibit 2 includes biographies of Board members.) As for attracting Bain staff, Tierney voice-mailed all Bain offices announcing the creation of The Bridgespan Group and encouraging interested staff to apply. The response exceeded expectations. Bridgespan planned to start consulting operations in January 2000.

Bain & Company

A private, for-profit company, Bain was known as one of the elite business management consulting firms, competing with the likes of McKinsey and Boston Consulting Group. Headquartered in Boston, Bain employed 2,400 professionals in 26 offices worldwide. Estimated revenues for 1998 exceeded $500 million, with recent annual growth exceeding 20%.[1] By 2000, Bain reported being virtually "sold out," with demand pushing capacity. Since its 1973 founding, the firm

[1] Source of revenue estimates: *Consultant News*, June 1998, p. 9.

had served over 2,000 companies—from start-ups to large multinationals—in a range of industries. Bain tended to conduct large engagements with multiple teams and maintained long-term relationships with clients. Bain was reported to have an enthusiastic, social and entrepreneurial internal culture. It also had a history of launching ventures outside of its core management consulting business, such as Bain Capital, a private equity investment firm, and Bain Lab, an incubator for new economy start-ups.

Bain was considered an innovator of "strategy consulting," a sub-field of the management consulting industry that the firm defined in the following way: "Bain was created around a vision of generating 'breakthrough' results that would enable clients to set new standards of success in their respective industries. Strategy consulting involves identifying and addressing the most critical issues affecting a company's ability to achieve its full potential. The hallmark of Bain's approach has been an unwavering emphasis on achieving dramatic, measurable improvements in a client's overall performance and success." Critical to Bain's approach was an emphasis on rigorous "data-driven" analysis, as well as "customizing recommendations and actions plans to the particular needs, capabilities and circumstances of each client to ensure real change."

Bain's organization was structured in a staff pyramid typical of large consulting firms. Recent college graduates joined Bain as "associate consultants" for a fixed term of two years. Some stayed on for a third year as "senior associate consultants." After their stint at Bain, many pre-MBA's would attend business school, and a significant number would later return to Bain. At the post-MBA level, individuals joined the firm as "consultants" for an indefinite period. Consultants were responsible for a work stream within a project (a "case" at Bain), eventually supervising associate consultants. After several years of experience, some consultants advanced to "managers," responsible for the day-to-day management of case teams and project deliverables. The next and highest tier at Bain was "partner" or "director" who were responsible for managing the firm's business development and client relations.

The Bridgespan Group Model

Mission

Providing a "bridge" between the business and nonprofit sectors, the mission of The Bridgespan Group was to *enhance the capability of nonprofit organizations to achieve breakthrough results in their vital work of addressing society's most important challenges and opportunities*. Bradach summarized the organization's purpose:

> We are about impact. It is our reason for being and the sole measure of our success. We are driven by the question, 'Have we helped our clients achieve their missions and make a significant difference in the world?' To do that, we need to be able to tap into the best strategic thinking – which is greatly enhanced by our partnership with Bain – *and* be part of and deeply knowledgeable about the nonprofit sector. This is what makes Bridgespan unique and enables us to deliver impact for our clients.

Strategy

The firm would fulfill its mission through a three-pronged strategy: (1) consulting directly for nonprofit clients, (2) disseminating knowledge generated from its consulting to other leaders in the nonprofit sector, and (3) serving as a model for how other professional service firms could enhance their contribution to the sector. This strategy hinged on several key elements, including the firm's organizational structure, alliance with Bain, knowledge sharing, financial model and client focus.

Independent, Nonprofit Structure The Bridgespan Group was organized as a separate nonprofit with an independent Board of Trustees. According to Bradach:

> Bridgespan is separate from Bain and structured as a nonprofit for one overarching reason: it enables us to pursue our mission most effectively. We are committed to working on the most important strategic challenges facing nonprofits. Sometimes that involves organizations that can afford to pay and sometimes it does not. We did not want our strategy driven by who could pay. In addition, we are committed to sharing what we learn with others. If we were a for-profit, we would have many more incentives to make proprietary use of what we are learning rather than use it to maximize our potential for social impact. Finally, being a nonprofit has given us the ability to obtain philanthropic support, and importantly, it is a clear signal to clients about what we are trying to do.

Bridgespan was governed by an independent Board of Trustees. An Advisory Board was also created to provide guidance on the selection of clients, the distribution of subsidies, and the agenda for developing and sharing knowledge (see **Exhibit 3** for list of members).

Strategic Partnership with Bain Along with financial support and affiliation with its brand identity, Bain provided several critical resources to Bridgespan. Most importantly, Bridgespan had permission to recruit experienced Bain consulting staff. Bain recruited top graduates of premier schools, then invested heavily in their training and development. By drawing from Bain, Bridgespan could obtain high-quality, experienced consulting talent and avoid the costs of a recruitment and development infrastructure. Bain employees took a pay cut of 25-35% when they joined the Bridgespan Group. Bain employees could either leave Bain permanently to join the Bridgespan Group, or could rotate there for a six-month period after which they would return to Bain.

Additionally, Bain provided Bridgespan with full access to its knowledge resources that had been built up over 26 years of operation. Bridgespan employees participated in all Bain professional development activities, including extensive training programs. The Bridgespan office was connected to the Bain intranet and Bridgespan employees had full access to Bain's knowledge management system, which included the BVU (Bain Virtual University), an on-line training program that contained over 150 modules on tools and concepts, and the GXC (Global Experience Center), which captured the lessons and insights from Bain's work with its clients. Bain provided these services and other administrative support services at their incremental cost.

The Product. A Bridgespan consulting engagement involved the use of tools and concepts that were customized to the needs of the nonprofit sector. Partners at Bridgespan believed that what differentiated their services was the mix of cutting-edge business strategy expertise and deep knowledge of the nonprofit sector. "Nonprofits face unique challenges," said Susan Colby, a Bridgespan partner. "You cannot take Bain tools off-the-shelf without considering how they might apply differently in the nonprofit sector."

A consulting engagement with Bridgespan typically encompassed two phases of work: an analytic phase and an advisory phase. The analytic phase was modeled on Bain: teams of consultants, led by a partner or manager, gathering data and conducting analyses on the strategic and operational issues facing the organization. In the advisory phase, a partner or manager would work with the leadership team in the client organization to implement the recommendations. The need for an advisory phase emerged from the exploratory interviews with nonprofit leaders. The leaders often commented that their biggest challenge was not identifying the needed course of action, but was instead figuring out how to implement the action.

Financial Strategy There were two key elements of the firm's financial strategy. First, Bridgespan sought to build an organization that could deliver Bain-quality consulting at a substantially lower cost than top-tier for-profit firms. This lower cost structure was made possible because of its tax-exempt status, which eliminated the need for profit; lower compensation relative to the for-profit market; and the ability to utilize Bain infrastructure and services at a substantial discount. Second, Bridgespan sought to raise philanthropic support that could be used to subsidize projects with organizations that could not afford to pay. Over time, once Bridgespan demonstrated the value of its services, the strategy assumed that the bulk of the funding of projects would shift from subsidies granted by Bridgespan to fees paid by organizations who would either pay themselves or raise money from funders to support the work.

The overall cost to Bridgespan for a typical consulting project ranged from $100,000 to $400,000, and that represented the full price that Bridgespan would charge for the work, but the actual fee charged to the client would vary, depending on the client's ability to pay. Bridgespan had raised an initial pool of funding of over $5 million that enabled it to subsidize projects for clients. For comparable projects, Bridgespan charged substantially lower fees than Bain, with prices averaging between one-third to one-fourth of a Bain project.

Selective Client Focus Bridgespan's client base included both direct service nonprofits and foundations. It expected to devote 60-70% of its work to non-profits, and 30-40% to foundations. Instead of focusing on particular segments of the nonprofit arena (e.g., education, arts, environment), Bridgespan sought to engage clients facing specific strategic challenges that were important and common to many nonprofits. The areas of focus included going-to-scale; nonprofit use of the internet; strategy for intermediaries (nonprofit training, technical assistance, consulting firms), and high-impact grant-making for foundations The firm sought to serve clients of all sizes and ability to pay. Because health care and higher education had access to well developed consulting alternatives, Bridgespan decided to make these segments secondary priorities. The firm developed a set of criteria to prioritize potential clients:

- A compelling mission that if executed to its full potential would have significant social impact
- Strategic needs that reflect the fundamental challenges facing nonprofits, fit well with Bridgespan's strengths, and support the goal of sharing valuable knowledge with the sector
- Lack of access to acceptable alternatives among existing consulting firms
- An organizational philosophy that embraces change, with a proven management team able and willing to push an organization toward its full potential
- A willingness to share its experience with other nonprofit organizations and otherwise leverage The Bridgespan Group's contribution for the betterment of the sector

Knowledge Sharing Fundamental to the business model were Bridgespan's efforts to develop and disseminate knowledge about nonprofit management. Bradach observed, "There are over 770,000 non-profits in the United States. If the Bridgespan Group wants to make a major difference, it will have to extend its reach beyond the relatively few clients it will be able to serve." The firm had two major sources of intellectual capital: capturing learning from consulting engagements and leveraging management tools and frameworks used with Bain's business clients that could be adapted to a nonprofit environment.

Year One of Operations

Bridgespan was off to a fast start. Its staff had grown rapidly and it was still not able to keep pace with the demand for its services. The first year had also been a period of rapid learning and adaptation, as the leadership team identified new challenges and opportunities.

Operating Highlights

Clients During the first nine months of operation, Bridgespan established consulting engagements with eight nonprofit clients. These included two of the 50 largest US foundations and six service delivery nonprofits. Of the service delivery organizations, two were large institutions and four were community-based organizations. The latter four were all grantees of a foundation client. In that case, the work had begun with the strategy for the foundation and had evolved to include Bridgespan working in its portfolio with high potential grantees. For three clients, Bridgespan had completed the major analytical phases of work and had moved to implementation issues. As for new client development, demand far exceeded the firm's capacity to take on new work. The firm had received over 200 inquiries, 50 of which were considered to have serious potential. Bridgespan was in discussions with six prospective clients and expected to take on four new engagements in the fall of 2000.

Staff By October 2000, Bridgespan had 27 people on staff—23 consultants and 4 support staff. Eighteen consultants worked in the Boston office, five in San Francisco. The firm had planned that consultants would be a mix of staff rotating from Bain and a core group of permanent managers and staff committed to Bridgespan in the long run. Seventeen were permanent hires and six were on rotation from Bain. Of the 23 consultants on staff, 17 had some tie to Bain and 6 had no past affiliation with Bain (**Exhibit 4** includes biographies of the leadership team). This growth was well ahead of the business plan, which had called for 12 consultants in the first year, including 2 partners, 1 manager (usually with 3-5 years consulting experience), 5 consultants (post-MBA), and 4 associate consultants (pre-MBA).

San Francisco Office In September 2000, Bridgespan opened a West Coast office eighteen months ahead of schedule to capitalize on regional client demand, support from funders, and significant support from Bain's west coast offices. The office was already serving a top-25 foundation and was in the process of selecting its second client. Six staff had committed to join the group, including two partners who were Bain alumni, Susan Colby and Seth Barad. In contrast to Boston and in response to an expensive real estate market, Bridgespan's San Francisco operation would be co-located in the Bain office. Colby observed, "The west coast presents distinctive challenges and opportunities for Bridgespan. The explosion of new wealth and the emergence of new forms of philanthropy – for example, venture philanthropy and e-philanthropy – along with a vibrant and innovative nonprofit sector make it important for us to have a west coast office."

Knowledge Sharing The firm had just begun to develop and implement its knowledge capture and sharing strategy. Staff undertook activities in support of "knowledge capture", such as a weekly learning series that included internal reviews of ongoing work and guest speakers from the nonprofit sector. The staff also conducted case team debriefs at the end of a project to evaluate the impact of their work and the strengths and weaknesses of their approach. Bridgespan received client feedback through interviews at the end of each project. An independent consultant had been engaged to interview Bridgespan clients about their experiences with the firm. The firm had recently contracted with the former editor and senior editor of the Harvard Business Review to advise on knowledge strategy and develop content for dissemination to nonprofit leaders. Early in 2001, Bridgespan planned to launch a web-site that would capture knowledge internally and serve as a platform for sharing information externally.

Reflecting on Year One

Reflecting on their experiences to date, Bridgespan staff, board members, and colleagues at Bain discussed issues related to client work, involvement with foundations, staffing and recruiting, the organization's culture, and Bridgespan's relationship with Bain.

Client Work Bridgespan had begun to see its work produce major change in clients. One foundation had fundamentally changed its grant-making strategy with the help of Bridgespan. An executive from a community-based non-profit commented that "there is no one else out there like Bridgespan. Its work is having a dramatic impact on our organization."

At the same time, Bridgespan had identified several key challenges to generating impact with clients. Carttar noted:

> The complexities of nonprofit organizations make this work complicated. Because the Bain tool kit is ultimately designed to help clients maximize profit, it's not fully transferable to nonprofits with dual bottom lines. In many cases, we have found that we need to break new ground in terms of developing concepts and frameworks that can help crack problems facing non-profit organizations. We do not have off-the-shelf products right now.
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> Another important distinction from typical Bain work is that our clients are smaller and our teams are smaller. One might think that a small nonprofit is analogous to a small division of a for-profit company, and hence, a relatively junior consultant could run the project. But these nonprofit CEOs are facing big issues – they are dealing with multiple constitutencies, complex strategy questions, and difficult resource allocation decisions. We have found that to provide maximum value to these clients, our teams need the substantial involvement of senior consultants. It may be that our staffing structure needs to look more like an hourglass – a mix of senior people and relatively junior associates – than a pyramid.

While demand was high for Bridgespan services, the partners had heard from some client prospects that Bridgespan was relatively expensive. Bradach reflected on Bridgespan's pricing:

> Bridgespan prices are deeply discounted from Bain's, approximately 20-30% of Bain's prices. Still, for some non-profit organizations, we are relatively expensive. The price difference compared to other consultants is due to the labor-intensive nature of our work – we have teams gathering and analyzing data. In contrast, many nonprofit consultants rely on facilitative approaches – a weekend retreat and a white board – to build an organization's strategy. There is nothing wrong with facilitation; we just do something different. We are offering a new product that is hard to find in the sector. What is crucial is that we demonstrate that the value produced by our work far exceeds its price. If we can't do that, we shouldn't be in business.

Geoff Lieberthal, an outgoing Bridgespan senior associate consultant who had moved from Bain, discussed how consulting with Bridgespan differed from for-profit business consulting: "At Bridgespan, we have had to learn to communicate consulting concepts more effectively. As opposed to corporate clients, the nonprofit managers we work with at Bridgespan rarely have business training. So, we need to be teachers, first explaining management concepts, then presenting the analysis and its implications." Hadley Mullin, a Bain consultant who rotated to Bridgespan before business school, found that, "working with nonprofits requires a very different communication style. Bain presentations are typically 'answer first,' which nonprofits can perceive as arrogant and noncollaborative. When we offer an initial hypothesis to guide our analysis, we may be perceived as thinking we know 'the answer' too early in the process."

Consultant Joanne Clain, formerly with Bain, discussed how her experience at Bridgespan compared with her expectations: "I'm still doing the same job—I'm still a consultant. We're still using the Bain tool kit, doing analysis, and making presentations to clients. But, the work just feels different. There is a new intellectual component and a very different approach to the problems and the client. At Bain, our work with corporate clients revolved around concrete, measurable outcomes such as profitability. Here, we're helping clients balance financial outcomes with less quantifiable mission-driven outcomes. We're constantly talking about how business frameworks fit with nonprofit issues and how they can be adapted. Although some might perceive our nonprofit work as 'softer,' I think it can often be more complicated."

Kelly Campbell, a former Bain manager, described issues unique to nonprofit consulting:

> There are distinctive challenges with nonprofit clients that require us to work differently from Bain. There is simply less data available, which makes our data-driven approach more difficult. Data utilization is different as well—nonprofits are more apt to consider data in an academic way rather than use it for decision-making. Because of the absence of clear financial incentives to change, client decisions often take longer and there is hesitancy to act. Pressure must come either from the internal ambition of managers or the demands of a funder. We have also found that we need to build on our own process skills because for many of our projects – especially those with small nonprofits – the work at the beginning is less about data analysis and more about helping the leadership team sort out what they are trying to accomplish.

The issue of implementation was an important one facing Bridgespan. Its focus on results placed a premium on helping clients implement new strategies. Bradach highlighted the challenge:

> It has become clear that our advisory phase is just a small part of the challenge of helping a nonprofit client implement a new strategy. Two other crucial ingredients are funding and new staff skills. I am concerned that we may work with a client to develop a compelling, high impact strategy, but then the Executive Director will have to spend the next several years trying to raise the money to fund the strategy. Increasingly, we are trying to look ahead from the outset to identify how the new strategy might be funded. Otherwise, what is the point? It is also clear that many of these organizations that have operated in a world of resource scarcity, which is typical of non-profits. Often there has been a systematic under investment in the infrastructure of the organization. In many cases, what is needed is not big strategic thinking but first an investment in basic infrastructure and growing and strengthening the staff.

Involvement with Foundations The interest in Bridgespan's work among foundations—as clients and funders to both Bridgespan and of grantee projects—was greater than expected. Bridgespan felt that foundations represented an important point of leverage for generating impact in the nonprofit sector. Tierney observed that "in many ways, foundations set the rules of the game for nonprofits –

they have a big impact on the flow of capital. It is important that Bridgespan help redefine those rules, especially at a time when so much new money is flowing into the sector."

Bridgespan's largest client was a major foundation. Bridgespan had completed a strategy project to assist the foundation in adopting a "venture philanthropy"-type approach to its grant-making – fewer grantees, bigger investments, and higher engagement with its grantees. As Bridgespan became involved in the implementation of this new strategy, the foundation had also agreed to a seven-figure engagement with Bridgespan to assist its high-potential grantees in developing their growth strategies.

Bridgespan partners were thinking through the implications of having an unexpectedly large proportion of projects funded by foundation partners. Currently, five out of six service delivery nonprofit clients fell into this category. Carttar noted, "This kind of relationship enables us to serve the kind of community-based nonprofits that that reside at the heart of the nonprofit sector. Furthermore, the consulting work is funded by the foundation and it is committed to making substantial grants to support implementation. This kind of relationship holds great promise for us." But, despite the benefits, the involvement of third-party payers added complications for Bridgespan. As Jeff Bradach commented, "managing the triangle of clients, funders, and the firm can be tricky. Questions arise, like 'who is the client?' To get the best outcomes, we need clients to be honest with us about their challenges. Sometimes having funders in the mix can make that difficult."

Staffing & Recruiting Bridgespan had hired some of the strongest performers from Bain on a permanent and rotating basis, and had also added non-Bain staff with strong track records. Interest in Bridgespan among pre-MBAs staff at Bain was particularly strong. Bridgespan consultant Joanne Clain had worked for Bain's Boston office and was considering leaving. Having studied public policy, she joined Bain hoping to obtain management skills that she could apply to the public or nonprofit sector. "When I heard Tom Tierney's voicemail," she said, "I thought, this is my dream job!" While at Bain, senior associate consultant Geoff Lieberthal founded a nonprofit that consulted to charter schools. He was thrilled about Bridgespan because, "now I could move from spending only 10% of my time with nonprofits as a volunteer to making it my full-time job and identity."

Bridgespan found aspects of staffing to be complex. Carttar observed:

> Managing our staffing mix between people with and without Bain experience and people on a permanent vs. temporary basis has turned out to be a big challenge. Originally, we expected virtually all of our staff to come from Bain, either directly or indirectly, but that has changed. We now expect that, steady state, around 60-70% of our staff will have prior Bain experience and that at least 60% of the total will be here on a permanent basis. Of course, the mix of Bain vs. non-Bain and permanent vs. rotating will vary at each staff level and will probably change over time.
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> At Bain, the value proposition for a Bridgespan Group rotation has been strong for pre-MBAs but is perceived as more mixed for more senior staff. Because pre-MBAs are usually expecting to leave Bain and attend business school, they are more likely to be focused on expanding their own experience bases—or differentiating their resumes—rather than on their current income. In contrast, post-MBA consultants, managers and partners at Bain are typically focused on building their business consulting careers and may perceive that a rotation at Bridgespan will take them off track. Time at Bridgespan also involves a significant pay cut—tougher for the more senior people who may have a family and mortgage. The implication? We may need to fill these levels with more non-Bain people than planned.

It was unclear how potential imbalances would be sorted out. One concern was that the mix could evolve to the point where senior staff with no Bain experience were managing junior consultants from Bain with no nonprofit experience. The partners were concerned about whether Bridgespan would be able to deliver Bain-quality results if the mix shifted too far in this direction.

The rotation program also posed challenges for staffing cases and building knowledge. Managers could find it difficult to match project time frames with the rotating cohort from Bain. Bridgespan needed to capture knowledge from outgoing staff and transfer it to the new cohort. Because of the turnover, some considered formal knowledge management even more critical than at Bain. Carttar noted that "the rotation program is central to our relationship with Bain and it is the source of unparalleled people and fresh ideas. We need to keep working on how to manage the program in a way that fits the needs of our enterprise and the needs of Bain's."

The recruiting pipeline depended on delivering quality experiences for consultants from Bain. Kelly Campbell commented:

> The work we do is just as rigorous as at Bain. For a cultural institution, we built a financial model that was as complex as those Bain does for corporate clients. For a foundation client, we designed due diligence and business planning techniques as sophisticated as those used by Bain's private equity group. We need to combat the view that Bain staff coming to Bridgespan will be off the Bain career track. We can't afford to have staff go back to Bain and say that Bridgespan was not a good experience. To prove we offer as strong a professional opportunity as staying at Bain, we communicate the quality of our work to Bain in several ways. We conduct the same performance reviews as Bain and share the results. A Bain committee will review our actual case work, and our board includes three Bain directors. In the end, if our teams are involved in high-impact work – projects that really deliver results and make a difference – and people are challenged to learn new things, then we will get all the top-notch people we can handle.

Organizational Culture Bridgespan's founders believed that creating a culture rooted in both the business and nonprofit sectors was extremely important. Bradach described the organization's culture and values:

> We have borrowed the best from Bain in terms of its values. We share its commitment to client results, its desire to redefine the consulting industry, its belief in the power of teamwork within the firm and with clients. We build on that. Our people often take a pay cut to join us and are committed to service and making a difference in the world. We tap into that idealism in the work we do. We also do service days regularly to both create an ethos of service and to keep us connected to the realities of delivering services in non-profit organizations.
>
> We value highly humility and respect for our clients. We believe we have a lot to offer, but we also recognize the complexity and enormity of the challenges faced by nonprofit leaders. We have a lot to learn from our clients. Finally, we are building a culture that is reflective, open to learning, and focused on developing new knowledge. Nonprofit management and nonprofit consulting are relatively new fields, at least compared to the for-profit world where bookstores are full of management books and a multi-billion dollar industry of consultants serve for-profits. We need to be able to produce new knowledge if we are to maximize our impact.

Bridgespan associate consultant Tamara Olsen came from a nonprofit organization described her experience in the Bridgespan culture as a non-Bain hire: "Having people with nonprofit industry experience is important. We can help people from Bain understand the nonprofit context and how to adjust their language to fit that culture. I haven't felt like an outsider being a non-Bain person. As soon as I was hired, I was immediately immersed in the Bain way through the training program, which was valuable for learning both the analytical tools and the culture. Bain people have been welcoming and curious. The expertise of Bain colleagues and the Bain tool kit are great resources to draw upon."

The Bain Relationship The partnership between Bain and Bridgespan was considered by both firms to be of critical importance. "Managing the Bain relationship is a big part of my job," said Jeff Bradach, "in fact, I keep a well-worn folder in my top desk drawer titled Contributions to Bain, to track the ongoing benefits we at Bridgespan deliver for Bain. Bain provides a tremendous amount to us, and we need to make sure we are helping them, too." At Bain, Boston Managing Director Phyllis Yale also considered the relationship a priority: "I'm working to institutionalize my enthusiasm and support for Bridgespan. In my communications to partners and staff, I celebrate Bridgespan's successes as if they were our own."

Phyllis Yale discussed administrative issues that the two firms tackled as the partnership began: "We had to work up front on the nitty-gritty policies to make Bain's human resource systems, knowledge base, and training opportunities seamless and accessible to Bridgespan people. We tried to anticipate questions that would come up. For example, in the area of compensation and benefits: should staff rotating outside Bain to Bridgespan have the same vesting in client equity that we provide to Bain consultants who remain here or rotate within Bain to the Sydney office?"

Tom Tierney discussed what Bain received for its investment:

> Bridgespan helps with Bain's recruiting. Like Bain Capital, Bridgespan differentiates Bain on campus and helps us attract consultants. Even if people never go there, the opportunity exists and they can take pride in its accomplishments. Bridgespan also helps with staff retention. To keep people at a professional service firm like Bain, we need to create a wide variety of interesting career options. Finally, Bridgespan reinforces Bain's core values of results, entrepreneurship and teamwork.

David Bechhofer found another benefit: "Bain does not do pro bono work or sponsor Bridgespan for business development purposes per se. But it does give us something interesting to talk about with our CEO clients, who are often involved with nonprofits. It doesn't sell business but can reinforce relationships."

Along with mutual benefits, the Bridgespan-Bain relationship held risks. Phyllis Yale commented: "When we started Bridgespan, we actually made a list of the potential tensions that could arise between us. Going in, we knew where our interests might not be aligned. So, the partners in both firms need to work together to manage through those problems." For example, she noted that Bridgespan could hire too many staff from Bain: "In Boston, some of our best people—some of our most capable SACs and one of our strongest managers—have joined Bridgespan. That can pose a short-term challenge for staffing our corporate clients when we're sold out." (As it was, top consulting firms faced major labor market competition, with desirable candidates increasingly opting for internet companies and other start-ups.) On the other hand, there was a risk to Bridgespan not taking enough Bain people, according to Yale: "If only SACs rotate to Bridgespan—but no consultants, managers or partners—then that will not be good for Bain either. As Bridgespan hires more non-Bain people, there will be less overlap between the firms in consultant's skills and culture."

Bridgespan associate consultant Tamara Olsen described the balance the firm needed to strike: "Each of our stakeholders—clients, Bain, our staff and funders—could potentially pull us in different directions if we don't set up a strong overarching mechanism to keep aligned. They are like four overlapping circles, and we need to hit and maintain the spot where all four line up with our mission. If we work it right, all can be aligned. But it will require a lot of energy and effort."

Optimizing Impact

The partners at Bridgespan were encouraged by the accomplishments of the young firm—they were delivering. Considering the future of The Bridgespan Group, Bradach asked, "Given where we are now and what we've learned, how can we best fulfill our mission of creating impact in the nonprofit sector?" Bradach and the Bridgespan partners saw three areas where the firm faced decisions that could influence its ultimate impact. These areas were client mix, growth, and knowledge sharing.

Client Mix

Significant decisions lay before Bridgespan about what types of clients to serve. The firm had decided to serve both foundations and service delivery organizations in order to impact the sector at multiple levels and increase the rate of learning. As opposed to a firm that specialized in one segment, this client variety required Bridgespan to be versatile and maintain a wide range of capabilities. Choices about client mix and type of services provided had implications for the talent that Bridgespan needed to recruit and develop within the firm. Bradach pondered the question:

> What should our client portfolio look like? Should we be serving small nonprofits, large nonprofits, and foundations or should we focus on a particular segment? Our current thinking is that it is important to serve all three – because they are all interwoven. However, more than one person has said that if we wanted to maximize our impact we would focus just on foundations – a critical actor in the nonprofit capital market that dictates so much of what happens in the sector.
>
> Another important question is whether to try to replicate the relationship we have with our major foundation client where we are now working with its grantees. Perhaps we should only be in the "wholesale" business – identifying and working with clients through these foundation relationships – and not work with nonprofits on a "retail" basis. It simplifies greatly the client selection process – foundations are in the flow of good opportunities – and it provides a compelling economic model for funding the consulting work and implementation.

Growth

Bridgespan faced decisions about what size and growth strategy would support their ability to achieve maximum impact. The firm was already larger than most nonprofit consulting firms. How big should Bridgespan be and how long should they take to get there? What would it take to build a strong organization and maintain high quality? What new challenges would surface as Bridgespan became a multi-site organization? Bradach discussed some of the issues:

> We are growing rapidly and have discussed the possibility of eventually growing to 100 or so total staff in Boston and San Francisco. We're committed to expanding no faster than the rate at which we can find high-caliber people to lead our teams and do our style of consulting. The key challenge is recruiting post-MBA consultants, particularly case team leaders and managers. Bain is struggling to attract and retain these people, so it is no surprise that we face that same challenge. I'm concerned that Bridgespan may be approaching the limit of how many people we can recruit from Bain. But what are the implications of shifting the mix toward more people without Bain experience? We've seen some very talented external candidates, but need to ensure they have Bain-like capability and deeply understand our approach. It takes years to develop a skilled Bain-quality consultant, so we cannot take lightly a shift from obtaining most of our people from Bain to "making" them

> ourselves. In addition, with less Bain overlap, there is some risk that we will drift apart, yet our core proposition depends on Bain. We'll need to be vigilant to maintain a strong relationship.

Tom Tierney commented on the challenges of growth:

> Bridgespan needs Bain in order to reach its potential. The goal is to provide a sustainable, high quality resource customized to the nonprofit sector. That resource is built on the best strategy consulting skills and tools around—Bain's—and Bridgespan's ability to go down Bain's learning curve rather than start its own. The access to Bain's people and knowledge is critical. A consulting firm is only as good as its people. There is a risk that the Bain-Bridgespan relationship could atrophy out of modest neglect, if the players on either side don't make it a priority. But the goodwill we've generated and the committed personalities involved will help avoid this. Perhaps a greater risk is the challenge of growth. Bridgespan is moving fast to be a leader and seize the opportunity for impact emerging in the sector. But, we could be growing too fast. Bridgespan does not face financial risk now, but there is a risk that we become overextended given the breadth of opportunities.

Knowledge Sharing

The partners at Bridgespan were also concerned with elements of Bridgespan's mission that went beyond direct consulting work for clients. How extensive should the firm's other activities, like knowledge sharing, be? What other ways could the firm have impact in the nonprofit sector? Bradach noted that:

> Based on our strategy, we need to consider complementary activities that will support change in the sector. One area we are committed to is knowledge sharing and dissemination. Building the knowledge base on nonprofit management issues and sharing it with people in the sector can have a huge impact. We've taken initial steps to launch this effort, but questions remain about the content, the vehicles and the target audiences. How much should we invest in this? How can we create a culture of reflection in our consulting operation and channel those insights into our knowledge sharing operation? Should we commit significant resources to publishing and training endeavors aimed to leaders in the sector? Are there other activities beyond knowledge sharing that we can provide to reduce barriers to performance in the sector? For example, many of our engagements have identified new skills that will be required to take their organizations to the next level. Should we develop an executive search capability to help find people with those skills?

There was a lot to think about. The Bridgespan partners realized that the decisions the team was making every day would have a significant influence on their ultimate ability to deliver on their mission. Bradach noted that "We don't want to find ourselves five years from now having missed opportunities to realize our full potential. We need to be creative and capitalize on opportunities to help leaders in the nonprofit sector achieve their dreams to make a difference and to pursue our desire to make as great a contribution to the sector as possible."

Exhibit 1 The Consulting to Nonprofits Industry

Bridgespan's research and a Harvard Business School study[2] indicated that although the nonprofit consulting industry was complex, underdeveloped and fragmented, it was evolving.

Nonprofit Clients Of the sector's 1.4 million organizations, one million were "public-serving" nonprofits accounting for over $600 billion in annual revenue. Some 500,000 of these were direct service delivery organizations and 54,000 were foundations and financial intermediaries. Several characteristics, such as size, revenue mix, industry, life-cycle stage, geographic scope and management culture could influence an organization's management challenges and consulting needs. Demand for consulting in the sector had grown in response to increasing pressure on organizations to improve their management and performance, that included:

- scrutiny of nonprofit organizations and foundations about their use of public funds and the concomitant need to measure results
- concern about the capacity of nonprofits to effectively go to scale
- competition for funding among proliferating nonprofits and for market share from for-profits entering historical nonprofit industries
- demand for innovative revenue-generating and cost containment activities
- recognition among nonprofit managers, funders, and scholars that social impact requires both program and organizational effectiveness

Consulting Providers The nonprofit consulting industry's complexity reflected the array of industries and the diversity of organizations that constituted the nonprofit sector. Bain's research showed that some 3,000 providers delivered consulting services to U.S. nonprofits, generating $600 million in annual revenue. These consultants could be segmented along several dimensions, such as whether they charged fees, their size, industry served, tax status, type of services provided and geography. The most common provider of consulting services was the solo practitioner, followed by small boutique firms, both for-profit and nonprofit, employing several to 20 staff and serving mostly local markets. Large business consulting firms like Bain, for the most part, offered pro bono services. Other intermediaries, such as volunteer brokers and management support organizations, rounded out the industry. (See chart at end of this exhibit for a description of the basic attributes of each provider category.)

Differences from Business Consulting In comparison to business consulting, several factors complicated management consulting in the nonprofit sector. Together, these issues limited the efficiency of the nonprofit consulting market and posed challenges to the effectiveness of individual engagements. Consulting to nonprofits differed from business consulting the following ways:

1. Both client staff and consultants often had less education or training than business counterparts in either management skills or the use and provision of consulting.
2. Some in the nonprofit sector were leery that business concepts associated with management consulting would threaten the values of social-purpose organizations.

[2] Heiner Baumann, John Kalafatas, Stephanie Lowell, Shivam Mallick, & Ndidi Okonkwo, *Consulting to Nonprofits: An Industry Analysis* (Harvard Business School Field Study, advised by Bob Burakoff, April 1999)

3. Multiple bottom lines and difficulty measuring performance of nonprofits made it hard for consultants to drive clients toward objective results or demonstrate project effectiveness.

4. The wider array of stakeholders in a nonprofit made it difficult to identify the real "client" or clearly diagnose and gain consensus on the problem consultants were engaged to solve.

5. The general lack of discretionary income among nonprofits made it hard for many organizations to afford consulting, or other professional services.

6. The lack of scale among both clients and providers in the nonprofit sector relative to those of the business sector limited the impact of the industry.

7. The industry could be characterized as an inefficient or underdeveloped market, exhibiting poor information about providers and their quality, a lack of extensive competition for projects, unclear channels for connecting providers and clients, and low barriers to entry.

8. Lacking resources, nonprofits often did not pay for consulting, receiving pro bono work or asking third-parties to subsidize projects, potentially distorting consultant-client accountability.

9. Knowledge of best practices in the field of nonprofit management—among organizations, consultants, intermediaries, and academics—was less advanced than it was in business.

Exhibit 1 continued

Consulting to Nonprofits: Provider Categories

Category	Attributes
Large Business Consulting Firms	For-profit firms, focused on business sector clients
	Ranging in scale from 25 to thousands of staff
	Most (Bain, BCG, McKinsey, Monitor) pro bono; some (AT Kearney, PWC) charged fees
	National presence
	Smallest segment (only 40 firms) but highest profile
Nonprofit Boutiques	Nonprofit tax status, dedicated to nonprofit clients only
	From several to 20 staff
	May charge full fees, discounted fees, no fees
	Local or regional presence
For-Profit Boutiques	For-profit tax status, dedicated to nonprofit clients only
	From several to 20 staff
	Charge clients full fees
	Local or regional presence
Solo Practitioners	Typically for-profit status, nonprofit clients only
	One-person shop
	Most common provider type (over 2,000; 31% of market revenue)
	Local or regional presence
Volunteer Brokers	Nonprofit status, nonprofit clients only
	Groups organizing executive volunteers or business school student or alumni volunteers
	Local or regional presence
Management Support Organizations	Nonprofit intermediaries, focused on field building in a particular industry or sector-wide
	Nonprofit clients only
	Array of capacity-building resources: consulting, training, technical services, publications
	Local or regional presence

Exhibit 2 Board of Trustees

Elaine Chao is former Chief Executive Officer of the United Way and former Director of the Peace Corps. She is also a distinguished Fellow of the Heritage Foundation.

John Donahoe is the Worldwide Managing Director of Bain & Company. As Bain's senior executive, he is responsible for the more than 2,000 employees serving clients in 25 offices around the world. With Bain since 1982, he has been a leader in the practice areas of insurance, transportation, and e-commerce, and is the former head of Bain's San Francisco office. He also serves on various nonprofit boards in the San Francisco Bay Area.

Brian O'Connell is a Professor of Public Service at Tuft University's Lincoln Filene Center. He is also Co-Founder and former President of the Independent Sector.

Thomas Tierney (Chairman) is the former Worldwide Managing Director of Bain & Company. An expert in leadership, strategy development and management of service firms, he is also very active in the nonprofit sector, serving on several national boards of directors.

John Whitehead is the Chairman of the Goldman Sachs Foundation and was formerly Chairman of AEA Investors, Inc., Chairman and Senior Partner at Goldman, Sachs & Company, Chairman of The Federal Reserve Board of New York, Chairman of the Andrew W. Mellon Foundation, and Deputy Secretary of State.

Phyllis Yale is the Managing Director of Bain & Company's Boston office. Since joining Bain in 1981, she has been a leader in Bain's healthcare and financial services practices. Her nonprofit experience includes consulting for nonprofit hospitals, working with local Boston agencies on a pro bono basis, and serving on the boards of several local nonprofits.

Exhibit 3 Board of Advisors

Greg Dees is the Peter and Miriam Haas Professor of Public Service, Stanford University. He is also director of the Center for Social Innovation, Stanford Graduate School of Business.

Jed Emerson is President of the Roberts Enterprise Development Fund. He is also the Bloomberg Senior Lecturer at Harvard Business School.

Jan Masaoka is Executive Director of CompassPoint Nonprofit Services, San Francisco, California. Compasspoint is one of the nation's leading nonprofit management consulting firms to nonprofit organizations.

Ed Skloot is Executive Director of the Surdna Foundation.

Exhibit 4 Management Team

Jeffrey L. Bradach (Managing Partner) has been a professor at the Harvard Business School for the past seven years, where he has specialized in leadership and social enterprise. He has published a book, several articles, and many cases on franchising, human resource management, strategic alignment in organizations, and going-to-scale in the nonprofit sector. In addition to teaching numerous executive education programs for private-sector and nonprofit executives, he has consulted extensively in both sectors, and sits on the boards of directors of several for-profit and nonprofit organizations. He worked as a consultant at Bain before graduate school. He received his BA from Stanford University and his MA and Ph.D. from Harvard University.

Paul L. Carttar (Partner) is a former Vice President at Bain & Company who prior to joining Bain served in both the public and nonprofit sectors. Noteworthy positions included special assistant to Ambassador Arthur F. Burns at the US Embassy in Bonn, Germany, budget analyst for the US Senate Budget Committee, and community liaison on the Brooklyn, NY staff of the late Allard K. Lowenstein. In recent years, he has held executive management positions in the healthcare industry, most lately as chief operating officer of a national physician practice management company. He received his BA from the University of Kansas and his MBA from Stanford University.

Susan J. Colby (Partner and San Francisco Office Head) recently left Pharmacia (previously Monsanto) as President of the Sustainable Development Sector, a for-profit business development initiative that developed economically, environmentally, and socially viable solutions for sustainable agriculture. Prior to Monsanto, Susan spent ten years at McKinsey & Company, where she co-founded the North American Environment Practice, serving clients in the areas of environmental management and strategy. She also served foundations and environmental NGOs on a pro bono basis and worked with clients in the financial, consumer goods, and energy industries. Susan is an advisor and board member for several nonprofits. She began her consulting career at Bain, prior to earning her MBA from Stanford University and is a graduate of The American University.

Seth A. Barad (Partner) recently left Providian Financial, where he was Executive Vice President and was responsible for seven businesses. He grew the customer base from 200,000 to over 6 million, and managed all aspects of marketing, credit, operations, and systems with a staff of over 5,000. He was also instrumental in creating internal training programs that developed future leaders for the company. He has served on the boards of several for-profit and nonprofit organizations. Seth began his career as a consultant and manager at Bain. He is a graduate of Tufts University and earned his MBA from Harvard Business School.

Margaret Boasberg (Manager) recently left Homeportfolio.com, as the director of business development and strategic alliances. Prior to Homeportfolio.com, she worked at Bain for six years as a consultant. In graduate school, she co-founded and ran a non-profit organization to train and finance entrepreneurs in economically depressed East Palo Alto, California. She earned her BA from Yale Univesity and MBA from Stanford University.

Kelly L. Campbell (Manager) was a Bain manager who served in Bain's Boston, Sydney, and Seoul offices, assisting clients in a variety of industries, including work on nonprofit strategy and government privitization. Prior to Bain, she worked with the public sector consulting division of Price Waterhouse in Washington, DC, advising public and private organizations on business strategy and process redesign. She earned her BS from Stanford University and her MBA in Finance from the Wharton Business School.

Stephan Bissig (Team Leader) was a Bain consultant who had worked in the London and Sydney offices. While at Bain, he worked with clients in the financial services, manufacturing, and entertainment sectors. After graduate school, he spent several months working with SOS Kinderdorf Children's Villages in Latin America on strategic issues. He earned his undergraduate degree at University of Fribourg and an MBA from Harvard University.

Mara F. Wallace (Team Leader) was a Bain consultant from the San Francisco office. During her time at Bain she worked with clients in industries such as telecommunications, consumer products, and retail. For the past two years, her work has focused almost exclusively on the nonprofit sector, providing strategic consulting services to KQED, Inc.—the Bay Area's public radio and television station—and assisting in the development of the business plan for The Bridgespan Group. Prior to Bain, Mara spent six years as a manager in nonprofit organizations ranging from healthcare services to magazine publishing. She holds a BA from the University of Michigan and an MBA from Columbia Business School.